

SANLORENZO



**2021 CONSOLIDATED
NON-FINANCIAL STATEMENT**

ENVIRONMENTAL | SOCIAL | GOVERNANCE

CONTENTS

BACKGROUND	004		
THE VALUE OF OUR RESULTS AND HOW WE HAVE ACHIEVED THEM	008		
BACKDROP	012		
LUXURY YACHTING IN ITALY	014		
THE CATALYSTS FOR CHANGE	016		
SANLORENZO GROUP'S RESPONSE	018		
1 SANLORENZO GROUP	020		
TIMELESS VALUES	022		
THE ROOTS OF THE GROUP	026		
"YOUR VISION, OUR CRAFT"	032		
SANLORENZO GROUP PERFORMANCE IN 2021	035		
2 THE GROUP'S APPROACH TO RESPONSIBLE DEVELOPMENT	040		
ACCOUNTABILITY, INTEGRITY AND TRANSPARENCY	042		
RESPONSIBLE DEVELOPMENT MANAGEMENT	050		
AREAS OF FOCUS	052		
LISTENING TO STAKEHOLDERS	053		
3 COMMITMENT TO THE PRODUCTION PROCESS	058		
PROMOTING AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN	060		
FOCUSING ON THE ENVIRONMENT IN PRODUCTION PROCESSES	070		
TALENT AND EXPERIENCE	088		
		4 COMMITMENT TO THE PRODUCT	106
		UNIQUENESS, ENDLESSNESS AND UNPREDICTABILITY	108
		CONSTANT SEARCH FOR INNOVATION	110
		ENSURING QUALITY AND SAFETY ON BOARD	116
		EXCLUSIVE RELATIONSHIP WITH SHIPOWNERS	117
		5 LINK WITH THE LOCAL COMMUNITY	126
		A KEY PARTNER FOR THE LOCAL COMMUNITY	128
		ART AND DESIGN	133
		ANNEX	136
		METHODOLOGICAL NOTE	154
		GRI CONTENT INDEX	154

BACKGROUND



BACKGROUND

This is the second Consolidated Non-Financial Statement (hereinafter “NFS”) prepared by the Sanlorenzo Group (hereinafter the “Group”) starting from the listing of the Group Leader, Sanlorenzo S.p.A. (hereinafter referred to as “Company”), on the Euronext STAR Milan segment of Borsa Italiana S.p.A., which took place in 2019.

This Non-Financial Statement was prepared pursuant to Italian Legislative Decree 254/2016 (hereinafter the “Decree”), implementing European Union Directive 2014/95/EU, which requires public-interest entities, as defined under Article 2(1) of the aforesaid Decree, to submit a report of a non-financial nature in each financial year.

This NFS was prepared on a consolidated basis in compliance with the provisions of Article 2(2) of the Decree. As a result, the reporting scope includes parent company Sanlorenzo S.p.A. and all the Group’s subsidiaries (for further information, see “Methodological Note”).

Even though it was prepared as a separate document from the “Report on Operations” and the Group’s annual financial reports, the NFS forms an integral part of such documentation.

Consistent with the specific requirements of Articles 4 and 5 of Legislative Decree 254/2016, the NFS focuses on the performance of and actions and initiatives developed and/or supported by the Sanlorenzo Group in relation to the Group’s topics of concern, including the environment, social issues, personnel management, respect for human rights and the fight against corruption and bribery.

Consistent with the financial reporting time horizon, the NFS reporting period runs from **1 January** 2021 to **31 December** 2021. An overview is also provided regarding the quality and extent of information pertaining to the previous two financial years, the purpose being to ensure, where possible, broad **comparability and a comprehensive view** of the Group’s performance **over time**.

Qualitative and quantitative information was prepared and is reflected in the document in accordance with the **GRI Standards** of the Global Reporting Initiative¹, according to the “In accordance - Core” reporting option.

Meeting the requirements of GRI Standard 101 Foundation, reporting is based on the principles of (i) **materiality, thoroughness** and **balance** of information, highlighting both positive and negative aspects; (ii) **clarity, transparency** and **reliability** in presenting and processing the information collected and the calculation methods used; and (iii) **inclusiveness** and **listening to the needs** of internal and external **stakeholders**, including by carrying out a **context analysis** aimed at identifying sustainability mega-trends shaping the Group’s target industry. It should be noted that the process and the results of the materiality analysis are dealt with in Chapter 2, in a section covering “Focus areas”, and to a more detailed and technical extent in the Annexes to the Methodological Note. In addition, an in-depth discussion of the material issues covered in the specific chapter is provided at the end of Chapters 2, 3, 4, and 5 of this NFS. These sections set out the significance of the issue for the Group and its stakeholders; the impact of the issue across the value chain; related risks and opportunities; the policies, programmes and any certifications obtained in the social and environmental fields.

In addition, the following key external references are relied upon: The **Agenda 2030 for Sustainable Development**² of the United Nations and its **Sustainable Development Goals** (SDGs), to which the Group is committed and undertakes to contribute, directly and indirectly, and the **Ten Principles of the Global Compact**³ of the United Nations. The SDGs, Global Compact Principles, and GRI indicators relied upon are explicitly noted within the materiality fact sheets at the end of each chapter.

Finally, it should be stressed that this document was submitted to a limited external review by BDO Italia S.p.A., in line with the criteria set out in ISAE 3000 Revised - “International Standard on Assurance Engagement”.

NOTE

¹ The Global Reporting Initiative (GRI) is an independent international organisation whose mission is to define standards for reporting on the sustainability impacts of public and private organisations. The GRI defines “universal standards” and “specific standards” on the three dimensions of environmental, social and economic sustainability. The GRI Standards are recognised worldwide as the main frame of reference for non-financial reporting. The application of GRI Standards is voluntary. The Standards propose multiple indicators, enabling organisations to comply with national and international best practices in sustainability reporting. This document refers to the updated 2016 version of the Standards (made available in Italian for the first time in 2018), with the exception of GRI indicators 303 “Water and Effluents” and 403 “Occupational Health and Safety”, updated in 2018.

² More in-depth information is provided in the “Areas of Focus” section.

³ The Global Compact is a voluntary United Nations initiative aimed at guiding companies around the world towards adopting sustainable business practices and working with UN Agencies to achieve sustainable development goals. The 10 principles of the Global Compact are a call to action for all companies to define strategies and operations that respect human, labour and environmental rights and adopt fair and equitable behaviour.



SANLORENZO

THE VALUE OF OUR
RESULTS AND HOW
WE ACHIEVED THEM



Dear fellow stakeholders,

2021 was an extremely rewarding year for the yachting industry, especially so for Sanlorenzo, as the Group scored double-digit growth in all economic parameters and saw a significant increase in the number of projects across all its business units.

However, major achievements come with major challenges. Among these was the Covid-19 pandemic ravaging the world over — which required extraordinary measures to be adopted this year as well to ensure the protection of employees and contractors — and the reduced availability of raw materials. Two circumstances that required extraordinary efforts to be made in order to avert any impact on turnaround time and the quality of our products.

The year just ended provided some meaningful important insights. While the world is still facing a pandemic, businesses need to keep their eyes on medium/long-term goals such as combating climate change, achieving equity and reducing inequality.

Even though we are strongly geared towards the present, every action is likewise future-oriented.

It is with this in mind that we have continued to focus on our path towards responsible development, which plays an increasingly key role in the daily activities in which all of us engage as sustainability progressively integrates into our corporate strategy and business operations.

Our R&D and Sustainability Function launched and carried out a large number of projects with a view to ensuring increasingly environmentally friendly yachts in the years to come.

In this connection, a noteworthy endeavour is to be found in the strategic partnership entered into on an exclusive basis with Siemens Energy; the ultimate goal being to build the first 50-metre yacht with on-board hotellerie powered by fuel cell and the first superyacht with diesel-electric propulsion by 2024.

In addition to its commitment to the product, our Company is taking giant strides in promoting sustainability. To this end, it has adopted a holistic approach based on a well-defined strategy with a keen eye on the production process, human resources and the supply chain.

In 2021, the Group's latest facility also obtained ISO 14001 certification, completing the implementation of an environmental and occupational health and safety management system covering all group facilities. This endeavour was combined with a medium-term plan to increase the supply of energy from renewable sources by installing photovoltaic cells at the other shipyards, in addition to those already operating at the Ameglia shipyard.

With a headcount in the region of 600 employees (and 3,000 active suppliers) in 2021, the focus on people is strong and growing. Proof of this are the more than 2,500 hours of training delivered during the year to Sanlorenzo employees, as well as the expansion of the Sanlorenzo Academy project, with training sessions also being attended by our managers and employees as teachers.

In 2021, we launched a sustainable supply chain management project aimed at (i) measuring and monitoring suppliers' ESG performance over time, and (ii) outlining a path for growth and mutual improvement by sharing the principles and best practices underlying responsible development.

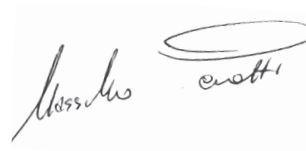
A number of projects involve human resources employed directly by the Group, including (i) a diversity and inclusion training course — which has already been delivered to more than 130 people and which we plan to extend to all company personnel during 2022 — (ii) continued development of the corporate welfare model and (iii) the establishment of joint working committees.

The opening of a vaccine hub in June 2021 at the Ameglia shipyard is also worth mentioning. It allowed Covid-19 vaccination to be administered to both our own employees and contractors' employees.

Last but not least, I feel duty-bound to underscore the support provided by all the local, national and international entities that collaborate with us every year.

This and much more is reflected in our NFS, a document intended for all our stakeholders that, not without pride, I encourage you to read.

Massimo Perotti
President and Chief Executive Officer




BACKDROP

LUXURY YACHTING IN ITALY
THE CATALYSTS FOR CHANGE
SANLORENZO GROUP'S RESPONSE



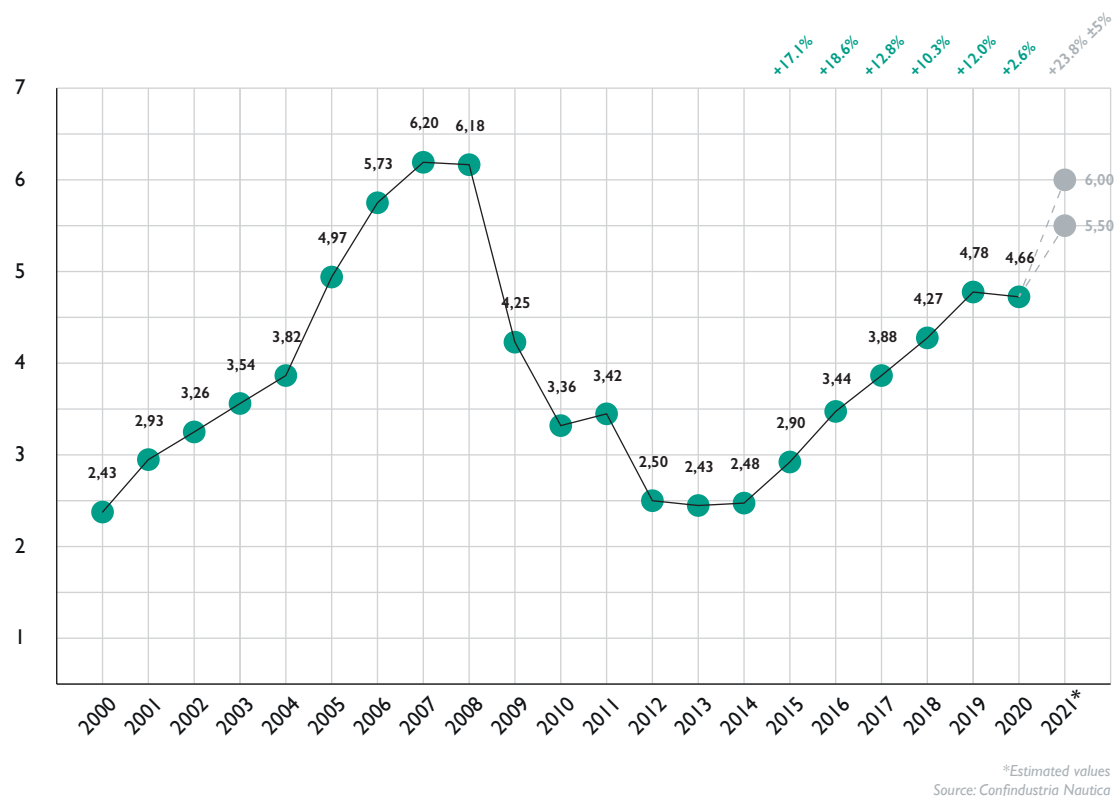
LUXURY YACHTING IN ITALY¹

The yachting industry consists of the following segments:

- Shipbuilding, which includes both the construction and import of new recreational boats – which is in turn broken down on the basis of specific product categories – as well as refitting², repair and boat storage services;
- Accessories and components;
- Engines.

Shipbuilding intended for recreational yachting, especially luxury yachting, is a key production industry for Italy in terms of both economic performance and employment, considering the country's significant wealth of craftsmanship in design, production and outfitting of yachts and superyachts³.

CHART I - TOTAL TURNOVER OF YACHTING INDUSTRY IN ITALY, 2000 - 2021



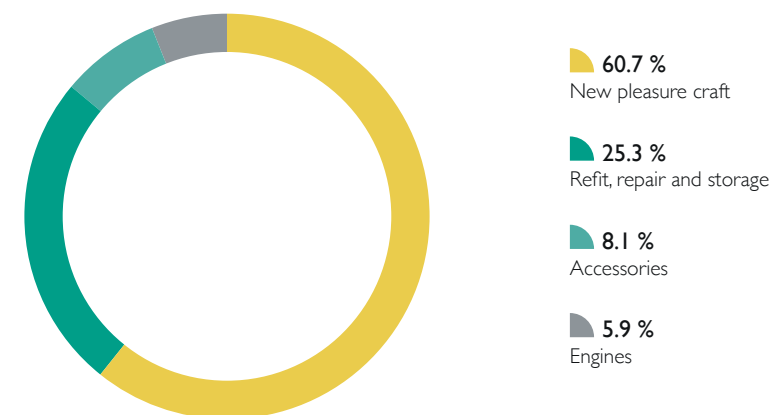
The significant growth in exports, as well as the increase in the order book of shipyards operating in the superyacht business, coupled with the positive trends in the marine accessories and engines sector; are the driving factors behind this growth.

Thanks to its high level of specialisation in the yacht and superyacht shipbuilding industry, Italy is recognised as a world leader not only with respect to size, but also in terms of competitiveness on a global scale, exports and positive balance between exports and imports. Despite the impact of the Covid-19 pandemic, which has taken a heavy toll on all sectors of Italy's manufacturing landscape, the yachting industry has posted strong economic results over the last two years, with an industry-wide turnover standing at € 4.66 billion in 2020 and growing by more than 23% in 2021, reaching around € 6 billion (see Chart I).

More specifically, **shipbuilding relating to new recreational boats** accounts for 60.7% of the total turnover of Italy's marine industry (see Chart II).

With regard to Italy's foreign trade, recreational and sports boats were among the most exported product classes in the last year, with an export value of **€ 2.1 billion in 2020** (down 8.5% over 2019 and up 146.6% over 2000).

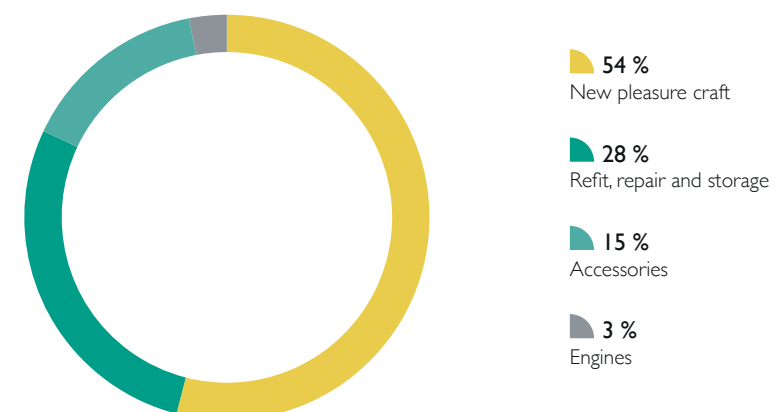
GRAPH II - BREAKDOWN OF TOTAL TURNOVER OF YACHTING INDUSTRY IN ITALY BY SECTOR



On the other hand, with respect to the marine industry's impact on the labour market, 2020 saw an **increase in employment levels in the industry** of 2.4% over 2019, totalling approximately **24,000 employees**. This figure includes direct employment of approximately 22,000 employees and 2,110 equivalent workers⁴.

Of the total number of employees, 54% are employed in the shipbuilding sector dealing with the production and import of new recreational boats (see Chart III): 50% of employees and around 70% of external workers. Overall, the contribution⁵ of Italy's marine industry to the country's GDP is around **€ 4 billion**, showing a slight decrease in 2020 compared to 2019 (-1.3%).

GRAPH III - EMPLOYMENT CREATED IN 2020, BY SECTOR



THE CATALYSTS FOR CHANGE

The growing awareness of the environmental and social impact caused by the marine industry throughout the product life cycle – both in the yacht production phase and in the following phases of use and end-of-life management – is leading to significantly stricter regulations at a European and international level with the aim of addressing, based on the adoption of a precautionary approach, the major ethical and

environmental issues with respect to which urgent action is needed. The environmental, social and economic sustainability mega-trends that primarily affected the marine industry, nationally and internationally, during 2021 are shown below, with an overview also provided in the infographic below.



INSIGHT

The Burmese teak issue

1 In the yachting industry, Burmese teak (Myanmar) has always been preferred, as it is renowned for its mechanical and aesthetic features. On 1 February 2021 a military coup took place in Myanmar to overthrow the then incumbent government. In order to prevent any form of direct or indirect financing of the military regime responsible for the *coup d'état*, the Council of the EU promulgated **EU Regulation 2021/998**⁷

which prohibits the import of said type of teak. However, since the regulation is not retroactive in nature, it does not sanction procurements commissioned and paid for prior to the effective date of the regulation (21 June 2021). As a result, several stocks of Burmese teak⁸ are still in circulation. While its use is legal, it could nevertheless cause reputational risks for shipyards obtaining supplies thereof.

Yacht end-of-life management

2 In 2009 the IMO adopted the **Hong Kong Convention**. Although it has not yet become effective, it sets out provisions on the design, construction, operation, maintenance and recycling of ships and aims to ensure that ships, once they reach the end of their operational life, do not present unnecessary risks to human health, safety and the environment.

Based on this Convention, the EU subsequently adopted **EU Regulation 1257/2013** on ship recycling, which aims to “enhance safety, the protection of human health and of the Union marine environment throughout a ship’s life-cycle, in particular to ensure that hazardous waste from such ship recycling is subject to environmentally sound management.”

Impact of the yachting industry on climate change

3 Today, the portion of CO_{2eq} (mainly CO₂, but also CH₄ and N₂O) emissions attributed to total shipping (international, domestic shipping and fishing) is 2-3% of total global GHG emissions. CO_{2eq} emissions generated increased from 977 million tons in 2012 to 1,076 million tons in 2018, an increase of 9.6%⁹. With special reference to yachts and superyachts, the resulting impact is particularly significant in the use phase of the vessels, both under normal and slow navigation conditions. The IMO, on the basis of the Paris Agreements, has defined a target for **reduction of GHG emissions of 50% by 2050**

(compared to 2008 levels). This requires a transition to non-fossil fuel energy sources with reduced pollutant content, including biofuels, electricity, methanol, ammonia and hydrogen. Regulators are also considering **creating coastal strips where navigation will** only be at zero impact in terms of emissions. This will require that all vessels be equipped with at least hybrid propulsion systems. With regard to NO_x, SO_x and PM emissions – generated by the operation of fossil fuel engines – the reference regulation is Annex VI of the **International Convention for the Prevention of Pollution from Ships (IMO)**, also known as MARPOL.

Biofouling and the use of antifouling paints.

4 Biofouling results from algae, bacteria and other small invertebrates growing on marine surfaces (e.g. hulls). Through navigation they reach different marine areas and become alien species harmful to native ones. In order to address this phenomenon, antifouling paints containing biocides, i.e. chemicals classified as harmful to the marine environment, were often used. The IMO has developed special Guidelines that set forth increasingly stringent limits on the use of non-biodegradable

biocides: to date, the use of only 4 types of biocides is legally permitted, compared to about 14 a few years ago. Research and development endeavours in this field include, on the one hand, the production of paints by relying on different resin technologies to control the release of biocides into the water and, on the other hand, the development of techniques for encapsulation or co-formulation of biocides with other compounds to mitigate their impact on the marine environment.

Combating illegal recruitment in the marine industry

5 The fight against illegal recruitment in the marine industry – especially in Italy – is a key issue. Locally referred to as ‘caporalato’, illegal recruitment includes

such conduct as **labour exploitation** and **abusive labour brokering**, a particularly widespread practice in the farming industry as well as the marine industry.

SANLORENZO GROUP'S RESPONSE

The following infographic provides an overview of the main projects and efforts completed or being completed by the Sanlorenzo Group to address the main issues of environmental, social and economic



THE GROUP'S RESPONSE TO KEY SUSTAINABILITY CHALLENGES FOR THE MARINE INDUSTRY

1

Procurement of raw materials

- Prevention of delays in the delivery of raw materials by suppliers, through continuous planning – to anticipate the actual needs related to production – and verification of supplier operations and supplier diversification (ref. Chapter 3)
- Testing the use of alternative timbers, such as teak from other countries (Thailand, Indonesia); other types of wood; bamboo; laminates; synthetic material (ref. Chapter 4)

2

Sustainable design

- Interventions on the use of environmentally friendly materials (ref. Chapter 4):
 - a. Analysis of the use of fabrics, for external upholstery, derived from PET recycled from plastic bottles
 - b. Partnership for the use of a type of leather subjected to natural and odorless tanning processes that do not involve the use of chemicals
 - c. Tests on lightweight coconut, jute, or cotton pressed paneling
 - d. Basalt fiber bulkheads to reduce fiberglass paneling
- Interventions to reduce energy consumption in the production phase (ref. Chapter 3):
 - a. Extension of the photovoltaic system at the La Spezia shipyards
 - b. Pilot project for the implementation of two heat pumps for heating during the painting phase
 - c. Commissioning of the hot water radiant strip heating system at the Massa shipyard
 - d. Measurement of consumption in certain sections of the company premises using ad hoc metres
- On-board energy efficiency (ref. Chapter 4):
 - a. Use of double glazing to reduce heat transfer by more than 70%
 - b. Inverter technology for modular air conditioning consumption
 - c. Energy efficient household appliances
- Collaboration in a study set up at university level for the production of molds in millable material which at the end of their life can be shredded and used again for other molds (ref. Chapter 4)

3

Climate change

- Partnership with Siemens Energy for the development of solutions designed to integrate fuel cell technology in the 24-80m yachting sector and for the drafting of two development and procurement agreements for new generation diesel electric and hybrid systems (ref. Chapter 3)
- Lightness of construction, hull efficiency and propulsion efficiency (diesel electric on models > 50m; Volvo IPS system; fuel cell/batteries; SCR system and selective catalytic converter) for the reduction of GHG emissions generated by the use of boats (ref. Chapter 4)
- Looking into solutions for the reduction of particulate matter and unburnt matter (ref. Chapter 4)

sustainability that define the backdrop against which the Group operates. More detail is provided in the different chapters of this NFS.



4

Marine biodiversity

- Testing for the use of a non-toxic antifouling paint (ref. Chapter 4)
- Partnership with Water Revolution Foundation and Blue Marine Foundation (ref. Chapter 3)

5

Sustainable supply chain management

- Execution of the "Memorandum of understanding to combat labour exploitation and illegal labour brokering in the field of recreational yachting" (ref. Chapter 3)
- Launch of the supply chain mapping project (ref. Chapter 3)
- Ad hoc training through the Sanlorenzo Academy, with a special focus on occupational health and safety issues (ref. Chapter 3)



FOOTNOTES

- ¹ The information provided in the following section was sourced from "La Nautica in Cifre" publications. *LOG. Analisi del mercato 2020* and "La Nautica in cifre. MONITOR. Trend di mercato 2020-2021" published by Confindustria Nautica and Fondazione Edison.
- ² While the term 'yacht' generally refers to the identification of recreational craft, in common usage it is used in reference to luxury vessels of significant size (lengths ranging between 24 and 40 metres). 'Superyachts' are defined as vessels exceeding 40 metres in length.
- ³ Marine market segment that includes a range of activities designed to (i) make improvements to the vessel, in line with new owner's requests, (ii) restore worn out parts or (iii) add new technology items for improved navigation.
- ⁴ The number of equivalent workers is calculated based on the conversion of the volume of work performed by external workers (i.e. workers who on average work about 9 months per year) into full-time jobs.
- ⁵ Calculated as the value of production at market prices, using the 'input-output matrix' method.
- ⁶ International Maritime Organisation
- ⁷ The regulations contemplate the infliction of financial penalties on natural persons and legal entities. These include two state-owned companies involved in the production and marketing of timber, which have come under military control: for example, Myanmar Timber Enterprise, which has exclusive rights to harvest timber, including teak.
- ⁸ Teak from Myanmar had already been the subject of additional European provisions aimed at regulating the sustainability conditions of cultivation and reducing illegal deforestation. More specifically, Regulation EU 995/2010 sets out due diligence requirements for operators who trade in wood and wood-derived products, including: (i) providing a description of the material; (ii) stating the country of production and the related assessment of the risk of illegal deforestation; (iii) providing details concerning the supplier and/or merchant; (iv) submitting evidence certifying compliance with current legislation.
- ⁹ IMO - Fourth IMO GHG Study 2020

SANLORENZO GROUP

TIMELESS VALUES
THE ROOTS OF THE GROUP
“YOUR VISION, OUR CRAFT”
SANLORENZO GROUP PERFORMANCE IN 2021



TIMELESS VALUES

MISSION

To be the shipyard for demanding owners. The place to innovate through experience, to create and build one's own craft, a yacht that stands the tests of time and of the high seas.

VISION

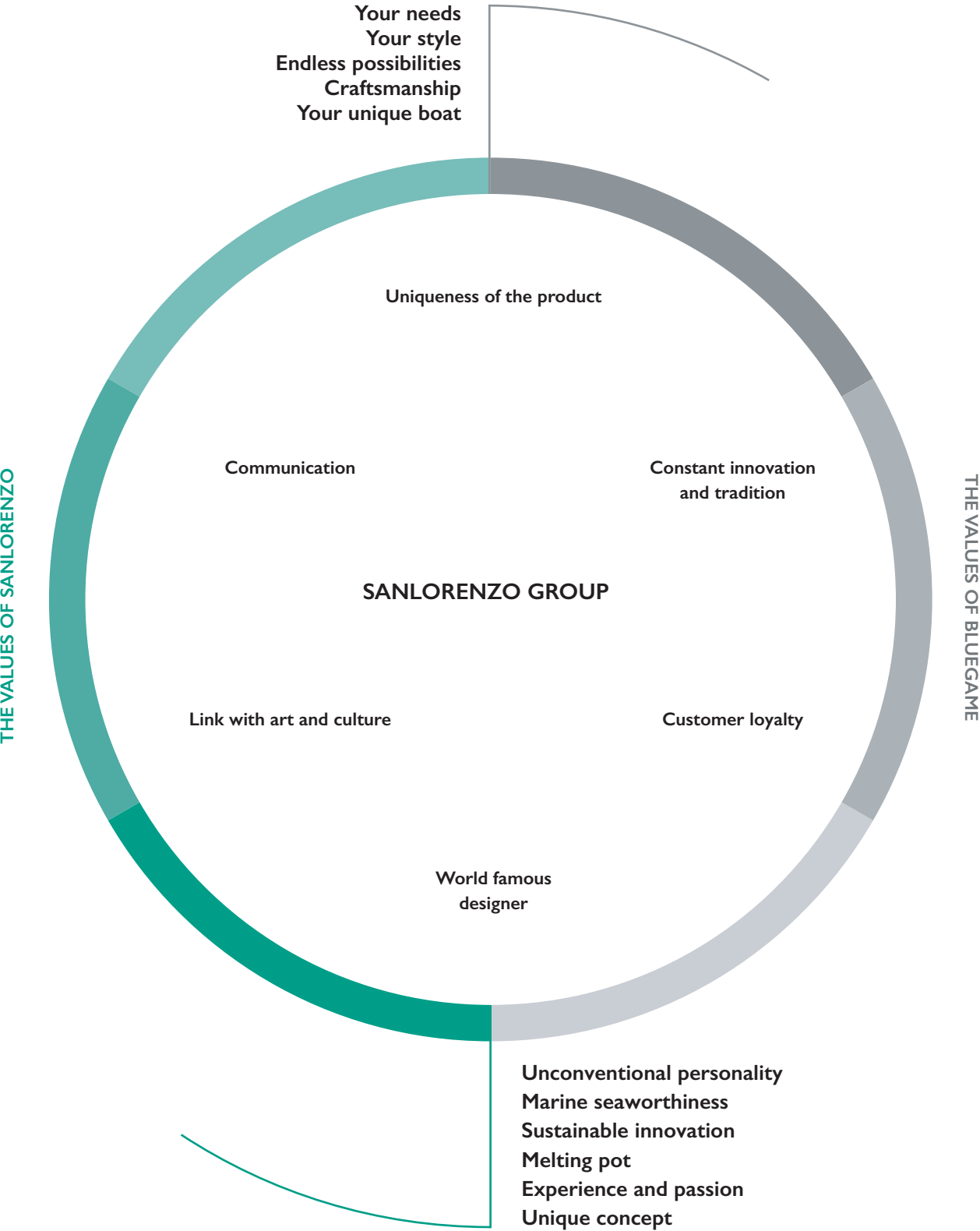
To be a benchmark for the construction of custom-made yachts and superyachts.

The Sanlorenzo Group is the only luxury yachting player to compete in several segments under a **single brand**, producing custom-made yachts, superyachts and sport utility yachts, outfitted and customised according to the requests and desires of an **exclusive clientele** and featuring a **distinctive** and **timeless design**. The **uniqueness of our products**, based on **constantly innovation-driven designs in accordance with**

tradition, customer loyalty, partnerships with **world-class designers, communication** and our **bond with art and culture**, are the key enablers underlying the Group's business model and its success in the luxury yachting industry, embodying excellence and exclusivity. These common factors cut across the distinctive values of the two core units of the Group, Sanlorenzo and Bluegame (see Infographic 1.1).



INFOGRAPHIC 1.1 - SANLORENZO GROUP'S VALUE SYSTEM



THE VALUES OF SANLORENZO

Your needs

Listening to the customer's needs lies at the heart of the construction of every vessel. Communication between shipyard and owner lays the foundations for a unique connection, building a forward-looking **personal relationship**, which is in fact the main focus of the 'Sanlorenzo Club' of yacht owners who share the same passion.

Your style

A Sanlorenzo yacht is the result of timeless design, melding tradition with innovation: a sense of balance, simple lines, elegance, with a consistent, calm, clear style.

Infinite possibilities

Nothing is standard in a Sanlorenzo project, except the high levels of on-board quality and safety. The excellence of materials, the handcrafted production process, and highest quality of work ensure that each of the owner's decisions is in perfect harmony with the rest of the elements.

Craftsmanship

Sanlorenzo's unique 'Made in Italy' creations feature a **wealth of craftsmanship and intelligence**, passed down from generation to generation. The skills of our cabinetmakers, carpenters, upholsterers and installers represent a know-how unique to Sanlorenzo, resulting in products of extraordinary craftsmanship.

Your unique creation

A Sanlorenzo yacht goes beyond fashion. Each Sanlorenzo yacht is as **unique as a work of art**, with its own story to tell. **Each model is as different and inimitable** as a bespoke suit.

THE VALUES OF BLUEGAME

Offbeat personality

Personality is the unique and genuine outcome of a journey. It does not set against conventionality, because it is well ahead of it. Aesthetics and functionality are criteria of beauty that find fulfilment in each other. Just like Bluegame: the owner, a **'Bluegamer'**, is a person who eschews set patterns and labels, is capable of creating intriguing combinations and finding creative solutions where others only see obstacles.

Marine seaworthiness

Marine seaworthiness is a way of interpreting the world, and the identity of Bluegame is defined by the sea. Freedom and closeness to the water, as in sailing, define every model and every detail of a vessel. There is a strong combination of functionality, safety, and marine seaworthiness.

Sustainable innovation

Innovation and sustainability arise from the desire to improve the world in which we live, playing an active role and undertaking concrete actions that have never been seen before.

Melting pot

The best ideas come from existing ideas interweaving with one another and then becoming something unique. It all begins with the critical ability to observe, to see beyond things as they appear to be, to go through them in order to break them down and put them back together, with a view to moving constantly beyond.

Experience and passion

Knowledge is locked together with passion. What we learn does not just feed into expertise. Head and heart work together to innovate.

Unique concept

Bluegame does not follow established trends, it creates new ones by searching for different perspectives. It is not a matter of whether we choose to go with the flow or not. It is about asking ourselves where it will lead us.

THE ROOTS OF THE GROUP

Sanlorenzo's long tradition in yacht production began in 1958 with the construction of wooden luxury motor flybridge yachts, when shipwrights Gianfranco Cecchi and Giuliano Pecchia founded Cantieri Navali San Lorenzo in Limite sull'Arno, near Florence. In 1985, the first composite yacht model was built.

With Massimo Perotti joining the Group in 2005, Sanlorenzo started marketing its yachts worldwide and, while always delivering on its concept, i.e. building unique and custom-made yachts, it constantly expanded its product lines: from composite yachts to semi-displacement composite boats, to superyachts with aluminium hull introduced in 2007 and with steel hull from 2010.

In more recent years the Group has further expanded its offering, in particular with its entry, as of 2018, into the composite sport utility yacht segment under the Bluegame brand.

1958-1974



The early days

Sanlorenzo's story began at Limite sull'Arno in 1958, with the company being named after the city square where the two shipwrights Gianfranco Cecchi and Giuliano Pecchia met to sign the documents to start their business. The first Sanlorenzo motor boats – just over 9 metres long – were built in Viareggio. Towards the end of the **1960s** the shipyards expanded production to 36-60 feet wooden yachts, which began to enjoy racing success. In **1972** the company was acquired by Giovanni Jannetti, and in the same year two models of marine plywood boats were launched: the Sanlorenzo 15.5 and Sanlorenzo 20.

1974-2004



Creating the legend

In **1985** Cantieri Sanlorenzo presented its first fibreglass model, the SL57, which was a great success right from the start. Under Jannetti's ownership, Sanlorenzo began to offer customisation services, enabling customers to personalise the style and design of their yachts. The SL70 and SL80 models, and then the Sanlorenzo 1000 in **1995**, marked the company's entry into the superyacht world. In **1999** the company's headquarters was moved to Ameglia (in the province of La Spezia), inside the Montemarcello-Magra Natural Park.

2005-TODAY



A new phase of growth

In 2005 Massimo Perotti acquired a majority shareholding in Cantieri Navali Sanlorenzo S.p.A., and the Company initiated a new phase of development. In **2007** Sanlorenzo opened a facility in Viareggio, with a second division producing new lines. In the same year, following the launch of the first 'SD92', the new SD line of semi-displacement hull yachts was introduced. This allowed a new seagoing experience to be enjoyed, focusing on quality and the pleasure of unhurriedly reaching one's destination.

Also, in 2007, Sanlorenzo launched its first metal yacht: the 40Alloy, winner of the Show Boats Design Award and two World Superyacht Awards, marking the shipyard's definitive entry into the superyacht segment.

In **2011** Sanlorenzo became the world's third largest shipyard in terms of production of yachts exceeding 24 metres in length, rising to second place in **2014**.

In **2016** a facility dedicated to the production of metal superyachts was opened in La Spezia.

In **2018** Bluegame S.r.l, a subsidiary of Sanlorenzo S.p.A., was established. Together with the Zuccon firm, the production of the BG42 and BG62

models got underway immediately.

2019 saw the Company's listing on the STAR segment of Euronext STAR Milan of Borsa Italiana, finalised on 10 December 2019, a major milestone in Sanlorenzo's recent evolution.

Again in **2019**, a new Bluegame line was introduced – the BGX line – portraying a combination of typical BG yacht elements and the crossover concept, which Sanlorenzo implemented in its SX line.

In **2020** the first SX112 model was launched.

INSIGHT

Bluegame, established by combining sailing with motor boating

Operations at the Bluegame shipyard started between **2003 and 2004** thanks to the vision of Luca Santella, an architect and two times Olympic sailing champion. In 1999 Santella had started work on the design of an extremely innovative boat together with an owner with whom he engaged in racing. The boat, launched in 2001 and immediately stirring interest among the yachting community, was the progenitor of all the others that followed, from both a structural and technical production perspective.



Boat International, a major yachting magazine, dedicated a full article to her:

Thanks to this article, the boat was noticed by Carlo Bonomi, a businessman and a former offshore champion. Bluegame's operations, as a yacht and as a company, formally started thanks to collaboration with Bonomi. Until 2007 production was concentrated in South Africa – a country with an important tradition in the construction of good quality boats – where Santella had established contacts through sailing circles. In **2008** initial contacts were established with Sanlorenzo, with part of the Bluegame production based at the company's shipyards for about a year. However, the economic crisis of those years led to a standstill in the signing of an agreement between Perotti and Santella for the design of a new Bluegame model.

In **2013**, due to the financial crisis, Bluegame's sales came to a halt, and production was stopped.

In **2015** Santella joined Sanlorenzo, where he oversaw the production of the SX line, until 2018, when the company Bluegame S.r.l. was established.

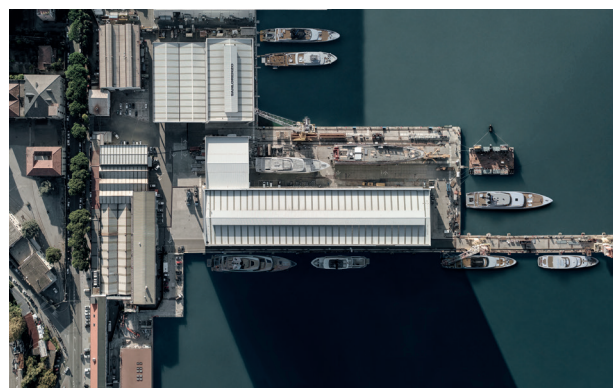
Today's Sanlorenzo, an international group

The Group's production consists of **three Business Units**, diversified by product type:

- **Yacht Business Unit** (composite yachts ranging from 24 to 38 metres in length), with production operations at shipyards in Viareggio, Massa and Ameglia – the latter also being the Company's headquarters;



- **Superyacht Business Unit** (aluminium and steel superyachts ranging from 40 to 68 metres in length), operating at the La Spezia shipyard;



- **Bluegame Business Unit** (covering the design, production and marketing, under the Bluegame brand, of composite sport utility yachts 13 to 23 metres in length). Their production is currently predominantly entrusted to third-party shipyards – for fibreglass moulding – and fitters mainly located in the yachting district of Lombardy, in the area around Lake Iseo.

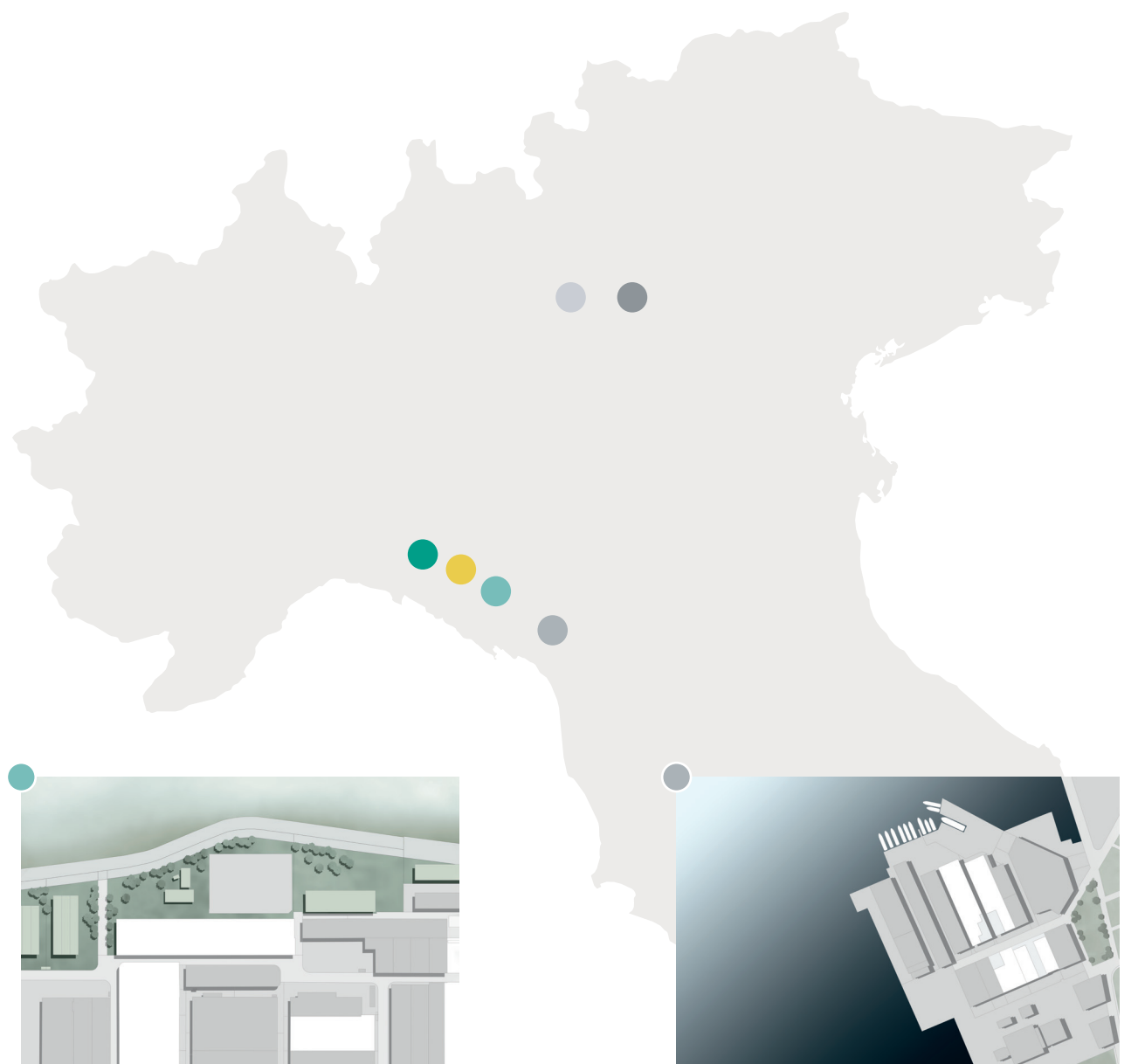
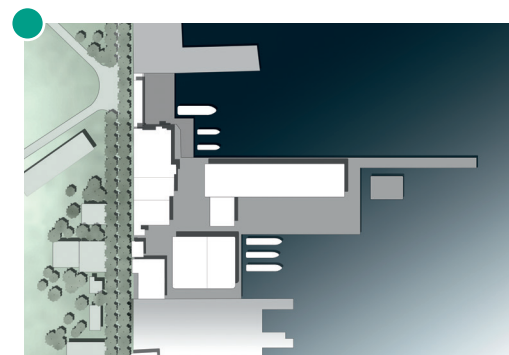


The Group markets its yachts both directly – through Sanlorenzo or other Group companies or brokers – and over a closely meshed network of sales and after-sales services worldwide (see infographic 1.3), consisting of **20 Brand Representatives**, brand ambassadors worldwide and service points for the geographic areas in their province.

It also relies on **14 Service Points**, i.e. independent shipyards able to respond directly to any requests for technical assistance and to intervene on board in less than 72 hours from the customer's request.

INFOGRAPHIC 1.2 – PRODUCTION SITES

- | | |
|-------------|-------------|
| ● La Spezia | ● Viareggio |
| ● Ameglia | ● Brescia |
| ● Massa | ● Bergamo |



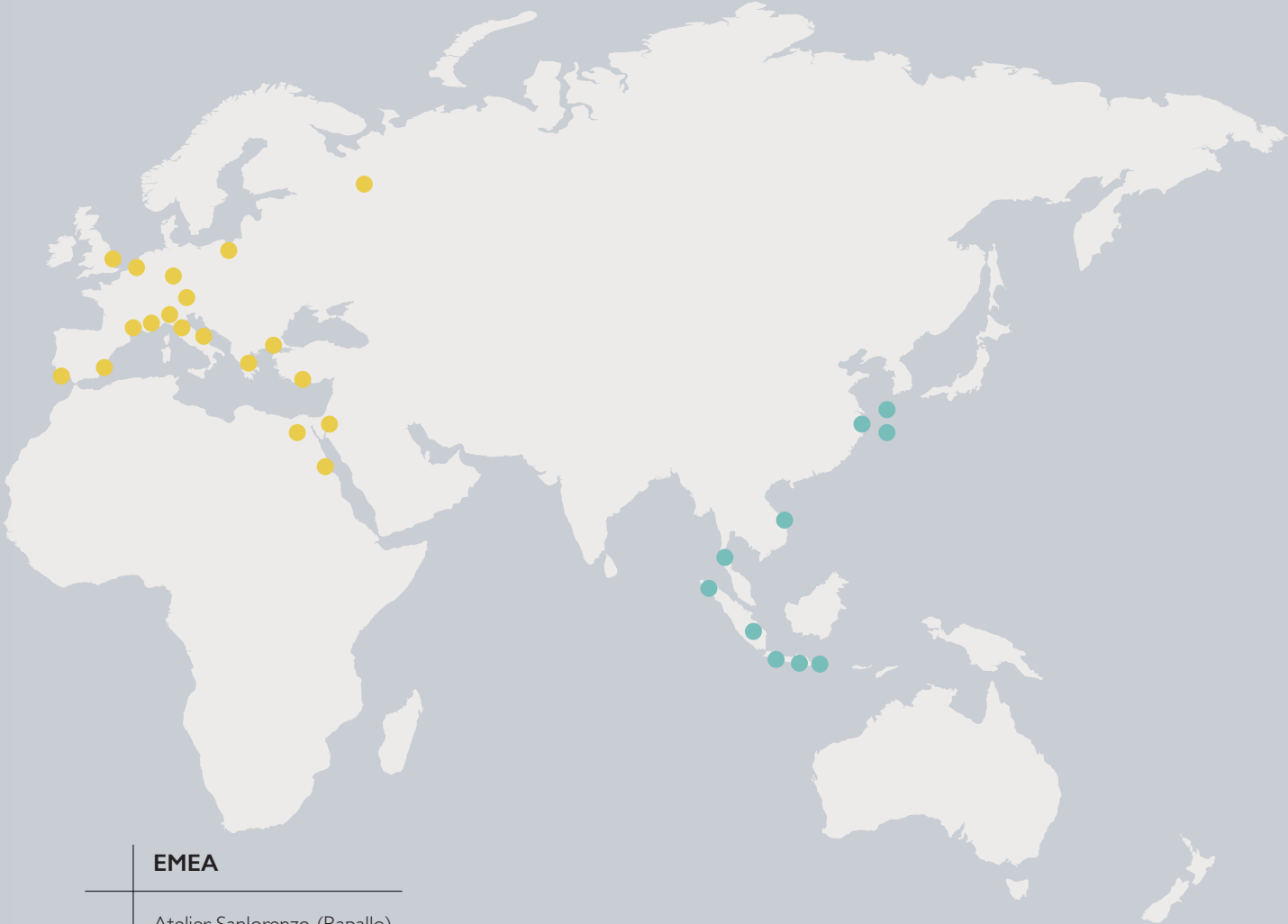
INFOGRAPHIC 1.3 - SANLORENZO GROUP'S INTERNATIONAL FRANCHISE

- AMERICAS
- EMEA
- APAC



AMERICAS

- Sanlorenzo Fort Lauderdale
- Sanlorenzo Montauk
- Sanlorenzo Sag Harbor
- Sanlorenzo Colombia
- Sanlorenzo Honduras
- Sanlorenzo Mexico
- Sanlorenzo Nicaragua
- Sanlorenzo Panama
- Sanlorenzo Peru
- Sanlorenzo San Salvador
- Sanlorenzo Venezuela



EMEA

- Atelier Sanlorenzo (Rapallo)
- Sanlorenzo Adriatic Coast (Riccione)
- Sanlorenzo Adriatic Coast (Lignano Sabbiadoro)
- Sanlorenzo Tirreno
- Sanlorenzo Bulgaria
- Sanlorenzo Cyprus
- Sanlorenzo Egypt (Il Cairo)
- Sanlorenzo Egypt (El Gouna)
- Sanlorenzo France
- Sanlorenzo Germany & Benelux (Düsseldorf)
- Sanlorenzo Germany & Benelux (Muiden)
- Sanlorenzo Germany & Benelux (Knokke-B)
- Sanlorenzo Germany & Benelux (München)
- Sanlorenzo Greece
- Sanlorenzo Israel
- Sanlorenzo Istanbul
- Sanlorenzo Malta
- Sanlorenzo Middle East (Kuwait)
- Sanlorenzo Middle East (Saudi Arabia)
- Sanlorenzo Monaco
- Sanlorenzo Poland
- Sanlorenzo Russia
- Sanlorenzo Spain (Mallorca)
- Sanlorenzo UK

APAC

- Sanlorenzo Asia (Hainan, China)
- Sanlorenzo Asia (Shenzhen, China)
- Sanlorenzo Asia (Shanghai, China)
- Sanlorenzo Asia (Hong Kong)
- Sanlorenzo Asia (Jakarta, Indonesia)
- Sanlorenzo Asia (Malaysia)
- Sanlorenzo Asia (Singapore)
- Sanlorenzo Asia (Kaohsiung, Taiwan)
- Sanlorenzo Asia (Phuket, Thailand)
- Sanlorenzo Asia (Pattaya, Thailand)

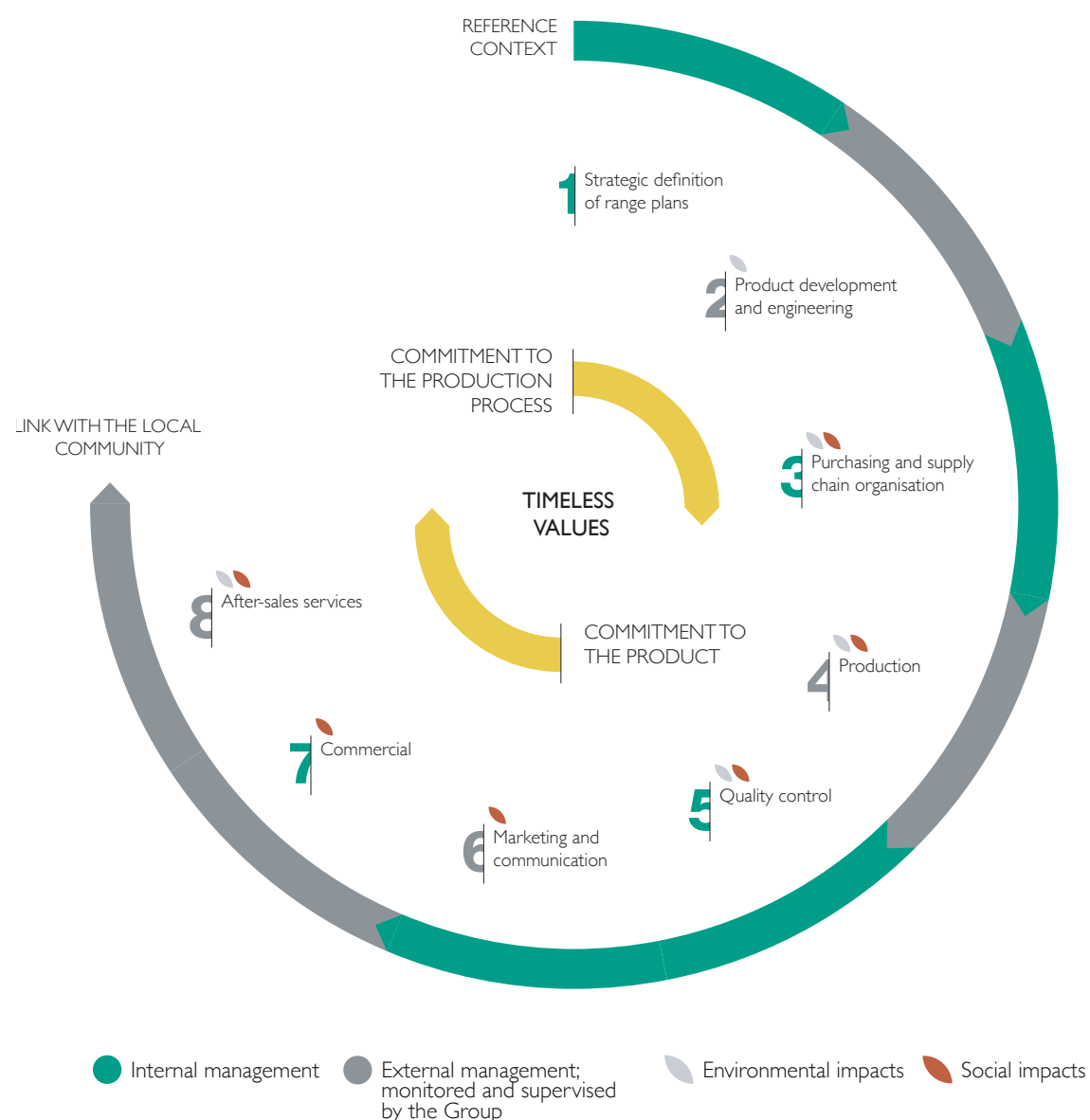
“YOUR VISION, OUR CRAFT”

Sanlorenzo's business model is based on the delivery of a limited number of boats per year (61 Sanlorenzo branded, 22 Bluegame branded). Their operational execution benefits from a long-standing collaboration with a chain of over 1,500 highly qualified artisan firms, mostly located in the yachting district of the Upper Tyrrhenian Sea, between La Spezia and Viareggio, and in Lombardy, between Bergamo and Brescia. On the other hand, the Group is responsible for the meticulous care of the smallest detail and for all the higher added value phases, involving direct interaction with the customer and aimed at defining new innovative and sustainable products, brand enhancement and quality control. In line with the values that shape the work of Sanlorenzo and Bluegame, the Group's business model

(see Infographic 1.4) is geared towards the creation of value for all its stakeholders while minimising the environmental footprint and social impact generated directly and indirectly. Moreover, the business model is fully integrated in the context in which Sanlorenzo operates. Similarly, the link with local areas and communities plays a key role for the overall creation of value.

The Group's value chain consists of a sequence of 8 strategic and operational stages, which are deployed in accordance with the two main pillars of the Group's action to achieve responsible development, i.e. **commitment to the production process and commitment to the product** (more information in “Managing responsible development”).

INFOGRAPHIC 1.4 - SANLORENZO GROUP'S VALUE CREATION MODEL



Building a boat takes time and passion.

The first stage of the Group's value chain consists of the **1| strategic definition of range plans**, i.e. identifying the lines and the model of craft to be produced in relation to the specific historical and commercial context and the evolution of customer needs. The next stage involves the **2| design of the models identified**, with the collaboration of renowned architects and designers, in line with the specific requests made by the owner and with a view to maximum customisation of the yacht. The Group relies on a single design firm for the creation of the external lines, the goal being to ensure consistency and make the distinctive features of Sanlorenzo and Bluegame visible in every boat that is built.

3| Procurement management and supply chain organisation are the direct responsibility of the procurement offices of the single BUs, generally basing orders on production plans with visibility of up to approximately 36 months.

This is how the **4| production** phase of each yacht begins. With regard to the Yacht and Superyacht BU, production is carried out by contractors mainly operating at the Sanlorenzo shipyards. In the case of Bluegame, production and outfitting are outsourced to third-party shipyards.

The firms with which the Group has partnered are local top level craft businesses. Such an industrial structure – which has no equal in the yachting sector – enables the Group to rely on the flexibility of execution necessary to deliver on its promise – “made to measure, handmade, well-made” – for each of its yachts.

Sanlorenzo's and Bluegame's operations entail frequent **5| quality controls**. This phase is essential to ensure full compliance with the quality and technical standards defined by the Group and the Italian Naval Register (RINA). With regard to Bluegame, the technical staff of the company pay daily visits to the contractors' facilities to check on production progress.

6| Marketing and communication activities – performed using traditional communication tools, attending trade and non-industry fairs, staging industry

events and participating in external events – are aimed at identifying market needs and promoting the Group's ranges. Specifically, the Group implements an experiential communication and marketing strategy, focused on the exclusive workmanship, high quality, design and elegance of its yachts, combined with the exclusive nature of its relationship with customers.

7| Commercial activities – which are mainly developed in the spring and autumn months – consist of sales activities whereby companies collect orders for the sale of yachts, ending with the delivery, directly or indirectly through Brand Representatives, of the yacht to the customer. In the case of Bluegame, sales take place exclusively through the network of Brand Representatives.

Moreover, it should be noted that the Sanlorenzo business model also contemplates trading in used yachts (whether Sanlorenzo boats or otherwise), including from its own customers, which the Company refurbishes through a specific maintenance programme entrusted to the skilled hands of specialised technical staff (see Insight box “The Experienced Yacht programme”).

Finally, the Group provides shipowners with a range of **8| after-sales services**, including ongoing technical assistance, in-port hospitality services, yacht maintenance and restyling services (covering both Sanlorenzo and other brands), as well as training services for captains, crew members and service technicians. Bluegame benefits from the after-sales services offered by dealers and keeps in constant touch with the service points of choice to meet customer support needs even during navigation. In the event of structural problems, however, Bluegame will respond directly.



SANLORENZO GROUP PERFORMANCE IN 2021

The inherent strength of its products, high level of customer loyalty and implementation of an efficient management model based on a flexible cost structure, while respecting production excellence, are the factors underlying the **sustainable growth and constant resilience** that have distinguished the Group since its inception.

This is substantiated by the results achieved in 2021, during which **117 boats** (86 in 2020) were built, totalling 4,159 metres in length (3,089 metres in 2020). Underpinning the constant growth trend over the years is the Group's planning of expected revenues, based on contract forecasts and production progress expected for each yacht, coupled with its ability to plan revenues in advance and consequently manage liquid assets. This is thanks to the prevalence of sales on order directly from the end customer: the net consolidated backlog² at 31 December 2021, after deducting the Net New Revenues realised during the year, amounted to Euro 915.6 million, an increase of 124% compared to 2020.

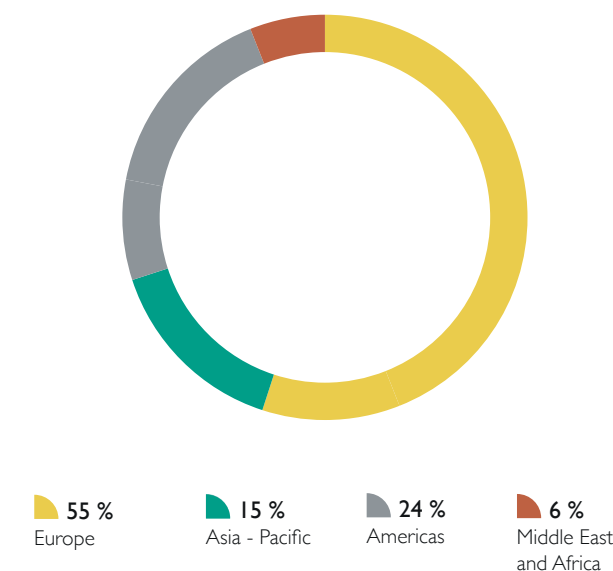
2021 recorded a Production Value of Euro 656,746 thousand, marking an increase of 17.6% compared to 2020, mainly associated with higher revenues for both new and used boats, equal to Euro 687.97 million³ (+25.4% compared to 2020 revenues, equal to Euro 548.803 million). In particular, for new builds, the largest share of revenues is represented by the Yacht Division, which shows an increase of 23.9% compared to 2020, followed by the Superyacht Division, which posted an increase in total revenues of 31.8% compared to the previous year, and by the Bluegame Division (+51.5% compared to 2020 revenues).

Despite the consequences of the Covid-19 pandemic, 2021 was a year of strong market acceleration for the luxury yachting sector; in the various geographic areas. In particular, the Group's revenues were driven above all by the excellent performance of the Americas (Extra U.S.A., +130% compared to the previous year) and by the recovery of the European market (Extra Italy, +51% compared to 2020).

NET REVENUES NEW 2021, BY DIVISION



NET REVENUES NEW 2021, BY GEOGRAPHICAL AREA



Adjusted EBITDA amounted to Euro 95.5 million, up by 35.3% compared to 2020. The year generated a profit of Euro 51.0 million, up by 47.8% compared to the previous year (€ 34.5 million in 2020). As of 31 December 2021 the closing share price was Euro 37.90, for a total capitalisation of Euro

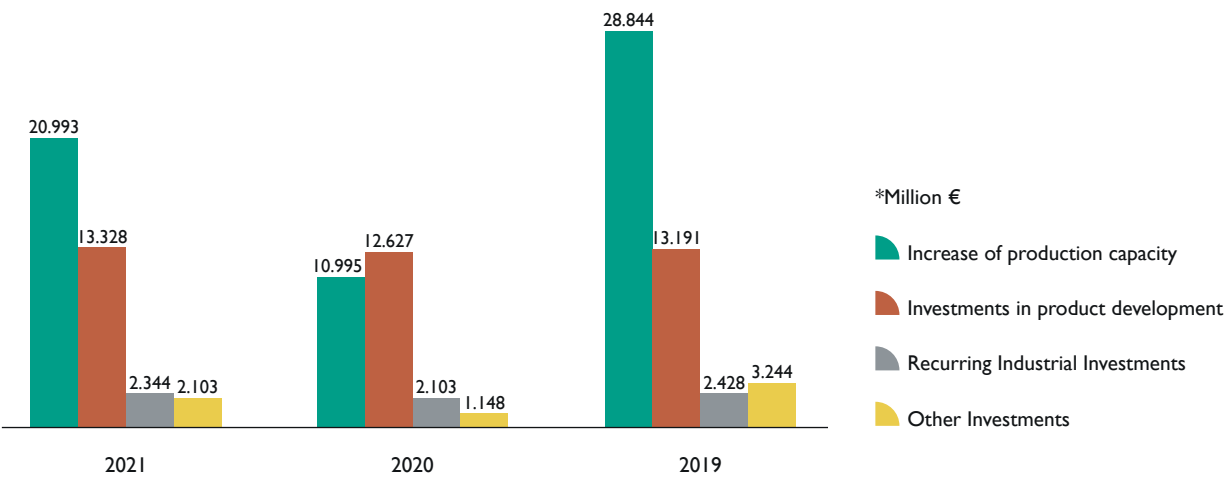
1,309,038,257 (Euro 569,250,000 as of December 31, 2020). During 2021 the Sanlorenzo stock recorded a positive change of 129.70%, outperforming the FTSE Italia Mid Cap index by 75.55%.

During 2021, in line with previous years, the Group continued to implement its investment plan. In addition to including recurring industrial interventions (equipment and plants), the plan is designed in particular to increase production capacity and develop innovative and more sustainable products. Constant investments in research and development endeavours provide the Sanlorenzo and Bluegame fleet with a strong innovation leverage while featuring an invariably iconic and timeless yachting design. In addition, a broad expansion plan covering the different product ranges is in the pipeline for 2022. It will be

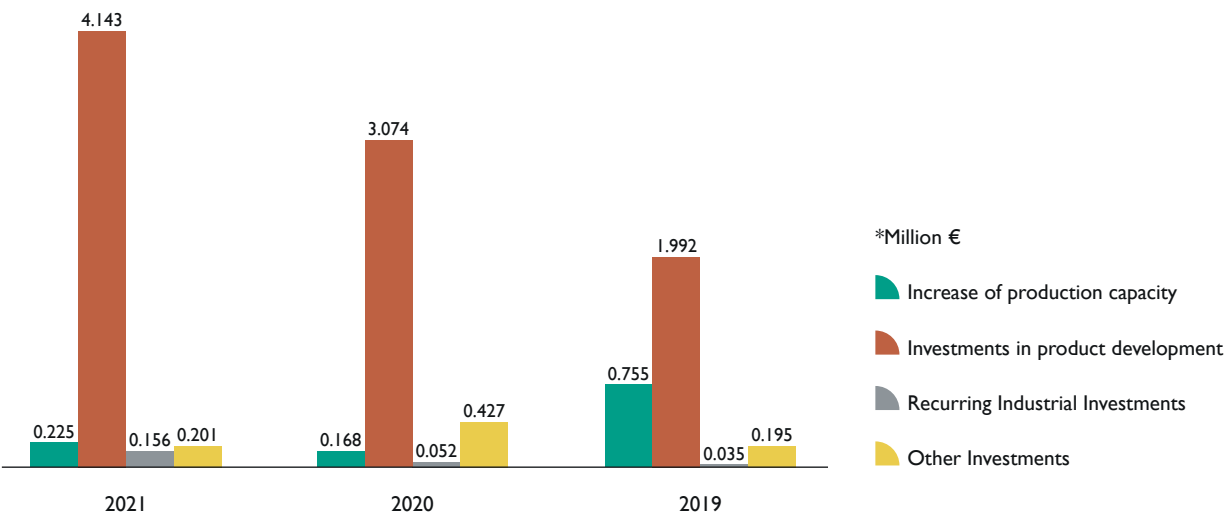
rolled out by launching three new lines fitted with unprecedented functions encompassing the different market segments and geared towards sustainability criteria. The extension of existing lines will also continue, with special reference to the Bluegame BU.

Specifically, for the year under review total resources invested by the companies Sanlorenzo and Bluegame amounted to approximately Euro 43.5 million, classifiable as shown in the graphs below.

INFOGRAPHIC 1.5 - INVESTMENTS MADE IN THE THREE-YEAR PERIOD 2019-2021, BY AREA (SANLORENZO)



INFOGRAPHIC 1.6 - INVESTMENTS MADE IN THE THREE-YEAR PERIOD 2019-2021, BY AREA (BLUEGAME)



In particular, compared to the previous year, in line with the expansion strategy described above, it is possible to note an increase of 6% and 35% in investments in research and product development respectively for Sanlorenzo and Bluegame, currently focused particularly on the theme of diesel electric yacht, marine use of fuel cells and product development. In particular, for Bluegame, this type of investment represents the largest share of the total (approximately 88%). Investments in new production capacity also continued, aimed at supporting future business developments through the purchase of new warehouses/production spaces. Investments linked to the extraordinary

maintenance of the already operational industrial structures remain constant. In reference to the investments graph, other investments include infrastructures and other IT tools, as well as structures linked to participation in fairs and all other residual investments. Operating costs made in 2021 include the opening of the vaccine hub in June 2021 at the Ameglia site – totalling € 44,190 – which allowed the Covid-19 vaccination to be administered to both direct employees and contractors' staff (see "A strategic partner for the community").

INSIGHT

The European taxonomy and adoption by Sanlorenzo

In the institutional framework of the European Green Deal - the European development strategy approved in 2019 - one of the areas of intervention of the European Commission concerns the need to "finance the transition". In this sense, the Commission has developed a special classification system that allows a **univocal definition of economic activities - and investments - that can be considered environmentally sustainable.** This system was defined within the **EU Regulation 2020/852 of the European Parliament and of the Council** of 18 June 2020, effective as from 12 July 2020.

The European taxonomy includes in particular **6 environmental and climate objectives:**

- mitigation of climate change;
- adaptation to climate change;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- prevention and reduction of pollution;
- protection and restoration of biodiversity and ecosystems.

In order to be considered admissible on the basis of the sustainability parameters defined by the taxonomy, an economic activity must meet the following requirements:

1. must substantially contribute to the **achievement of one or more of the objectives** set by the taxonomy;
 2. in contributing to one or more of the environmental objectives, **it must not cause significant damage** to the others (so-called "Do No Significant Harm");
 3. must be carried out **in compliance with the minimum safeguards**, i.e. carried out in line with the provisions of the OECD Guidelines for multinational companies, the United Nations Guiding Principles on Business and Human Rights, the Declaration of the International Labour Organisation (ILO) on fundamental principles and rights at work, the eight fundamental conventions of the ILO and the International Charter of Human Rights.
- To date, the Group of Technical Experts on Sustainable Finance (TEG), set up ad hoc by the European Commission, has contributed to the development of **the first two delegated acts** of the Commission ("Taxonomy Climate Delegated Act") - approved on 9 December by the Council of EU and in force from 1 January 2022 - which provide for the adoption of **technical screening** criteria relating to the objectives of mitigation and adaptation to climate change. The European regulation on taxonomy therefore foresees the obligation - starting from 1 January 2022 - for all companies that fall within the cases defined

by Legislative Decree 254/204 to report the share of turnover; the percentage of capital expenditure (CAPEX) and the percentage of operational expenditure (OPEX) that can be qualified as eco-sustainable on the basis of the defined eligibility criteria (assessment of alignment with the technical screening criteria is not currently required).

Sanlorenzo considers this regulatory evolution an important tool to allow the private sector to move within the scope of eco-sustainability in a consistent manner and language, ensuring environmental information conveyed to all stakeholders in an understandable, comparable and transparent way. To respond to the requests of the taxonomy, Sanlorenzo initially carried out an analysis of tracing its NACE codes to those currently reported by the taxonomy. Having found no precise matches, it proceeded by analysing the economic activities defined as eligible to identify those close to Sanlorenzo's business. In particular, as regards the calculation of the share of revenues attributable to eco-sustainable economic activities, reference was made to the boats

of the Yacht and Superyacht Divisions that meet sustainable design criteria, given their characteristics: specifically, for the Yacht Division, the models SD 90S/I 19, SD 90S/I 20 and SD 90S/I 23; for the Superyacht Division the models 58STEEL/I 54 DE and 72STEEL/200.

As regards the calculation of the other two indicators – % CAPEX and % OPEX – reference was made to the activities analysed starting from the delegated acts and related Annexes, considering the following as eligible activities:

- 4.1. Production of electricity using solar photovoltaic technology (OPEX);
- 2. Environmental protection and restoration activities (CAPEX);
- 4.16. Installation and operation of electric heat pumps (CAPEX);
- 9.1. Research, development and innovation close to the market (CAPEX).

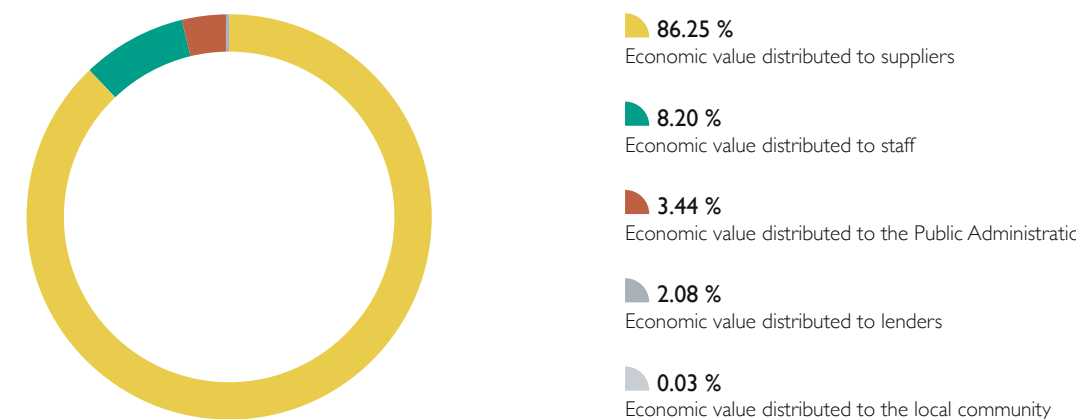
The quantitative details of the reported indicators are included in the Annexes (ref. Section "Technical details").



For Sanlorenzo, pursuing sustainable growth also means sharing the creation of value with its own stakeholders. The overall economic value generated by the Group during 2021 stood at € 674 million, an increase of 26% compared to 2020¹.

82% of this value was distributed among the Group's various stakeholder groups, as shown in the chart below.

CHART 1.7 - ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS



Specifically, the largest share was allocated to suppliers, for a total of approximately € 479 million (approximately 86% of the total distributed value), followed by the amount allocated to Group employees (approximately 8% of distributed value), the Public Administration - in the form of taxes paid - (approximately 3%), lenders (2%) and finally the local community (0.03%).

The economic value retained internally by the Group was approximately € 119 million, a significant increase compared to 2020 (at the time € 53 million).

Tax activities are managed in compliance with the values of **honesty** and **integrity** and, in line with the Company's sustainability strategy, in the knowledge that its contribution to tax revenues contributes to the **economic and social development of the countries in which it operates**. Sanlorenzo therefore believes that compliance with tax obligations contributes to the ethical and responsible management of the Company. In 2021, the Group's income taxes paid on the basis of the cash criterion amounted to € 17.622 million (+ 11% compared to 2020); taxes accrued on profits, on the other hand, amounted to € 19.655 million (+57.5% compared to 2020). More details in the "Technical Insights" section of the Annex.

FOOTNOTES

¹ In April 2021, the newco PNVSY S.r.l. was founded for the purpose of acquiring the under-liquidation Viareggio Superyacht S.r.l.'s company branch, including a building located in Viareggio close to the Sanlorenzo shipyard, which will be destined to the setting up of metal superyachts. The acquisition was finalized with deed dated 8 July 2021.

² The backlog is the sum of the value of all orders and sales agreements executed with customers or relevant Brand Representatives regarding yachts to be delivered or delivered in the current financial year or to be delivered in the following financial years.

³ This figure shows gross revenues earned in 2021. For further information, reference should be made to the 2020 Annual Financial Report, available on the corporate website.

⁴ More details are provided in the Annexes at the end of the document (see "Technical details").

THE GROUP'S APPROACH TO RESPONSIBLE DEVELOPMENT

ACCOUNTABILITY, INTEGRITY AND TRANSPARENCY
RESPONSIBLE DEVELOPMENT MANAGEMENT
AREAS OF FOCUS
LISTENING TO STAKEHOLDERS

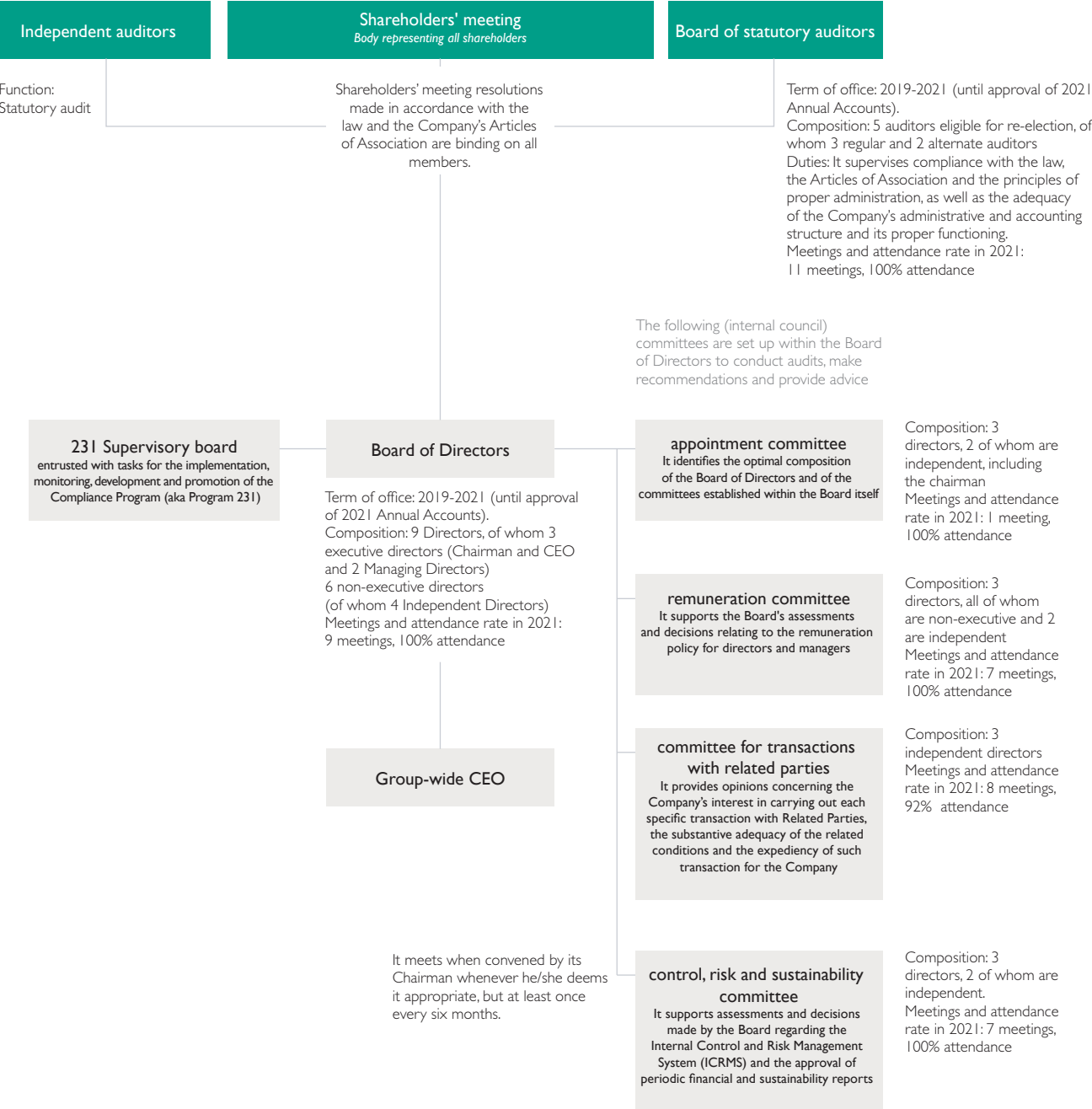


ACCOUNTABILITY, INTEGRITY AND TRANSPARENCY

Accountability, integrity and transparency are the principles underpinning Group governance. The corporate governance system¹ is based on the traditional corporate governance model, and is structured in accordance with the recommendations and regulatory provisions of the Corporate

Governance Code for companies listed on Borsa Italiana S.p.A., by which Sanlorenzo abides². The main corporate, administrative and supervisory bodies and their related functions are shown in chart 2.1 below:

CHART 2.1 - CORPORATE GOVERNANCE STRUCTURE

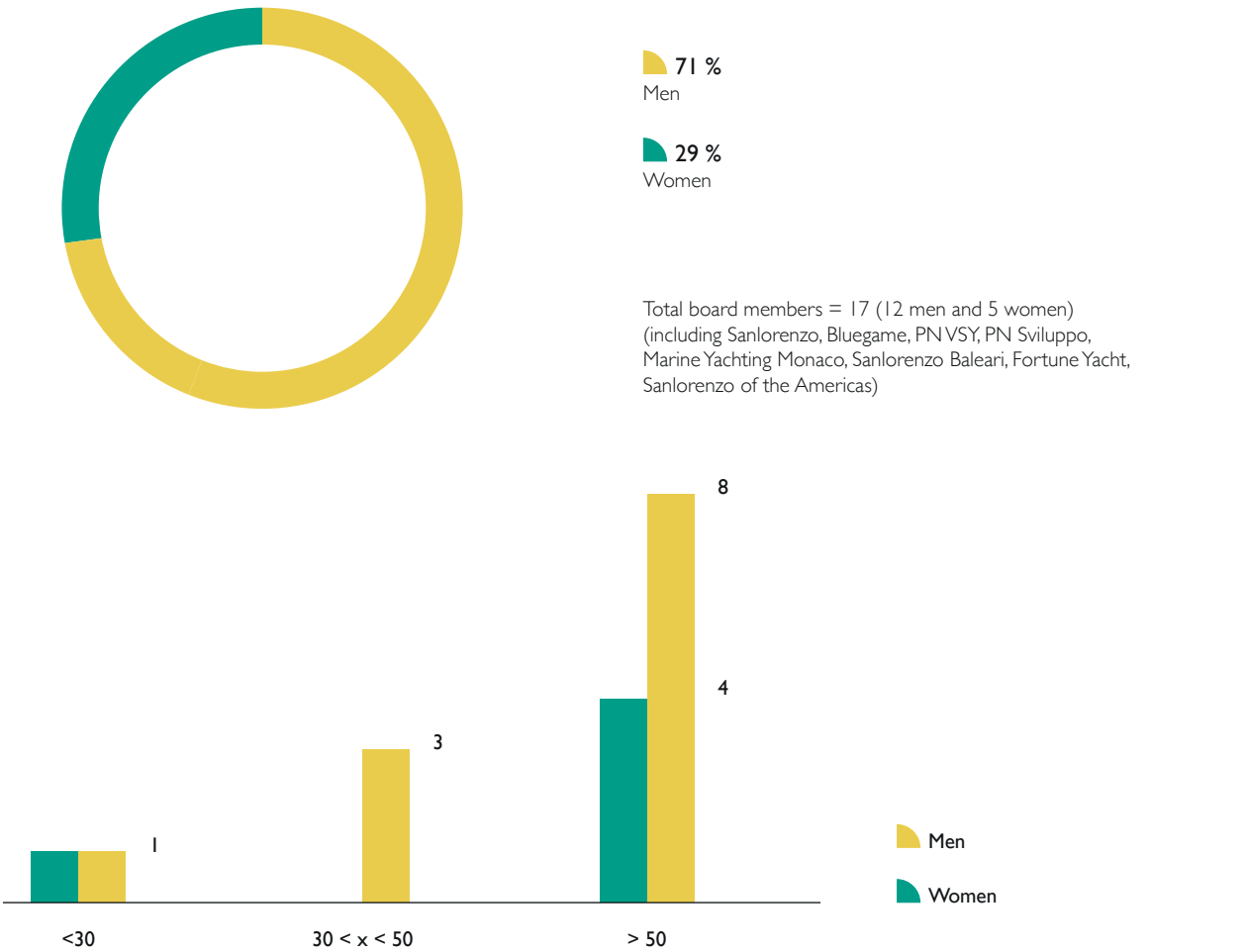


More specifically Sanlorenzo's **Board of Directors**³ at present consists of 9 members who may be re-elected. They were appointed before the slate voting mechanism was introduced, and hold office until the Shareholders' Meeting, which will be convened for the approval of the Annual Accounts as at 31 December 2021⁴. Details of the composition of the Board of Directors and the Committees set up within it are provided in the Annexes (see "Technical insights"). The directors discharge duties pertaining to the

ordinary and extraordinary administration of the Company. Massimo Perotti is the Chairman and Chief Executive Officer of the Group⁵.

The composition of the Board reflects compliance with age, educational professional background and gender diversity criteria. The Board is composed of 5 men and 4 women aged between 29 and 65, including Carla Demaria, who holds the position of executive Managing Director.

CHART 2.2 – BOARD MEMBERS BY GENDER AND AGE



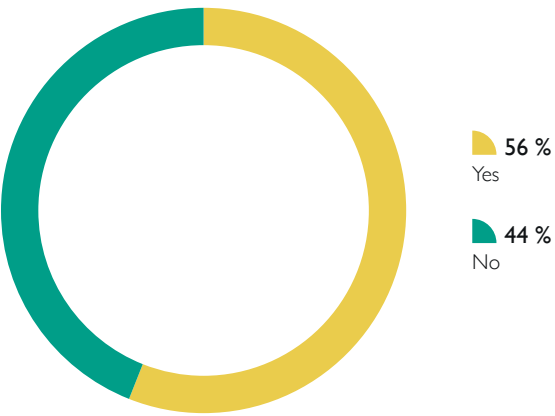
Total board members = 17 (12 men and 5 women) (including Sanlorenzo, Bluegame, PN VSY, PN Sviluppo, Marine Yachting Monaco, Sanlorenzo Baleari, Fortune Yacht, Sanlorenzo of the Americas)

The Board of Directors includes both managers of Sanlorenzo S.p.A. who have been working in the luxury

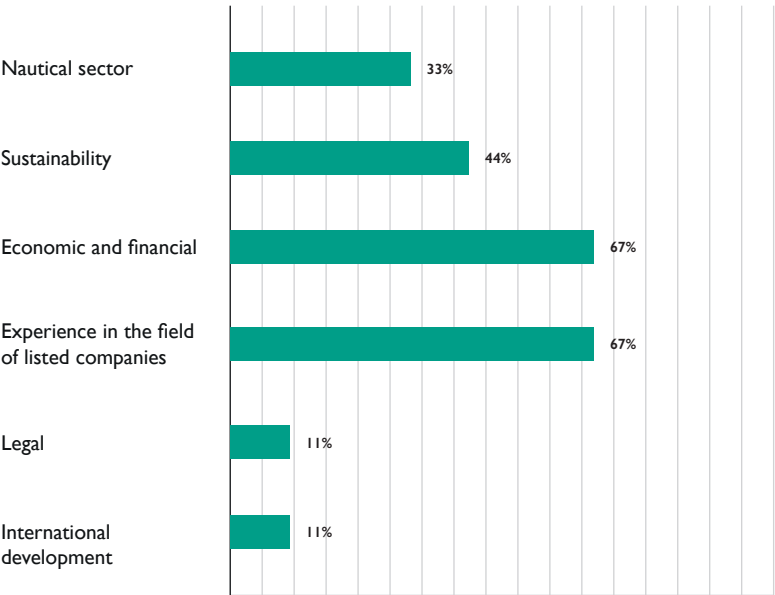
yachting industry for several years⁶, and independent directors⁷ with experience in listed companies.

CHART 2.3 - BOARD MEMBERS BY EXPERTISE IN SUSTAINABILITY AND REPRESENTATION OF STAKEHOLDER INTERESTS

REPRESENTATION OF STAKEHOLDER INTERESTS



DIRECTORS' EXPERTISE



With regard to the remuneration of Board members, it should be noted that in accordance with the Remuneration Policy⁸ emoluments should be adequate to their skills, experience and commitment to performing the tasks assigned to them. There is no variable remuneration linked to performance objectives for non-executive directors, in line with the provisions of the Corporate Governance Code. Similarly, no additional remuneration is granted for the positions of Chairman, Deputy Chairman and Lead Independent Director.

Executive Directors cannot be included among the beneficiaries of the Stock Option Plan established for the current year; but they may be included among the beneficiaries of variable personal remuneration linked to annual, pre-set and measurable performance objectives. These objectives also include non-financial parameters related to the Group's commitment to responsible development, as defined by the Board of Directors with the support of the Control, Risk and Sustainability Committee.



Risk management

By relying on the **ICRM**, the Group monitors the identification and management of the following business risks⁹:

- Market and operational risks
- Financial risks
- Risks related to litigation and tax assessments
- Risks in the environmental field and compliance with the principles of health and safety in the workplace

The process of analysis and prioritisation of the main risks¹⁰ conducted by the Risk Manager has as its output the Company **Risk Control Matrix** which, in its latest elaboration, has identified the following three critical areas for the Company: Administration, Finance and Control (AFC); Information and Communication Technology (ICT); Certifications and Compliance. The Risk Control Matrix was initially constructed by the parent company Sanlorenzo S.p.A., and in the course of 2021 a process began to evaluate its extension to the other companies of the Group.

The Risk Control Matrix, defined in accordance with the Company's SCIGR, was approved in 2020 by the Control, Risks and Sustainability Committee. It is noted that this tool is periodically updated on the basis of changes or improvements periodically made to company procedures.

In addition to what has been mapped through the Risk Control Matrix, the Company has carried out an analysis aimed at identifying, for each material issue, related risks and opportunities, of which evidence is given in the detailed sheets at the end of each Chapter. During 2021, the IA function carried out audits on the Group Leader on the basis of the Audit Plan approved by the Board of Directors. In addition, the scope of action of the IA function was also extended to Sanlorenzo of the Americas LLC¹¹, which was audited for some processes. A further, gradual extension of the Function's sphere of action to the other foreign companies of the Group is envisaged, on the basis of an assessment that considers turnover as a relevant parameter.

Ethics and fair behaviour

The company conducts its business in a manner inspired by the fundamental principles of: **legality**, i.e. compliance with national and international laws and equivalent acts in all its activities; **fairness and impartiality**, particularly with regard to duties of diligence and expertise; **transparency and integrity**. Abiding by these principles ensures fairness, accuracy, thoroughness, uniformity and timeliness in the management and communication of corporate information and relations with stakeholders.

The management approach to the potential **risk of corruption and bribery** as well as **unfair competition** is underpinned by a number of tools (see infographic 2.4) that Sanlorenzo S.p.A. has developed and shares with the companies of the Group and its employees, as well as with the main external stakeholders.

INFOGRAPHIC 2.4 – TOOLS ENSURING FAIR AND ETHICAL MANAGEMENT



1 Compliance Programme under Legislative Decree 231/01¹²:

The Compliance Programme (locally known as Organisational, Management and Control Model pursuant to Legislative Decree 231/01) (hereinafter "Programme 231") sets out specific rules of conduct designed to avert the committing of the offences set forth in the aforementioned Decree, and identifies the areas of activity deemed as most sensitive and therefore potentially exposed to greater risk.

At present, the following are listed as 'sensitive areas': (i) relations with the Public Administration; (ii) activities relating to hygiene and safety at work; (iii) activities relating to the environment; (iv) relations between private individuals; (v) IT transactions; (vi) employment of individuals whose stay in Italy is irregular; (vii) market conduct; (viii) tax-related activities and smuggling activities. The Group also relies on Programme 231 to address any form of unlawful conduct.

2 Ethical code:

A deontological reference framework for the application of the provisions of Programme 231, of which it forms an essential part. It sets out the

principles, commitments and ethical responsibilities that guide the company's conduct in its business and activities, and are applicable to all company stakeholders.

3 Whistleblowing procedure pursuant to Legislative Decree 165/01:

All Group employees should report any actual or potential act that they suspect to be a violation of the law or any other internal regulation to their line manager or the Internal Audit/Compliance Function¹³.

Any information acquired shall be treated in such a way as to guarantee the utmost confidentiality and protection for the reporting party. da garantire massima riservatezza e tutela al segnalante.

4 Anti-corruption Policy:

This is included in a section of the Code of Ethics with a view to setting forth further provisions governing corruption offences and discouraging anyone from

engaging in any conduct or behaviour considered as unlawful.

5 Code of Conduct:

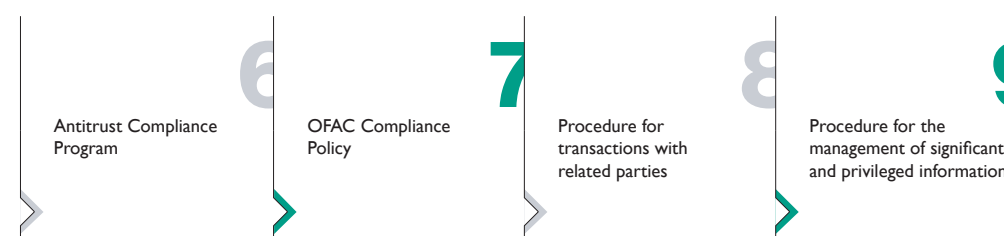
Approved by the Board of Directors in August 2020 and, unlike the Code of Ethics, applicable to all Group companies¹⁴, including overseas companies, with the

aim of protecting the interests of both internal and external stakeholders while ensuring unambiguous guidelines for conduct.

6 Antitrust Compliance Programme:

Adopted in May 2020, this document is designed to prevent the risk of anti-competitive conduct, in line with the relevant national and European rules and regulations¹⁵. The application, monitoring and updating of the Antitrust Compliance Programme, as well as

the investigation of any anti-competitive conduct, are monitored by the Antitrust Compliance Officer, elected by the BoD in March 2020, who has been vested with appropriate autonomy and resources.



7 OFAC (Office of Foreign Assets Control) Compliance Policy¹⁶:

Adopted by the parent company and subsidiaries in 2019, this document is the instrument whereby the Group undertakes to comply with the policies of the Office of Foreign Assets Control and related sanctions. The Group has also established a specific Sanctions

Compliance Programme (SCP) and set up an SCP Unit with the task of supervising and ensuring effective compliance of internal processes with the objectives and prohibitions established by OFAC.

8 Related Party Transaction Procedure:

This was updated by the Board of Directors of Sanlorenzo S.p.A. in May 2021 in compliance with Section 2391(a) of the Italian Civil Code and the Regulations governing transactions with related parties adopted by the National Commission for Listed

Companies and the Stock Exchange (aka CONSOB) with Resolution No. 17221 dated 12 March 2010, as amended. It has been in force since 1 July 2021 and regulates transactions with related parties carried out by both the parent company and its subsidiaries¹⁷.

9 Material and privileged information management procedure:

Updated in March 2021, this procedure was defined in accordance with Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse and applies to all Group

companies, their general managers, executives, employees and external parties entered in the registers of persons having access to material and privileged information.

In order to allow the **maximum dissemination of internal and external knowledge** of the provisions regarding the fight against corruption and the adoption of fair competitive behaviour, the Group publishes some of the documents presented above and provides for the **organisation of dedicated training programmes** to its employees - both upon joining the company

All the members of the Board of Directors of Sanlorenzo and Bluegame received adequate communication and training on anti-corruption during the year.

and subsequent periodic updates - in order to ensure maximum effectiveness and knowledge, commensurate with the degree of involvement of each employee in the areas deemed most sensitive.

All employees of Sanlorenzo and Bluegame were recipients of communication on anti-corruption matters during the year.

Training on the subject carried out in the year (July 2021), in online mode, was mandatory for course recipients. In particular, the topics under discussion were the following:

- Regulatory framework of Legislative Decree 231/2001 and general principles on administrative liability of entities (liability requirements, interest/benefit of the entity);
- Predicate offenses;
- Sanctions;
- Sanlorenzo's Model 231;
- The integration of Model 231 with management systems (with particular regard to workplace safety crimes and environmental crimes);
- The Supervisory Body;
- Information flows to the Supervisory Body;
- Model 231 in daily business operations;
- Operational guidance (what to do in case of inspection/visits of control bodies).

The training consisted not only of theoretical content, but above all practical content aimed at raising awareness of the centrality of Model 231 in company operations, as well as in order to manage the main operational requirements deriving from the adoption of the Model.

In the near future recorded training is planned, addressed to all the other employees of Sanlorenzo and Bluegame, provided through an e-learning platform with asynchronous use. In particular, the project envisages the introduction of a platform in which employees will be able to access information regarding the Code of Ethics, the Supervisory Board and the 231 Model. Furthermore, it will also be possible to carry out verification tests on these subjects.



RESPONSIBLE DEVELOPMENT MANAGEMENT

In steering and conducting its business, the Group pursues a **balance** between financial, environmental and social objectives and encourages the involvement of all its employees in contributing to corporate responsibility for sustainable development. To this end, Sanlorenzo progressively endeavours to mitigate, and eventually eliminate, the negative impact

of its operations, while increasing the positive impact for the benefit of all its stakeholders. In particular, the approach to responsible development (see Infographic 2.5) and related activities and initiatives, whether implemented or planned, are divided into **2 fundamental pillars**:

INFOGRAPHIC 2.5 - SANLORENZO GROUP'S APPROACH TO RESPONSIBLE DEVELOPMENT



These pillars provide a natural categorisation of the Group's commitment to sustainability ever since its early years. Right from the start, Sanlorenzo has valued collaboration with contractors and suppliers belonging to an ecosystem of local artisan businesses. Following the acquisition of the production facilities in Ameglia, mostly inside the Montemarcello-Magra-Vara natural park, the Company undertook to obtain, and extend to other sites, certification supporting environmentally friendly production processes. Following the acquisition of the Company by Massimo Perotti, the focus on and concrete commitment to sustainability issues has

increased and grown stronger, with sustainability criteria now also being applied to products, in the pursuit of constant technological innovation driven by responsible development principles. The Group's objective is therefore to set an example in the industry and to promote a culture of responsible development to be shared not only within the Group, but also outside the corporate boundaries, acting to increase awareness along the entire value chain.

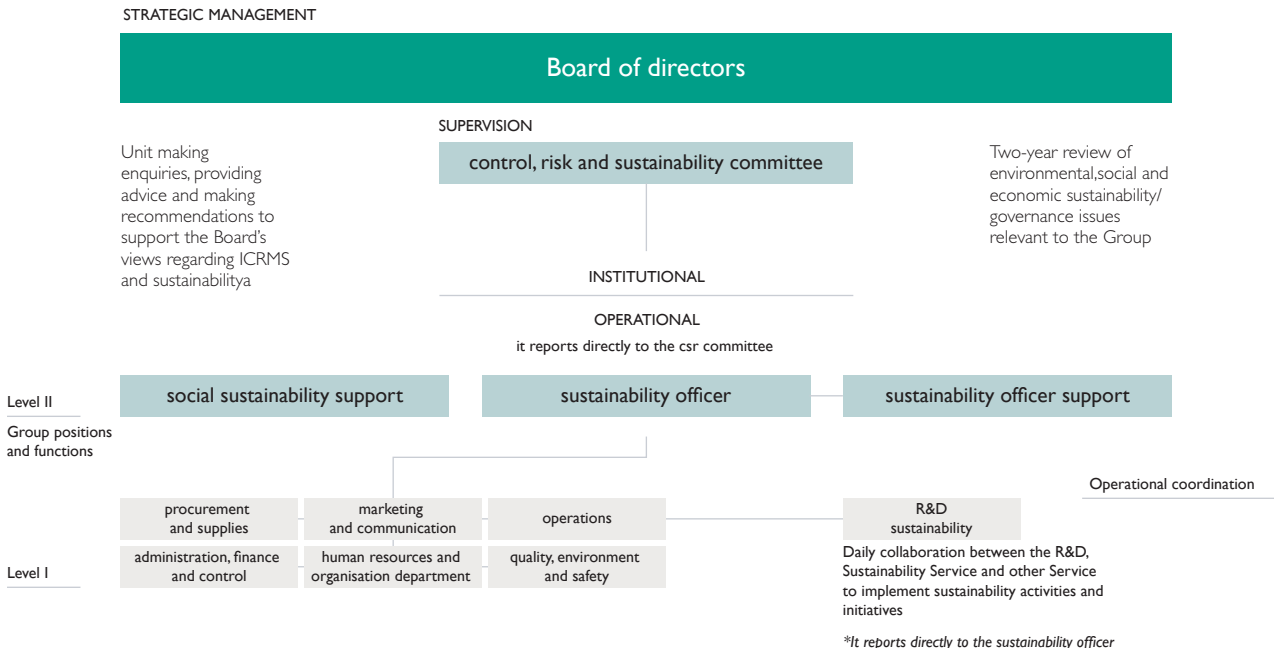


Sustainability governance

As sustainability becomes more integrated into the company's strategy and operations, responsible development plays an increasingly major role in the day-to-day activities of a number of corporate profiles.

The organisational structure – shown in Infographic 2.6 – highlights the growing across-the-board nature of sustainability within the Group.

INFOGRAPHIC 2.6 - ORGANISATIONAL STRUCTURE AND SUSTAINABILITY GOVERNANCE



At the executive level, ultimate responsibility for strategic sustainability decisions and guidance, including sustainability reporting, rests with the Board of Directors. These responsibilities are then delegated to the Control, Risk and Sustainability Committee. More specifically, the Committee assists the Board in:

- Defining the guidelines for the Internal Control and Risk Management System to ensure that the main risks faced by the Company and its subsidiaries are adequately identified, measured and monitored; it also assists the Board of Directors in establishing the criteria for the compatibility of these risks with a corporate management approach consistent with the strategic objectives identified;
- Assessing, on a regular basis and at least annually, the adequacy of the Internal Control and Risk Management System with respect to the characteristics of the Group and its risk profile;
- Preparing the NFS pursuant to Legislative Decree 254/2016. To this end, the Committee meets every two years to approve the list of topics deemed to be material for the Group, and its opinion is submitted to the Board, which will make decisions on such matters.

Specific corporate roles have also been identified (see organisation chart above) with a view to translating strategic guidelines into planning and management approaches, including the **Sustainability Officer, Social Sustainability Support and Sustainability Officer Support**. The role of these individuals is to assist the Control, Risk and Sustainability Committee members in managing sustainability programmes and initiatives, including non-financial reporting. Finally, the **R&D and Sustainability Function** coordinates initiatives and developments in the field of sustainability at an operational level. The Service comprises two areas: one of a more technical nature dedicated to R&D activities, and the other focusing on the application of sustainability principles and topics and on the planning of the Sanlorenzo Academy (see insight box "Sanlorenzo Academy: yachting training school"). Together with the Sustainability Officer Support, the Service is the Sustainability Working Group responsible for managing and performing non-financial reporting tasks.

AREAS OF FOCUS

In order to identify the sustainability issues that have the greatest impact not only on day-to-day business operations but also on the Group's overall value creation (i.e. 'material issues'¹⁸), a materiality analysis was carried out in 2020, which will be repeated for the 2022 report.

The 2020 analysis was carried out using a process consisting of **two macro-phases** which made it possible to identify, assess and prioritise the issues deemed as material for the Group and its stakeholders:

1. Conducting extensive **context analysis** based on national and international sources of varying complexity in order to contextualise potentially relevant issues within a framework of sustainability megatrends having a direct influence on the yachting sector; and

2. Holding **semi-structured interviews** to explore the functional area managers' views on potentially relevant issues identified through the analysis referred to above.

In particular, respondents were asked to express their perception of the relevance of the proposed issues not only from the Group's perspective but also with regard to the key stakeholders they engaged with on a regular basis.

It should be noted that in order to assess the significance of the Group's material issues in 2021, the context analysis was updated; the new study confirmed previous findings¹⁹.

The listening effort by holding semi-structured interviews was also revised in 2021 with a view to identifying possible concerns or queries raised from management and, through it, stakeholders alike.

The steps described above allowed **14 material issues** to be determined.

Likewise, the Group is committed to achieving some of the SDGs of the United Nations 2030 Agenda, with respect to which it believes it can make an active and concrete contribution:

- SDG #4 (target 4.4) - Quality education;
- SDG #5 (targets 5.1; 5.5) - Gender equality;
- SDG #8 (target 8.2) - Decent work and economic growth;
- SDG #10 (target 10.3) - Reducing inequality;
- SDG #12 (targets 12.4; 12.5) - Responsible consumption and production;
- SDG #13 (target 13.1) - Climate action;
- SDG #14 (target 14.2) - Life below water;
- SDG #16 (targets 16.5; 16.7; 16.10) – Peace and justice, strong institutions.

The Group may also directly contribute to the achievement of SDG #3 - Health and well-being, and SDG #7 - Affordable and clean energy.

In Infographic 2.7 below, the material issues are linked to the pillars of the Group's approach to responsible development.

INFOGRAPHIC 2.7 - SANLORENZO GROUP'S MATERIAL ISSUES



3 GOOD HEALTH AND WELL-BEING	Protection of health and safety	4 QUALITY EDUCATION	- Sustainable management of the supply chain - Human resources management	5 GENDER EQUALITY	Human resources management	7 AFFORDABLE AND CLEAN ENERGY	Energy consumption
8 DECENT WORK AND ECONOMIC GROWTH	- Promotion and development of the territory and relations with local actors - Protection of health and safety - Sustainable management of the supply chain	10 REDUCED INEQUALITIES	- Human resources management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	- Sustainable boat design - Waste management - Exclusive relationship with the customer - Research and development - Sustainable management of the supply chain	13 CLIMATE ACTION	-Air emissions -Research and development
14 LIFE BELOW WATER	Marine habitat conservation and biodiversity	16 PEACE AND JUSTICE STRONG INSTITUTIONS	-Governance of sustainability -Fight against active and passive corruption				

A careful monitoring of material issues will form the basis for defining the strategic objectives and related targets, with a view to gradually improving the Group's performance in the two main focus areas. In this regard,

it should be noted that the Company has already taken steps to devise a Strategic Sustainability Plan to be completed by 2023.

LISTENING TO STAKEHOLDERS

Establishing and keeping a constant and open dialogue with all stakeholders who interact with the different Group companies is considered a key driver. By relying on ad hoc corporate functions and channels, the companies adopt a proactive approach towards the different stakeholders they engage with, the purpose being to create long-term sustainable value.

The different opportunities for dialogue, engagement and listening to stakeholders are all prepared and implemented on the basis of the following key principles:

1. Every exchange with stakeholders allows meaningful insights to be gained with regard to **their point of view** and their specific **interests**, as they provide crucial feedback for the pursuit of corporate objectives;

2. Insofar as possible, it is important to create opportunities for **collaboration with the various stakeholders** in order to develop joint strategies, activities and projects capable of creating value not only for the Group but also for all stakeholders;

3. Stakeholder engagement must ensure a **constant increase in stakeholder satisfaction** in order to increase their **trust** in the Group.

The following section shows the priority stakeholder groups for the Group and highlights the main channels of dialogue used, the guidelines that drive engagement with each group, and the requests voiced by stakeholders during exchange opportunities.

The frequency with which the various dialogue channels are activated varies according to the companies and the specific company functions involved.

With regard to shareholders in particular, it should be noted that at its meeting in March 2021, Sanlorenzo's Board of Directors approved the **Policy for the management of dialogue with all shareholders** which governs the general principles, management methods and main content of the dialogue between Sanlorenzo and its shareholders (more information in the Annex to the "Technical insights" section).

As regards in particular the receipt of any negative feedback, in addition to relying on the ordinary channels in place, the functions concerned organise ad hoc meetings to: investigate any criticalities that have emerged; give feedback to the stakeholder; define a remedial action plan where necessary. Management is informed on a regular basis regarding any critical issues that have emerged and the related actions implemented to overcome them.

THE GROUP'S STAKEHOLDERS



ENVIRONMENT (Partners in environmental innovation, environmental associations and NGOs)

Dialogue channels:

- Meetings with representatives
 - Planning and carrying out activities considering the environmental impact that may result from them
 - Information and training programmes for internal staff on environmental protection issues
- Sustainability concerns raised by stakeholder:
- Focus on the environment



MEDIA (national, international and local media, press offices)

Dialogue channels:

- Interviews
 - Press releases
 - Dialogue by phone/email
- Sustainability concerns raised by stakeholder:
- Product innovations related to sustainability
 - Focus on the environment (especially on emissions)
 - Production-related topics



SHAREHOLDERS AND INVESTORS (Investor relations)

Dialogue channels:

- Shareholders' meeting
 - Seminars, industry conferences, roadshows and meetings, including meetings entirely dedicated to sustainability
 - Conference calls or periodic meetings following the release of financial information for the period or other significant communications
 - Price-sensitive communications and information
 - Dialogue by phone/email or in person
 - Corporate website
 - Completing questionnaires aimed at assessing sustainability strategy and performance
- Sustainability concerns raised by stakeholder:
- Reduction of product-related emissions
 - Programs on ESG issues, with special reference to environmental and social issues
 - Financial and operational performance (financial and non-financial results and targets) and pursuit of the goal of sustainable success

- Corporate strategy and business model
- Management remuneration policies
- Regulatory issues



LOCAL COMMUNITIES

Dialogue channels:

- Organization of events focusing on local area enhancement
 - Dedicated investments
 - Collaborations and partnerships
- Sustainability concerns raised by stakeholder:
- Focus on the relevant area



SCHOOLS AND UNIVERSITIES (University of Genoa, Polytechnic of Milan, University of Bologna, University of La Spezia, University of Pisa, CISITA, La Spezia Technical Institutes, ITS La Spezia)

Dialogue channels:

- Apprenticeship programmes
 - Work-related learning programmes
 - University thesis projects
 - University guidance days
 - Partnerships for the rollout of projects/development of product-related innovative solutions
- Sustainability concerns raised by stakeholder:
- Focus on the environment



HUMAN RESOURCES (employees of Sanlorenzo, Bluegame and foreign companies)

Dialogue channels:

- Corporate meetings to provide updates on business performance
 - Intranet
 - Feedback and feedforward meetings
 - Sanlorenzo Academy
 - Other training paths
 - Climate analysis
 - HR Help Desk
 - Social assistance and psychological support programme
- Sustainability concerns raised by stakeholder:
- Focus on recyclability/waste reduction

LEGEND

Engagement lines

- Inform Collaborate Consult Include



TRADE UNION ORGANISATIONS (Labour Inspectorate, local and internal trade union organizations, Work Council, Workers' Safety Representative, Regional Environmental Protection Agency, Regional Environmental Protection Agency for Tuscany)

Dialogue channels:

- Dialogue by phone/email
 - Meetings
- Sustainability concerns raised by stakeholder:
- Focus on the environment



PUBLIC ADMINISTRATION, REGULATORY BODIES, CERTIFICATION BODIES (INPS, INAL, Internal Revenue Service, Auditors, Port Authority, Fire Fighting Department, Harbour Offices, Municipalities, Liguria and Tuscany Regional Authorities, Provincial Authorities, Single Points of Contact, Local Health Authorities, Park Authority, Naval Registers, Italian Naval Register, ABS, Flag Authorities, LLOYD'S, BV, IRS Department of Labour, Insurances, Cpa)

Dialogue channels:

- Meetings with representatives
 - Dialogue by phone/email
 - Focus shows
 - Conventions/conferences/webinars
- Sustainability concerns raised by stakeholder:
- General focus on sustainability issues
 - Programmes on ESG issues, with special reference to environmental and social issues
 - Emission reduction (fuel cells/hydrogen)



INDUSTRY/TRADE ASSOCIATIONS, NGOs, ASSOCIATIONS COMMITTED TO SUSTAINABILITY (Confindustria Nautica, Confindustria La Spezia, SYBASS, ICOMIA, Water Revolution Foundation, Blue Marine Foundation)

Dialogue channels:

- Dialogue by phone/email
 - Collaborations and partnerships
 - Participation in working groups
 - Focus shows
 - Conventions/conferences/webinars
- Sustainability concerns raised by stakeholder:
- Development of innovative solutions
 - Regulatory developments



SUPPLIERS AND CONTRACTORS (material suppliers, engineers, foremen, suppliers supporting the technical department, dealers, subcontractors, other suppliers, consultants)

Dialogue channels:

- Sanlorenzo Academy
 - Visits to the supplier's/contractor's sites
 - Focus shows
 - Dialogue by phone/email
 - Production and order progress control meetings
 - Conventions/conferences/webinars
- Sustainability concerns raised by stakeholder:
- Emission reduction (fuel cells/hydrogen)
 - Use of renewable energy
 - Product recyclability
 - Code of conduct
 - Use of new, more environmentally sustainable materials
 - Teak use



CUSTOMERS (shipowners and their crews, owner's representatives, commercial Backoffice)

Dialogue channels:

- Elite Days/Weekends
 - Boat shows
 - Exclusive evenings to discover art and 'Made-in-Italy' products
 - Days dedicated to visiting design showrooms
 - Visits and meetings at shipyards
 - Direct dialogue with shipowners (including through online meetings)
 - Value- and experience-related communications (e.g. storytelling)
 - Harbour hospitality services
 - Support services
 - Services on board
 - Sanlorenzo Timeless
- Sustainability concerns raised by stakeholder:
- Greenwashing
 - Reduction of emissions from product use (hybrid powertrains)
 - Building processes
 - Sustainability of raw materials used on board
 - Technological and product innovations



CREDIT INSTITUTIONS

Dialogue channels:

- Dialogue by phone/email
- Other channels used for investors (financial disclosure)

COMMITMENT TO THE PRODUCTION PROCESS

PROMOTING AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN
FOCUSING ON THE ENVIRONMENT IN PRODUCTION PROCESSES
TALENT AND EXPERIENCE



PROMOTING AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN

Craftsmanship is one of the core values of the Group, and is reflected in an unparalleled heritage of **skill and ingenuity** handed down from generation to generation. It is thanks to the skill of our artisans that unique creations take shape, representing the **union between tradition, innovation** and **Made-in-Italy** products. Sanlorenzo and Bluegame yachts are designed and evolve thanks to the specific know-how that defines the **individual processes contributing to the construction of a yacht**: from the extreme shaping of a specific type of wood to elaborate carving and the finest quality stitching of structured fabrics.

The Group’s supply chain

The recruitment and selection of suppliers and contractors is managed internally by the Procurement Offices, one for each Business Unit. A distinctive feature of the Group is its ability to count on a complementary **organisation between the Procurement Offices and the Supply Chain Function**, allowing production to be enhanced and supported while ensuring at all times maximum flexibility and speed in responding to shipowners’ requests. At Sanlorenzo, the Supply Chain function is a business function that reports directly to the Division President. At Bluegame, on the other hand, this unit reports directly to the Operations Function, where the functions of Sanlorenzo’s administrative area are involved, in addition to the Operations Manager.

The search for **high-quality raw materials** that meet the technical specifications and production standards defined by the Group is also crucial. For this reason, Group companies turn to leading suppliers with whom they establish **lasting relationships**. The Group’s **strong focus** on its suppliers and contractors is embedded in all the stages of the relationship with such partners, from selection to qualification, including the day-to-day management of dealings with them.

An office dealing with the supply chain is operational in the facilities of Ameglia, Viareggio, La Spezia and Massa. This department is supported by a **Strategy Committee**, consisting of the Division President, Operations Manager, Division Purchasing Manager and plant Supply Chain Manager, with responsibility for decisions on the allocation of contracts and the internalisation or outsourcing of certain activities. This organisational set-up allows the two companies to operate in a consistent and synergetic fashion in the selection and management of suppliers and contractors. Specifically, the stages comprising the qualification process are as follows:

INFOGRAPHIC 3.1 - SELECTION PROCESS FOR SUPPLIERS/CONTRACTORS



The initial assessment of suppliers or contractors is based on the following criteria:

- **Lawful conduct**, i.e. must not be involved in illegal activities;
- **Expertise and production capacity** in line with the needs set out in orders, in terms of technical, quality and organisational reliability;
- **Competitiveness and quality** of the end result;
- **Fairness** in dealings with the Group;
- **Respectability, reputation and equal opportunity for each provider**;
- **Economic and financial stability**, ensuring that each supplier/contractor is sound enough to cope with and complete the required activities;
- **Pricing**;
- **Geographical location**, preferring local firms as much as possible, so as to empower the community where Sanlorenzo operates and in general the Italian territory and the Made-in-Italy brand. This solution not only allows resulting satellite activities to be allocated fairly, but also affords many advantages in terms of logistical convenience, since the contractors in particular need to be physically present at the shipyards. In the case of Bluegame, having production and outfitting facilities mainly located in Lombardy underlines the quality choice made by the company, as this area is considered a major yachting hub, especially for smaller yachts. The Procurement Function, often assisted by other directly involved corporate functions, arranges for on-site visits to be conducted at the premises of suppliers and contractors who meet the above criteria in order to establish:
- Availability of technical staff, ensuring that working conditions are based on respect for fundamental human rights, international conventions, and applicable laws;
- Availability of all the necessary facilities for the delivery of the requested work/supplies;
- Compliance with technical and organisational requirements (such as means, machinery and equipment);
- Whether organisational controls are in place with regard to health, safety and the environment, including the possibility of obtaining relevant certification;
- The way the supply chain (subcontractors/sub-suppliers) is managed and monitored.

Additional specific checks may be carried out, such as supplies of raw materials, in respect of which the Group carries out initial sampling to check their quality, reliability and safety;

It should be noted that in 2021 the recruitment of suppliers proved more challenging due to the inability to travel as a result of the continuing Covid-19 pandemic. Similarly, visits to suppliers were limited during the year and, where possible, were temporarily replaced with online ‘visits’.

To date, the number of active **suppliers** stands at 2,950. Of these, 2,620 are suppliers of raw materials and components¹ (2,100 Sanlorenzo and 520 Bluegame) and 200 are subcontractors² to which Sanlorenzo turns for the construction of its yachts and which, for the most part, work at the Sanlorenzo shipyards.

In greater detail, it should be noted that only for the construction of the hull of model BG72 and the initial work needed for the construction of the new BGM75, Bluegame’s production activity during 2021 started inside the Sanlorenzo shipyard in Ameglia (DI). At this shipyard, structural changes are underway that will allow Bluegame to carry out a further part of the production process “in house”, by relying on two industrial sheds for outfitting, thus allowing the company’s production model to increasingly reflect Sanlorenzo’s own model.

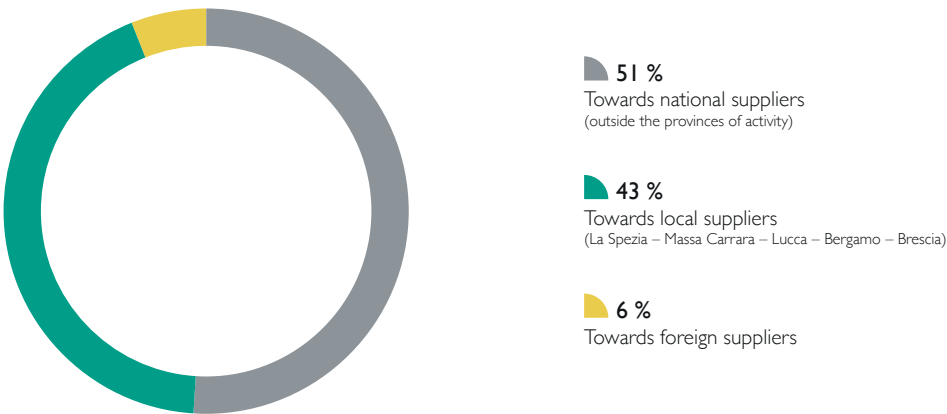
The Group’s supply chain also includes suppliers who support the corporate structure, such as IT, marketing, maintenance and facility materials.

The total volume of the Group’s procurement expenditure in 2021 was **€ 577 million** (€ 471 million in 2020). The following charts show the breakdown of Sanlorenzo’s and Bluegame’s procurement expenditure according to the geographic area in which the suppliers operate.

CHART 3.2 - SANLORENZO - SPENDING BY PROCUREMENT, BY GEOGRAPHIC AREA



CHART 3.3 - BLUEGAME - SPENDING BY PROCUREMENT, BY GEOGRAPHIC AREA



The first half of 2021 was marked by a significant increase in the cost of certain raw materials due to their lack of availability on the market. In this context, many suppliers asked for direct support from the Group in order to face the crisis jointly. The measures taken consisted of 3 action steps:

1. An attempt was made to deal with problems relating to the delivery of materials – with special reference to engines, due to problems linked to the lack of availability of electronic components – by revising most of the purchase programmes with main suppliers in such a way as to move forward actual production requirements by a few months, thus minimising the material shortage risk;
2. Checks carried out on supplies were further extended, increasing the number of meetings with key

suppliers (chiefly with the main engine suppliers and other major suppliers) and assessing, in the event of major delays, immediate alternatives agreed with the customer by implementing a supplier diversification strategy;

3. In order to cope with price rises and provide assurances to suppliers as far as possible, the budget for procurement was reviewed and increased where necessary.

With regard to contracts, efforts were also made to gather all the necessary information on the materials used – in terms of purchase cost and quantities – the goal being, in the following months, to seek other suppliers in addition to those generally taken into consideration by contractors and signing a special framework agreement with them.



Relation management

The Group's relations with its supply chain, especially with contractors, are strongly geared towards **human and direct** contact. Discussion is constant, including on problems and risks, which are assessed and dealt with together as part of routine daily activities, almost always through in-person meetings. The Group's approach, encouraging partnerships and mutual growth, provides the basis for long-term relationships while keeping contractor turnover rates low.

THE VALUES UNDERLYING THE RELATIONSHIP BETWEEN THE GROUP AND ITS SUPPLIERS/CONTRACTORS

- **TRANSPARENCY**
- **LOYALTY**
- **INTEGRITY**
- **CONFIDENTIALITY**
- **DUE DILIGENCE**
- **EXPERTISE**
- **OBJECTIVE ASSESSMENT**

The relationship between the companies and their suppliers and contractors is governed by a Framework Agreement where all contractual documents are referred to:

- **General Terms and Conditions of Purchase or the General Tender Specifications**, which – following acceptance of the Order in which they are expressly referred to – suppliers and contractors undertake to fully view and comply with. Both documents were updated in October 2021, considering all the

relevant new regulations concerning dealings with suppliers, including in particular the provisions of the “Memorandum of understanding for combating labour exploitation and illegal labour brokering in the field of recreational yachting” (see insight box “Sanlorenzo Group's participation in the definition of the MoU for the fight against illegal recruiting in the marine industry”);

- Reference technical specifications;
- **Quality Booklets** (applicable only to Sanlorenzo's suppliers/contractors³), i.e. very detailed technical specifications specific to the different types of processing, containing a description of the activities to be performed, complete with technical drawings, tables and checklists. These documents provide the necessary support for systematic daily on-board inspections conducted by the Quality Department, through all the phases of manufacture (see “Quality and safety assurance on board”);
- Financial conditions of supplies;
- In the case of contractors, production planning for the period established by the Framework Agreement;
- Order form;
- Any operating instructions for packaging and transport.

All suppliers and contractors are also required to read, understand and accept the provisions of the Company's Code of Ethics and Compliance Programme (locally known as the Organisational Management and Control Model under Legislative Decree 231/01).

INSIGHT

Sanlorenzo Group's participation in the definition of the MoU for the fight against illegal recruiting in the marine industry

The Memorandum of Understanding for the fight against labour exploitation and illegal labour brokering in the field of recreational yachting⁴ was one of the results achieved through the efforts of the Working Group for the prevention and fight against illegal recruiting, set up by Confindustria Nautica and grouping together local recreational yachting companies.

The MoU has a duration of two years, starting from the date of its entry into force. It requires the parties to take all the necessary measures to combat the practices of undeclared work, helping to promote the culture of legality and the performance of contracting

activities in full compliance with national regulations on labour relations and welfare contribution, insurance and safety at work obligations by companies engaging in the industry. To this end, the MoU aims to promote the knowledge and training of workers – especially those of foreign origin – regarding their rights. Similarly, contracting companies and contractors are required to promote specific training courses for those responsible for managing contracts, in order to provide all the tools to support auditing activity in terms of health, safety, legality and protection of the working relationship.

In addition, the list of documents required from suppliers and contractors to access Sanlorenzo shipyards was revised and amended as appropriate. During 2021 the Group also launched a **sustainable management project for its supply chain aimed at:**

- Integrating the evaluation, measurement and monitoring of suppliers' performance over time, including environmental, social and economic sustainability aspects;
- Gaining a deeper knowledge of the impact caused by its own suppliers, identifying any non-compliance in the process;
- Defining a path of growth and mutual improvement by sharing with suppliers the principles and good practices underpinning responsible development. To this end, a process for mapping raw material suppliers was implemented, which enabled a representative sample to be identified for analysis based on **strategic significance, company size** and overall **risk** associated with the supplier (in terms of country risk and industry risk).

A total of 119 companies were selected, and were asked to complete a **self-assessment** questionnaire aimed at gathering information on how they manage social matters – including human and labour rights – environmental issues and business ethics, with the possibility for suppliers to specify any process certification obtained or, alternatively – and more importantly to avoid excluding smaller companies – the definition of specific practices, if any, for each area analysed.

To date, 105 suppliers have taken part in the questionnaire. It is the Group's objective to achieve complete coverage of the selected sample. Upon completion of the analysis, Sanlorenzo will perform a document-related audit of the answers provided with the aim of jointly defining improvement plans and support paths towards the achievement of increasingly ambitious sustainable performance.



Rules governing dealings with suppliers in social matters

With regard to **social matters**, there is a focus on the ability of the contractor/supplier to (i) ensure that wages and contributions are regularly paid to its employees – who must be duly employed by the firm – and (ii) comply with the regulations on accident prevention in the workplace.

Contractors operating within Sanlorenzo's shipyards (see "Technical insights") must ensure the on-site presence of their Works Supervisor and/or Site Manager during all working hours. His task will be to ensure the correct technical management of the works under the contract, the proper behaviour of every employee and their full compliance with environmental, fire prevention, and workplace health and safety regulations.

The daily workforce of contractors' employees on Sanlorenzo's shipyards may change slightly depending on job orders and seasonal patterns. In 2021, there were **2,000 employees in such firms**, between 250 and 750 at each construction site. Each person is provided with an ID card (badge), including a photo and details of their company, which must be displayed at all times during the working day.

All contractors' employees who carry out activities on Sanlorenzo's shipyards are covered under the Occupational Safety Management System (SGSL), **certified pursuant to the UNI EN ISO 45001:2018 standard⁵**.

Specifically, the main risk of accidents in the shipbuilding industry is related to falls from height, and hazards are associated with slipping, tripping and falling from scaffolding⁶ or from lifting platforms on which workers often work (about 14 metres in the case of yachts measuring 50/60 metres in length). The risks associated with falling objects and the handling of loads are equally significant.

With specific reference to fibreglass production, workplace safety requires the handling of dangerous chemical agents deriving from styrene emissions, causing potential employee exposure both by inhalation and skin absorption. The Company manages this risk by implementing appropriate collective (i.e. installation of suitably positioned suction systems) and personal protection measures.

Moreover, thanks to the use of the infusion technique (see "Focus on environment in production processes") Sanlorenzo is now further reducing worker exposure to this risk to near zero. The subcontractors Bluegame relies upon for the processing of fibreglass are also certified in terms of emission control.

Carpentry, painting and bodywork activities also entail risks of exposure to chemical agents.

Shipbuilding also poses significant fire risks, due to the types of materials and substances used and their large quantities. In this regard, all Sanlorenzo's sites maintain up-to-date **Fire Prevention Certification** subject to verification by the relevant Provincial Fire Brigade unit, assessing compliance of the sites with individually applicable fire prevention regulations.

The assessment of the occurrence of any other hazards at work within Sanlorenzo's sites – in addition to those already identified in the "Consolidated Interference Risk Assessment Document (locally known as DUVRI) – is supported by a weekly inspection visit of the working areas conducted by Sanlorenzo's **Heads of Prevention** and Protection Function.

During 2021 the Ameglia and Viareggio shipyards were also audited in accordance with ISO 45001:2018⁷ certification.

During the reporting period, therefore, field checks were increased, both by internal offices and by third parties, totalling approximately **120 inspection** visits (around 10 per month).

In order to eliminate identified hazards and minimise the likelihood of accidents, special emphasis is also placed on information, education and training of personnel. In this regard, a key role is played by the **Sanlorenzo Academy** as well as by **general and specific training requirements** (e.g. on risks and the use of equipment such as forklifts and bridge cranes) set forth in the General Procurement Conditions for contractors. In this regard, Sanlorenzo requires **copies of certificates of training** attendance by their workers. In addition, signage at the shipyards is translated into several languages to make it easier for everyone to understand the regulations in force at the sites.

INSIGHT

Sanlorenzo Academy: A training school for the yachting sector

In 2018 Sanlorenzo founded the **Sanlorenzo Academy**, whose mission is to provide occupational training in specialised roles, especially for younger people. The aim is to **ensure continuity, advancement and availability of new personnel for local companies**, and to help **raise technical and professional standards on board** the yachts.

This endeavour can trigger a meaningful **virtuous circle between industry, education and the labour market**, creating jobs and investing above all in the new generations.

The Sanlorenzo Academy's training offering includes courses lasting one year, broken down into 800 hours of training and 6 months of internship. More specifically, lessons alternate between classroom courses and hands-on experiences either in the lab or aboard the yachts.

Different types of courses are held each year, completely free of charge. At the end of the course, most of the students considered eligible (i.e. passing the final exam and then obtaining the professional qualification certificate) are hired by Sanlorenzo⁸ (60%) or by its contractors for a period of at least six months.

In 2021 13 people were hired at Sanlorenzo and Bluegame. In 2021 the Academy project was expanded further. The two courses launched during the year, in collaboration with the training centre CISITA, are designed for **multiskilled marine operators** (experts in the maintenance of marine systems and on-board equipment) and **on-board hostesses/stewards** – recreational boat **sailors**, the latter course being intended for people aged between 25 and 39. 19 participants took part in the courses during the year. Classes also covered occupational health and safety, to which 40 hours were allocated overall. During other lessons, reference is always made to the safety rules.

The Sanlorenzo Academy also supports the development of soft skills, including planning, communications and management of critical situations.

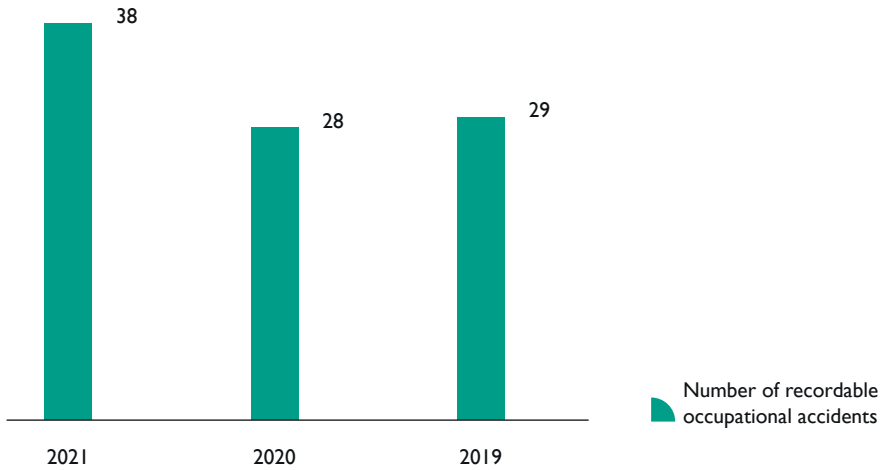
Some Sanlorenzo employees also participate in the Academy's endeavours as teachers of the subjects covered by the programme: an involvement that over the years has proven to be an important source of added value.

In 2021, however, the number of accidents at work recorded⁹ among the workers of the contractors operating in the 4 construction sites owned by Sanlorenzo increased: 38 accidents occurred during the year, all without serious consequences¹⁰, an increase of 36% compared to the previous year. None of the injuries that occurred had serious consequences.

The recordable work-related injury rate in 2021 was 5.9 (4.35 in 2020). In line with the previous two-year period, there were no cases of occupational diseases associated with the types of risk described in the paragraphs above.



CHART 3.4 - OCCUPATIONAL INJURIES IN THE 2019-2021 THREE-YEAR PERIOD RELATED TO WORKERS OF CONTRACTORS



With specific reference to **subcontracting** – which may be relied upon in limited and justified cases and requires approval by Sanlorenzo, providing technical, professional skills and financial resources are available and an agreement has been entered into by and between the Contractor and Subcontractor – the management of matters related to employees' protection lies with the contractor. Once authorised, subcontracting will be governed according to the provisions set out in the relevant general procurement conditions.

Rules governing dealings with suppliers in environmental matters

From an **environmental** perspective, the general procurement conditions require contractors to carry out activities in line with the conditions and provisions defined by the Environmental Management System (EMS) in force for the relevant site, with special emphasis on the Ameglia facilities, where, in addition to the provisions of the ISO 14001:2015 standard, compliance with the technical standards defined by the Montemarcello-Magra-Vara Park Authority is required (see "Focusing on the environment in production processes").

Sanlorenzo takes responsibility for and devotes specific attention to waste management, particularly regarding processing residues (e.g. packaging, materials and raw materials of normal wear and tear).

The Group has also set itself the objective of obtaining certification, by 2023, according to **international standard SA8000 on Corporate Social Responsibility**. During 2021 training on the subject was launched, and the Social Performance Team was set up in accordance with the guidelines set out in the standard. The Team consists of both worker representatives for SA8000 and management representatives, and is tasked with leading the implementation of certification.

To this end, information is provided to the contracting firm about the methods of separate collection – with reliance being made on explanatory signage displaying waste characterisation – and disposal of the various types of waste.

Bearing out the key role played by the supply chain for the Group, in 2020 a **supply chain agreement** was entered into with two major Italian banks whereby € 70 million of credit lines were extended to Sanlorenzo and Bluegame suppliers at an attractive rate. To date, this programme has been activated for around 130 suppliers between Sanlorenzo and Bluegame, and 5 are in the preliminary investigation phase.

CHAPTER OVERVIEW – TECHNICAL DETAILS ON THE FOLLOWING MATERIAL ISSUES:
“SUSTAINABLE SUPPLY CHAIN MANAGEMENT”; “HEALTH AND SAFETY PROTECTION”

REFERENCE GRIS:

102-9; 102-10; 102-15; 102-43; 102-44; 204-1; 403-7;
403-8; 403-9; 403-10; 407-1; 408-1; 409-1

SDG DI RIFERIMENTO:



(INDIRECTLY)



TARGET: 4.4



TARGET: 8.2



TARGETS: 12.4; 12.5

PRINCIPLES OF THE UNITED NATIONS
GLOBAL COMPACT REFERENCED:

- Principle 1 - Promotion of and respect for universally recognised human rights
- Principle 2 - Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4 - The elimination of all forms of forced and compulsory labour
- Principle 5 - The effective elimination of child labour

DESCRIPTION AND RELEVANCE OF THE ISSUE:

The Group's business model features strong vertical integration, with service and raw material suppliers - mainly medium or small local businesses and contractors – operating as key strategic partners in guaranteeing the continuity and evolution of the Company's business.

The distinctive character of Sanlorenzo and Bluegame products is embedded in the companies' technical expertise and craftsmanship of the workers involved in the individual processes. Shipyards and handicraft firms work in close synergy, and the relationship is based on a transparent and ethical dialogue. Bluegame also enjoys a constant relationship of trust with the shipyards of third parties with whom it collaborates for the processing of fibreglass and the outfitting of boats.

These relationships highlight the key role of the Group in the community where it operates and in respect of which it contributes to significant job creation as well as upstream and downstream economic activity.

TYPE OF IMPACT ALONG THE VALUE CHAIN:
DIRECT/INDIRECT, INTERNAL/EXTERNAL

The relationship with suppliers is crucial across the entire Group's value chain, since the fairness, quality and sustainability of the activities entrusted to contractors are reflected in both the Company's own value generation and ultimate owner satisfaction. Although the outsourcing of production phases does not allow the Company to exercise direct control over its contractors' employees, Sanlorenzo and Bluegame – with reference to the part of production started at the Ameglia shipyard – adopt and require compliance with the highest production standards, consistent with the regulations on health, safety and hygiene in the workplace, as well as environmental protection. The Group is also committed to progressively defining and implementing a management of its supply chain that is increasingly driven by environmental, social and economic sustainability criteria.



ASSOCIATED RISKS:

- Loss of specific technical and technological expertise in the case of replacement of certain specific suppliers or contractors, with negative effects on productivity, results and economic situation;
- Damage to reputation and harm to the correct and timely performance of Sanlorenzo activities in the event of non-compliance with defined production standards, violations of general procurement conditions, or unlawful conduct on the part of suppliers;
- High dependence on the supplier, with potentially serious consequences to Sanlorenzo in case of supply company instability or failure;
- Work stoppages due to Covid-19 virus outbreaks.

RELATED OPPORTUNITIES:

- Creation of a local supply-chain economy, with fair redistribution of contracts and supplies;
- Possibility of exploiting the Sanlorenzo Academy in support of constant skills updating and continuity for local craft firms;
- Improvement of Sanlorenzo's influence on suppliers and contractors by implementing targeted policies to raise awareness of sustainability issues.

KEY STAKEHOLDERS:

- Suppliers and contractors

RELEVANT POLICIES, PROGRAMMES AND
CERTIFICATION:

- Contractor and supplier assessment questionnaire
- General Conditions of Procurement or Purchase
- Code of Ethics and Compliance Programme under Legislative Decree 231/01
- Corporate safety policy
- UNI EN ISO 45001:2018
- Environmental Policy
- ISO 14001: 2015
- SA8000 certification (certification process started in 2021)
- Supply chain self-assessment questionnaire

FOCUSING ON THE ENVIRONMENT IN PRODUCTION PROCESSES

The Group recognises the need to deal jointly with economic and environmental system requirements. To this end, we are committed to:

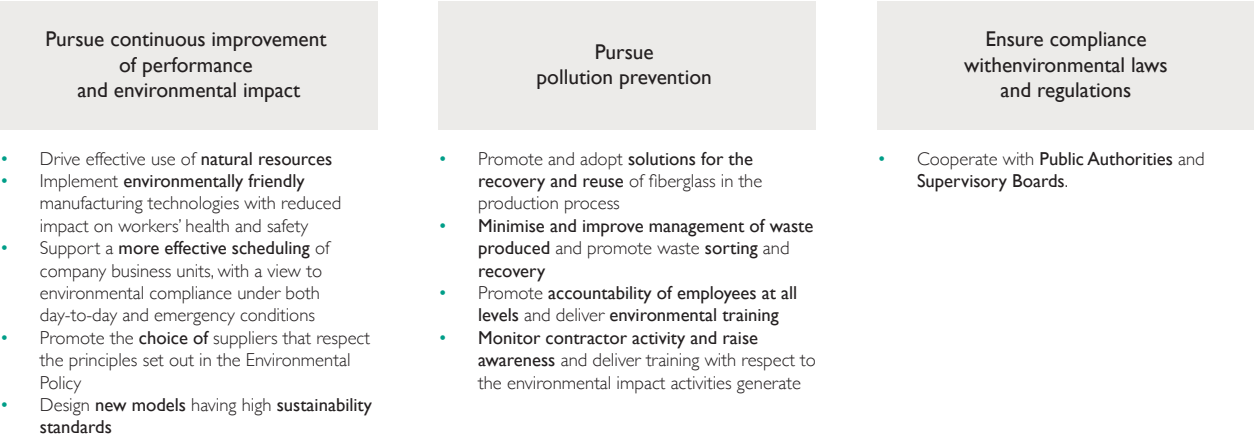
1. Effective environmental planning, taken to mean the set of activities, investments, training and new projects aimed at the gradual improvement of the environmental sustainability of production sites and the final product;
2. The sustainable use of natural resources, with special emphasis on those that are most scarce in nature;
3. An integrated approach to waste management and energy conservation.

In order to turn this commitment into management, Sanlorenzo relies on an EMS certified in accordance with the **ISO 14001:2015** standard for all its shipyards, whose operations are subject to strict environmental protection constraints.

An **Environmental Policy**¹¹ was adopted as part of the EMS. It stresses that in the conduct of all company activities respect for the environment is essential, such respect being based on the principles of **compliance with the local laws and regulations** in force, **continuous improvement** in environmental performance and reduction of environmental impacts, and **prevention of pollution**.

These principles are underpinned by clear objectives.

INFOGRAPHIC 3.5 - ENVIRONMENTAL POLICY PRINCIPLES AND OBJECTIVES



Other goals the Company is pursuing:

- Increase the use of **recycled fabrics on board**. A number of analyses are currently underway regarding the use of fabrics obtained from the recycling of PET bottles (more information in "Constant search for innovation").
- Increase supply from renewable sources by **installing photovoltaic cells** at the other company shipyards, in addition to Ameglia and La Spezia.

On the basis of the context analysis carried out annually in compliance with the requirements of the ISO 14001 standard, the Company defines specific **Environmental Programmes** for each of the shipyards being assessed. These Programmes include projects and

activities devised for corrective and/or improvement purposes.

Specifically, the Group's environmental impacts are defined as:

- **Direct** with regard to the activities carried out within Sanlorenzo's shipyards, with specific reference to the raw materials used, energy consumption for the work carried out and emissions generated (CO₂, VOC, VOS and MPT dust emissions), as well as fuel consumption for sea trials of yachts and for moving company vehicles. With regard to water withdrawals and discharges, the Group's impact is mainly associated with the use of water for civil purposes and, to a lesser extent, with the storage area used for washing boats;



- **Indirect** with regard to what happens upstream and downstream of the Group's value chain, with special reference to the impacts generated by suppliers "beyond tier 1" (beyond the first link in the supply chain) and owners' use of yachts. With respect to the last point, energy consumption and the emissions generated by it, the use of water on board and the impact on marine biodiversity are of particular importance. As far as Bluegame is concerned, on the other hand, impacts are at the moment almost exclusively of an indirect nature due to the fact that

Materials used

The amount of material used to build and outfit Sanlorenzo and Bluegame yachts is strongly affected by production patterns.

The Group pays special attention to the issue of raw material sourcing, focusing part of its sustainable innovation strategy on the choice of materials that can have a reduced environmental impact (see "Constant search for innovation").

In line with the provisions of the latest update of the Single Environmental Authorisation (AUA), to which Sanlorenzo shipyards are subject, strict **controls on incoming raw materials** is required in order to monitor all the material used¹², including by keeping a freight bill repository.

With specific reference to **teak**, the Company requires its suppliers and contractors to guarantee that the material used has been subject to European checks on origin and to ensure that such material conforms to EU standards¹³. Moreover, the supplier must present a controlled import certificate, guaranteeing that the material purchased comes from plantations that comply with regulations, and that part of the amount paid has been allocated to replanting. In addition, as of June 2021, i.e. when Regulation EU 2021/998 came into force, the purchase and use of teak from Myanmar is prohibited (see insight box "The issue of Burmese teak"). To meet the need to replace this raw material, the Group is evaluating and testing different, more sustainable alternatives (see "Constant search for innovation").

Special attention is also paid to the choice of **furniture** that complies with the most restrictive regulations in terms of adhesive materials (glues) used

production is completely entrusted to third party companies at facilities not owned by the Company.

The following sections describe the environmental matrices of relevance to the Group – in terms of direct and indirect impact – highlighting the consumption associated with the year under review. Tables of quantitative details are given in the Annexes (see "Technical insights").

for their production. With regard to the purchase of furniture (by contractors), Sanlorenzo complies with the European regulation class 3-EI in terms of formaldehyde emissions. Furthermore, 100% of furniture is purchased from Italian suppliers.

With reference to the use of **leather**, which is also 100% sourced in Italy, a partnership has been consolidated with a supplier capable of ensuring the implementation of ecological and odourless tanning processes (so-called "vegetable tanning"), to replace that of chemistry. To date, the tests carried out by this supplier show not only that the product has a lower environmental impact but also meets the required functional criteria, particularly in terms of leather flexibility. Sanlorenzo has also begun using leathers derived from hybrid chrome tanning.

Finally, with regard to the management of **chemical agents** in paints, fillers and antifouling treatments, the Group operates in accordance with the **2009 IMO Hong Kong Convention**. The Convention stipulates the fundamental requirement that vessels over 500 GT operating in international waters must be provided with an inventory of any hazardous substances comprised within the craft's structure and fittings. As a result, when the vessel is demolished, it will be possible to have a comprehensive view of the type of materials it is made of, so that they may be treated with the utmost care.

Most supplies of gelcoat, resins, glass and carbon fibre materials are procured from Italy (36.23%) and Spain (32.21%), and some of the remainder from other European countries, including the Czech Republic, Finland, Switzerland and United Kingdom.

Given that these materials are crucial for production, but could have a significant environmental impact, the Group is committed to constantly monitoring the development of alternative solutions and innovative processes that could have a lower environmental impact.

With specific reference to 2021, the following infographics show the main types of materials¹⁴, and the relative quantities, used for the construction and outfitting of vessels.

The data presented must be considered in relation to the number of units of yachts (54) and superyachts (7)

Sanlorenzo and Bluegame yachts (22) delivered in 2021: in this regard, evidence is given of the relationship between the overall quantity of material used and the parameter GT - Gross Tonnage (i.e. tonnage) with reference to each Division.

In particular, mention should be made of the higher percentage in 2021 of renewable materials for the yachts of the Yacht Division (19% in 2021 compared to 17% in 2020). As regards the other two Divisions, this share remained constant over the three years taken into consideration.

INFOGRAPHIC 3.6 - MATERIALS USED, BY DIVISION AND GT (2021)

Yacht Division



Glass	Wood	Ferrous material	Insulation material	Laminating material	Metallic material
93,752 kg	868,548 kg (includes partitioning plywood, furniture / décor wood and teak)	993,034 kg (includes copper)	141,079 kg	1,670,354 kg (includes resin, fiberglass, carbon fiber, PU / PVC)	425,800 kg (Includes aluminium alloys and stainless steel)

19%
from renewable material
597.26
Kg total/GT total

Superyacht Division



Glass	Wood	Ferrous material	Insulation material	Laminating material	Metallic material
64,000 kg	470,490 kg (includes partitioning plywood, furniture / décor wood and teak)	1,407,750 kg (includes copper)	143,000 kg	149,700 kg	582,600 kg (Includes aluminium alloys and stainless steel)

16%
from renewable material
709.09
Kg total/GT total

Bluegame Division



Glass	Wood	Ferrous material	Insulation material	Laminating material	Metallic material
24,200 kg	94,510 kg (includes partitioning plywood, furniture / décor wood and teak)	172,820 kg (includes copper)	13,430 kg	198,690 kg (includes resin, fiberglass, carbon fiber, PU / PVC)	44,780 kg (Includes aluminium alloys and stainless steel)

15%
from renewable material
597.61
Kg total/GT total



The Group also implements an accurate and prudent planning of inventories to ensure that the quantities of materials in stock are in accordance with the time planning of the construction phases of the vessels. The purpose is to avoid surpluses in inventories that could generate expired or obsolete material, which should

Energy consumption

Although energy consumption is a source of direct environmental impact for the Group, it should be pointed out that the Company's production activities are not classified as highly energy-consuming, since the processes that would require greater consumption – e.g. welding and woodworking – are not carried out at Sanlorenzo yards but are outsourced and do not currently fall within the scope of the report. On the other hand, energy consumption on board vessels appears more significant, as at present they require high electrical loads.

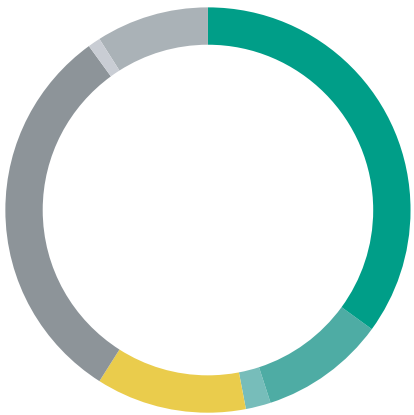
The management of aspects relating to energy supplies lies with the relevant Sanlorenzo units. They work in close collaboration with the Energy Consortium of Confindustria and with the relevant authorities,

then be recycled or disposed of. Collaboration with the Service team for the reuse of these materials as part of vessel refitting activities is also important (see “Exclusive relationship with owners”).

such as the Authority for Electricity and the Liguria and Tuscany Regional Authorities. In line with the provisions on large companies set out in Italian Legislative Decree 102/14, Sanlorenzo carries out energy audits on a four-year cycle, the last one in 2019, and implements the relative action plans for energy efficiency.

A snapshot of the 2021 energy mix is provided below with reference to consumption at the four yards. As far as Bluegame is concerned, at the moment it is not possible to separate consumption attributable to the portion of production that takes place at the Ameglia plant from consumption at Sanlorenzo.

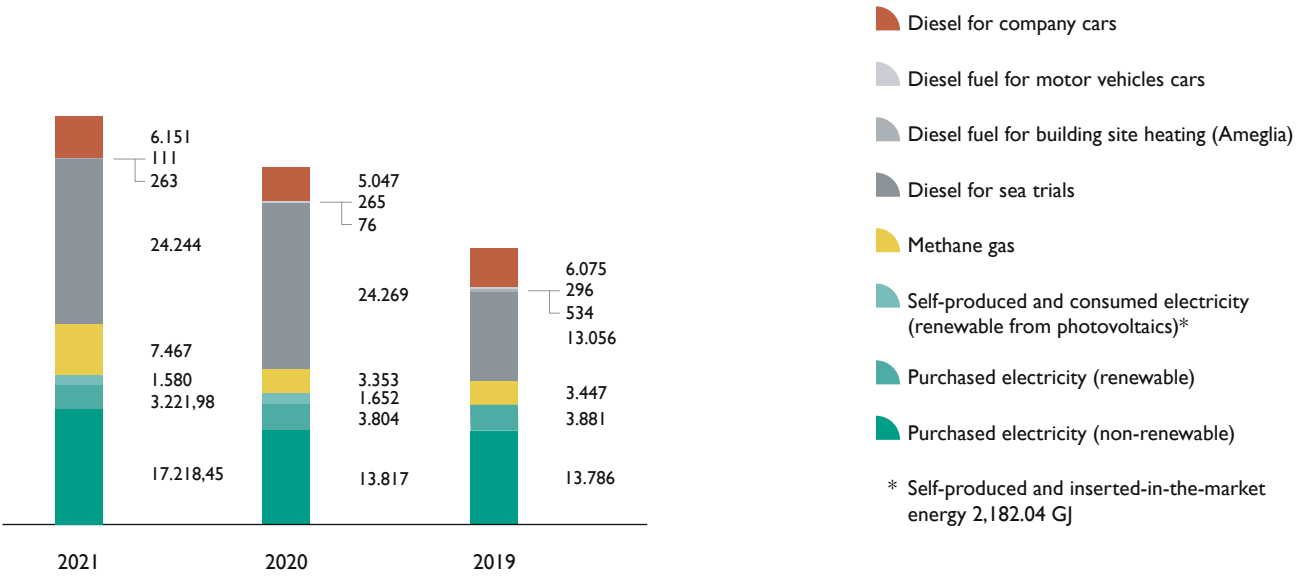
CHART 3.7 - ENERGY MIX OF SANLORENZO YARDS IN 2021



- 36 %
Electricity purchased (not renewable)
Electricity consumption is mainly associated with the operation of the suction motors present on construction sites. Electricity is supplied from the grid through an energy consortium of the Chamber of Commerce
- 31 %
Diesel for sea tests
- 12 %
Methane gas
Consumption attributable to the operation of the heating systems
- 1 %
Diesel for self-traction
Company vehicles, cranes and trolleys used to move boats
- 0.12 %
Diesel for heating
Presence of a diesel boiler in the Ameglia yard
- 2 %
Self-produced and self-consumed electricity from photovoltaic
- 9 %
Purchased electricity (renewable)
- 9 %
Diesel for company cars

The increase recorded in 2021, compared to both Divisions, is to be considered as being associated mainly with the increase in units delivered, compared to the previous year. The consumption of methane gas used for heating the Group's factories also increased.

CHART 3.8 - 2019-2021 ENERGY CONSUMPTION, YACHT BU¹⁵

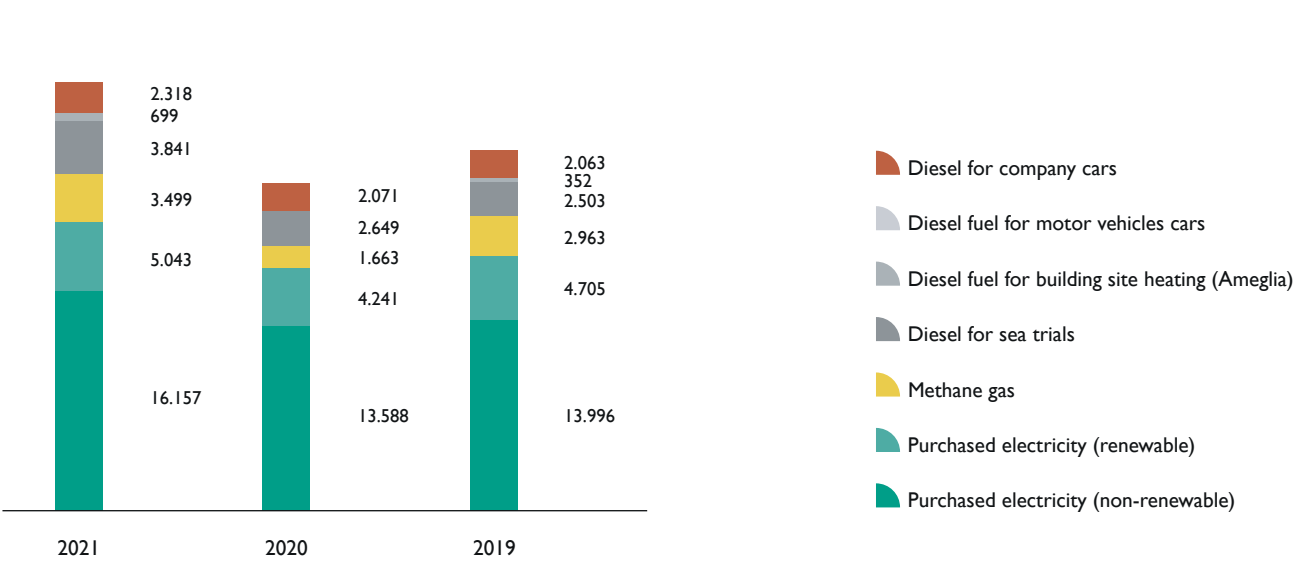


60.260 GJ
Total energy consumption
(+15% compared to 2020)

9 %
Electricity from renewables
sources out of all electricity
consumed within the organization

7,67 GJ/GT
Energy intensity

CHART 3.9 - 2019-2021 ENERGY CONSUMPTION, SUPERYACHT BU¹⁶



31.560 GJ
Total energy consumption
(+30% compared to 2020)

16 %
Electricity from renewable
sources out of all electricity
purchased

7,48 GJ/GT
Energy intensity

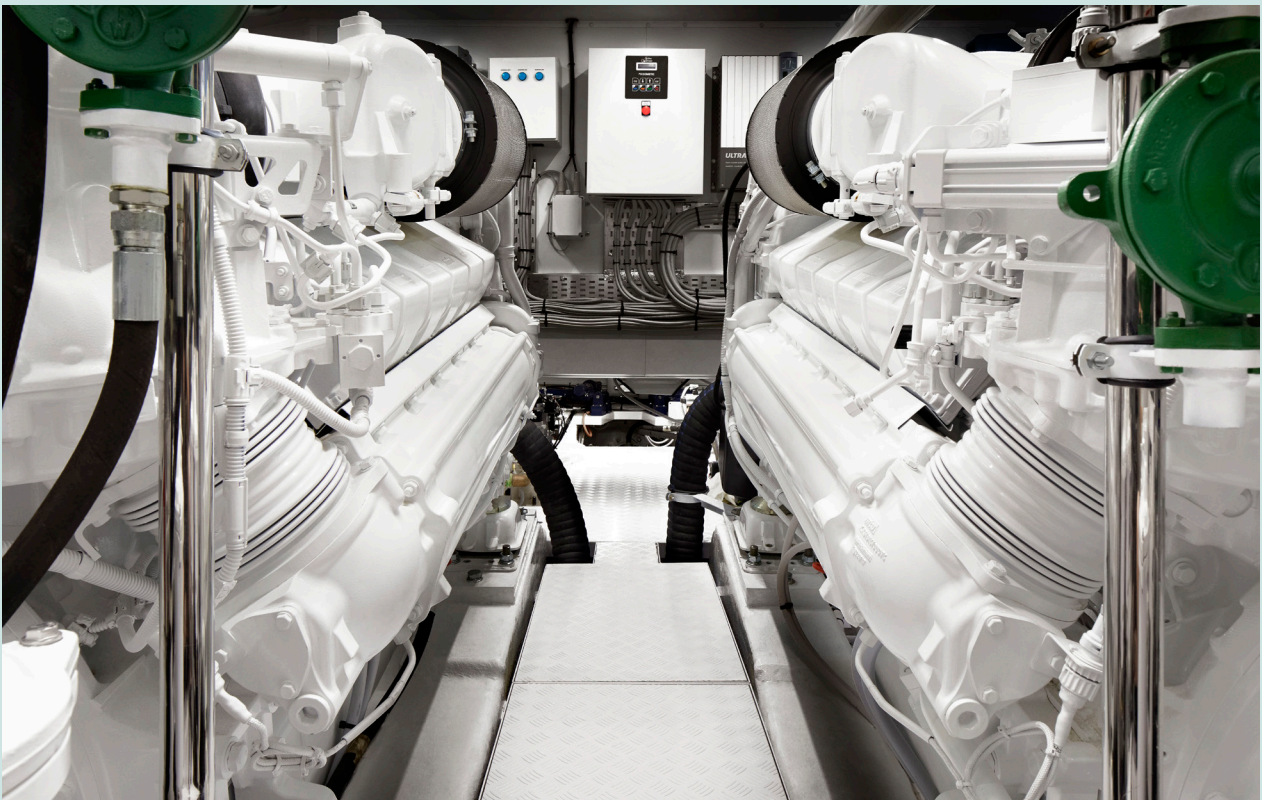


INSIGHT

On-board energy consumption

Many on-board utilities consume energy, placing high loads on the engine-room electrical generators. The main energy-consuming sources include air conditioning and stabilisation systems, galley and laundry, boiler, lighting system and cabin electrical

outlets, audio-video system, engine room, deck services and manoeuvring and mooring systems. Depending on the size of the yacht, consumption values can vary from 30 to 200 kw.



Energy efficiency initiatives

During the year Sanlorenzo undertook several energy efficiency-oriented actions, in addition to those started during the previous year. These actions allow the Company not only to reduce its energy consumption, but, more importantly, to operate with a view to

progressively reducing the Greenhouse Gas (GHG) emissions generated. Below is a summary of the main initiatives implemented.

TABLE 3.10 - ENERGY EFFICIENCY MEASURES IN SANLORENZO SHIPYARDS

SHIPYARD	ACTION	RESULTS
Ameglia	Photovoltaic system – In order to increase the use of green energy, the Ameglia yard has been fitted with 1,393 solar panels (LG SOL2 model), covering a total area of 2,400 square metres and with a rated output of 418 kWp. The system's annual production capacity is 630,000 kWh. The heating systems located in office premises, running on diesel or methane, have been replaced with heat pump systems powered by the photovoltaic system All the energy produced by the aforementioned system is used to meet the electricity requirements of the production site, with reference to shipyards D2 and, as of 2021, D1. Indeed, any self-generated energy surplus is no longer fed back into the grid, but directed towards building D1.	As at 2021: • Annual consumption totalled 2,602 MWh • 473 MWh reduction in energy consumption from non-renewable sources • Avoidance of 396.2 tonnes of CO₂ emissions thanks to a 0.629 kg reduction in CO₂ per kWh produced by the photovoltaic system.
La Spezia	Photovoltaic system installation In the autumn, external consultants, specialised in this sector, began to analyse the load capacity of the roofs of the buildings in which the panels will be installed and the actions to be taken to obtain the approval of the Fire Brigade.	The system is scheduled to be commissioned in 2022. More information will follow in the 2022 NFS.
	Installation and start-up of 2 heat pumps to replace the electric heaters at the La Spezia facility (painting area) – In 2021 two heat pumps were installed and started up (as of November) at the La Spezia facility, in the painting area, to replace the previous electric heaters. The project involves the installation of a total of 12 heat pumps, capable of providing three times more efficient energy consumption as compared to the operation of the previous system. The heat pumps will also be powered by the site's photovoltaic panels, thus allowing a zero-emission heating system to be available in the relevant area.	In autumn 2021, 2 Heat Pumps were installed as a sample system to be used as a test for the boat plastering and painting phase. Given the length of the ducts and the type of cycle, targeted tests are required to verify their technical effectiveness. The actual energy saving is confirmed about three times that of the resistances. It is only possible to give a rough indication of the savings that can be estimated in a few thousand kWh.
Massa	Commissioning of the hot water radiant strip heating system – Operating since 2021, it makes it possible to reduce energy consumption related to the heating of the yards for the process of “gel coating” and lamination of fibreglass products. At the same time, the system ensures compliance with the quality parameters required for such processing, especially during the winter months, avoiding cold peaks and maintaining a constant temperature difference – of about 6/8 degrees – between the inside and the outside. Indeed, a wireless control unit capable of constantly measuring temperature and humidity has been installed on each mould being processed, as well as on the outside. The system is powered by two heat generators with a capacity of 1,153 kW/cad (total thermal power of about 2.3 MW) with modulating burners, fuelled by natural gas. The overall system is divided into four individually activated zones, for maximum efficiency in energy use. The same system is being deployed at the new area (ex Barsanti Macchine building complex, in Massa) acquired by Sanlorenzo – by auction – in May 2021, covering an area of 15,000 square metres. Infrastructure upgrades are currently underway, so the impact generated by the commissioning of the system will affect 2022¹⁷.	System performance measurement is presently predictive in nature as it is aimed at understanding how to effectively set up its operation. Quantitative details on the energy savings generated by the facility will be available starting in 2022.



Emissions

The main atmospheric emissions generated by Sanlorenzo production result from the use of styrene in processing fibreglass at the Ameglia and Massa sites, and from other odorous solvents typical of the painting phases.

In accordance with Italian Legislative Decree 152/2006¹⁸ (Consolidated Text on the Environment), the Sanlorenzo plants are subject to assessment and potential sanctions by the relevant local authorities. With regard to the Ameglia site – located in the protected area of the Montemarcello-Magra-Vara Regional Park – the limits on air quality specified in the Region of Liguria Single Environmental Authorisation (AUA) are particularly severe.

The EMS of each production site specifies the processes and documents required for management of authorisation procedures and compliance with any AUAs: (i) continuous monitoring and maintenance of suction ventilation systems; (ii) operations to replace activated carbon; (iii) regulated operating schedules; (iv) periodic assessment of conformity.

It should be noted that the La Spezia yard updated its AUA. Having exceeded 5,000 kg of VOCs¹⁹ emitted into the atmosphere per year, it was necessary to switch to the **solvent management plan**, resulting in a monthly monitoring of quantities emitted. The AUA also requires compliance with an annual target related to VOC emissions generated, totalling 9,720 kg.

INSIGHT

Infusion technique for fibreglass structures

Since 2007 Sanlorenzo has been implementing the **infusion technique** for the production of semi-finished composite products, which makes it possible to **reduce the generation of styrene emissions** (a substance contained in the resin to varying degrees depending on the type used) **by about 98%**, thus also improving the health conditions of the working environment.

The resin infusion process for fibreglass mats, polyurethanes, structural reinforcing elements and glass or carbon fibre provides mechanical resistance to the infused structures.

The process lasts about four hours, and involves dry laying the materials/elements making up the structure, sealing a covering vacuum bag to the mould surface, and then vacuum-inducing the resin via nozzle-tipped tubes.

The infusion technique, however, cannot be used for production of large-size structures, such as hulls, since the resin cannot flow more than 2-3 metres above the container, so traditional production techniques are used for larger structures. The Company addresses this issue by using active-carbon capture and abatement systems, which retain almost all of the styrene produced in the process.

At the **Ameglia** shipyard there are **three abatement lines**, the filters of which need to be changed after approximately 250 hours of operation to ensure continuous system performance. In addition to abatement lines, there is a reliance on **bag filters** and **mobile vacuum cleaners**, again fitted with meters to indicate replacement as necessary.



With regard to the **painting processes** carried out on metal superyachts at the La Spezia site, the Company uses **special suction** systems to prevent the chemical agents used from being dispersed in the air. In addition, in collaboration with other relevant bodies the Port Authority has arranged for specific operational instructions to be prepared and formalised. According to such instructions, all painting activities must be notified in advance to the relevant authorities, who will authorise such activity only after the Port Chemist has conducted an on-site inspection.

Thanks to the rigorous management of these processes, no complaints have been filed by neighbours against Sanlorenzo's production facilities, and there have been no internal reports of failures.

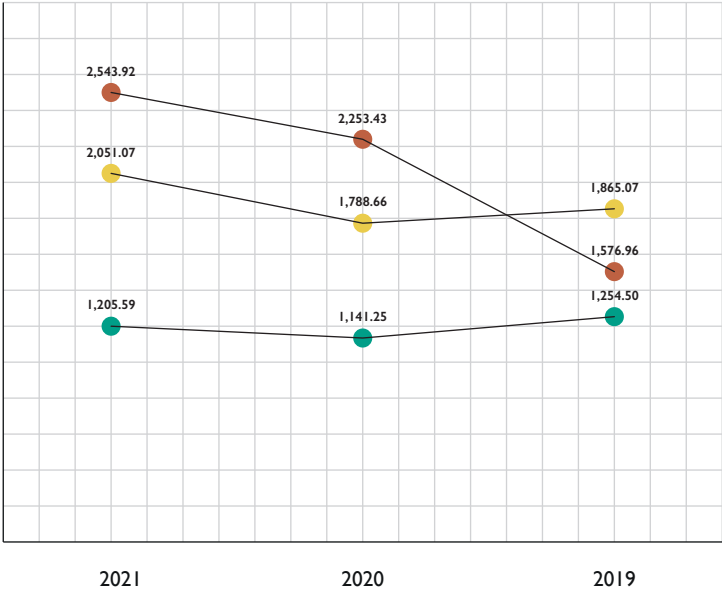
With reference to boat **fitting activities**, Sanlorenzo takes the utmost care in selecting formaldehyde-free materials and components used for the construction of internal compartments and furniture.

Finally, as regards the presence of airborne asbestos fibres, it is specified that starting from 2021 operations to remove the remaining asbestos have begun in the 1,500 square metres of coverage of Shed B of the Ameglia site, 600 square metres have already been completed; there are plans to reclaim the additional 900 square metres in 2022/23. With reference to the La Spezia site, it still has a portion of airborne asbestos²⁰, its total removal is expected by the first quarter of 2022.

The trend in direct (Scope 1²¹) and indirect (Scope 2²²) GHG emissions for the two BUs over the past three years is as shown below:

CHART 3.11 - GHG EMISSIONS OVER THE 2019-2021 THREE-YEAR PERIOD, BY BU²³

CO₂ Emissions, Yacht Division



- Direct Emissions (Scope 1)
- Scope 2 Emissions (market-based)
- Scope 2 Emissions (location-based)

2,543.92 ton CO₂eq
Scope 1 direct emissions
(+13% compared to 2020)

1,205.59 ton CO₂eq
Indirect Scope 2 location based emissions
(+6% compared to 2020)

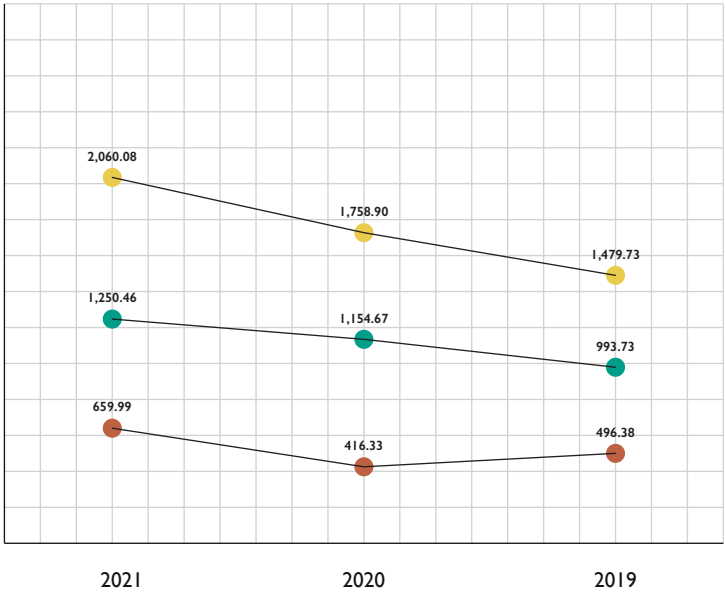
2,606.15 ton CO₂eq
Indirect Scope 2 market-based emissions
(+15% compared to 2020)

1.14 (ton CO₂eq/hours of activity of the construction sites)
Intensity of emissions Scope 1 + 2 location based

1.56 (ton CO₂eq/hour of avctivity of the ctruction sites)
Intensity of emissions Scope 1 + 2 market based



CO₂ Emissions, Superyacht Division



659.99 ton CO₂eq
Scope 1 direct emissions
(+59% compared to 2020)

1,250.46 ton CO₂eq
Indirect emissions Scope 2
(+8% compared to 2020)

2,703.16 ton CO₂eq
Indirect Scope 2 market-based emissions
(+17% compared to 2020)

0.58 (ton CO₂eq/hours of activity of the construction sites)
Intensity of emissions Scope 1 + 2 location based

1.01 (ton CO₂eq/hour of avctivity of the ctruction sites)
Intensity of emissions Scope 1 + 2 market based

The Group is currently defining actions for reducing environmental impact due to indirect GHG emissions from sources not owned or controlled by the Company (Scope 3), in particular with reference to the supply chain and the vessel use phase, the purpose being to reduce the impact thereof. Below are details of the rationale adopted:

1. When awarding contracts, give priority to local suppliers and contractors, thereby contributing to the creation of local clusters or production chains, or support, where necessary, the relocation of suppliers and contractors near or within shipyards;

2. Encourage R&D endeavours to study and test more sustainable solutions with respect to the operation

of boats, so as to ensure a significant reduction in emissions – mainly of CO₂, NO_x and SO_x – generated by the use of engines powered by fossil fuels, in line with the objective defined by the IMO of reducing emissions by 50% by 2050.

In this regard, it should be noted that Sanlorenzo has been an Anchor Partner – i.e. the highest level of support and involvement envisaged – of the **Water Revolution Foundation** since 2020. Their collaboration scheme aims to develop solutions that allow the yachting industry to move towards the improvement of its environmental performance.

INSIGHT

The “Yacht Environmental Transparency Index” project

As part of its partnership with Water Revolution Foundation, during 2021 Sanlorenzo took part in the “Yacht Environmental Transparency Index” (YETI) project, aimed at developing a specific rating to monitor and improve the sustainability performance of boats. Water Revolution Foundation therefore acted as

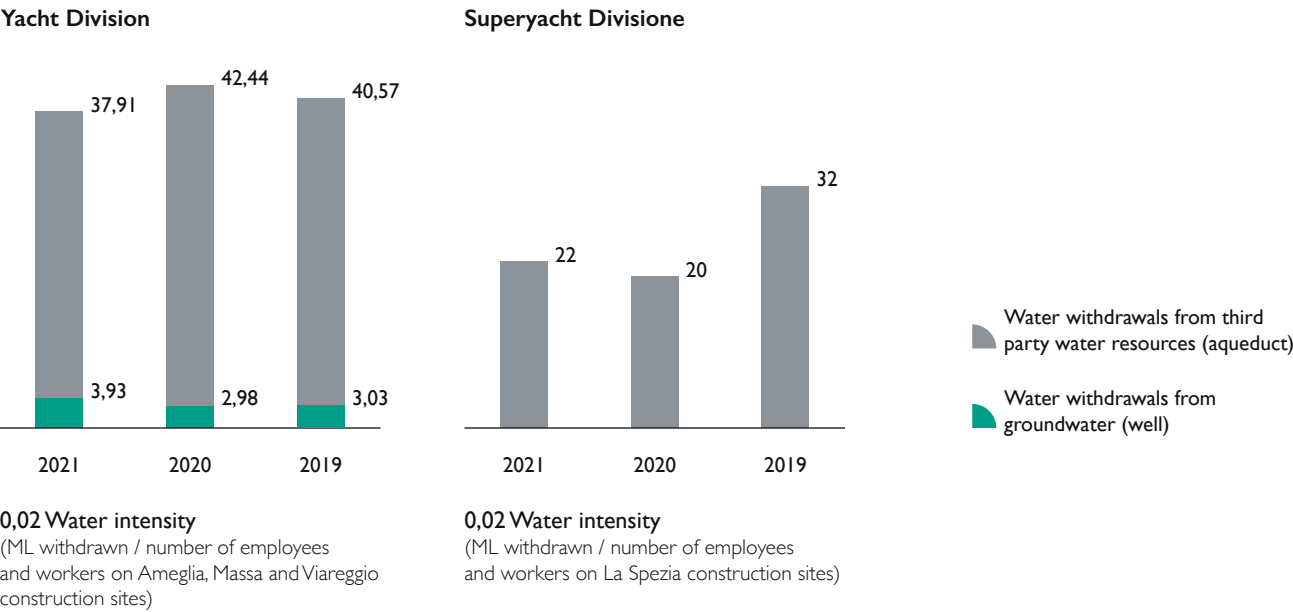
an aggregator between the various shipyards that were invited to take part in the project. More specifically, as a member of the YETI Working Group that meets quarterly to discuss the progress of the project, Sanlorenzo is involved in the study and experimental application of YETI, to be completed by 2022.

Water resources

The Group's activities do not have a significant impact on water resources. No water process-related discharges or withdrawals are made, as the processes carried out in the yards do not require the use of water, except for use in the storage area used for washing boats before launching and before delivery, a phase that does not require the use of detergents and/or chemicals that could jeopardise the quality of the discharged water. Therefore, Sanlorenzo and Bluegame mainly withdraw water²⁴ from public waterworks and/or wells

(exclusively in Ameglia, where two wells are available, one for fire-fighting and irrigation purposes and the other for the supply of water necessary for services in the area used for storage, deliveries and second-hand management²⁵) for **civil**²⁶ use. Consumption is mainly associated with the use of the toilets and showers (sanitary water) in the changing rooms of the sites, available to all contractors' workers. The following graph shows the water withdrawals of the two BUs pertaining to 2021.

CHART 3.12 - WATER WITHDRAWALS OVER THE 2019-2021 THREE-YEAR PERIOD, BY BU



Compared to 2020, there was an increase in water withdrawals for the Superyacht Division (+10%) and a slight decrease for the Yacht Division (-8%). At the Ameglia and Viareggio sites, fire-fighting water reserves are in place, with total water storage capacity of 240 and 144 m³, respectively. At the La Spezia site, the Company currently relies on a containment tank used specifically for boat washing purposes, where wastewater is collected and then sent for disposal in compliance with current environmental regulations. It should be noted that for capacity

reasons Sanlorenzo plans to implement a **change to the floating basin** located near the site. The change is expected to be finalised by the summer of 2022 with a catchment tank being placed on the floor to avert any risk of accidental spillage of diesel fuel into the sea resulting, for example, from the movement of yachts during the launch/testing phases or from any future hull washing operations. Finally, the Ameglia site is located near the Magra river; in a protected habitat, and the quality of the river water is therefore monitored by the relevant Park Authority.



INSIGHT

On-board water consumption

As regards the use of water resources on board, special reference must be made to ballast water; which is treated through specific systems approved in accordance with the regulations currently in force. All yachts built by Sanlorenzo and Bluegame are equipped with a grey and black water storage tank (smaller in Bluegame yachts) with special metered connections, so

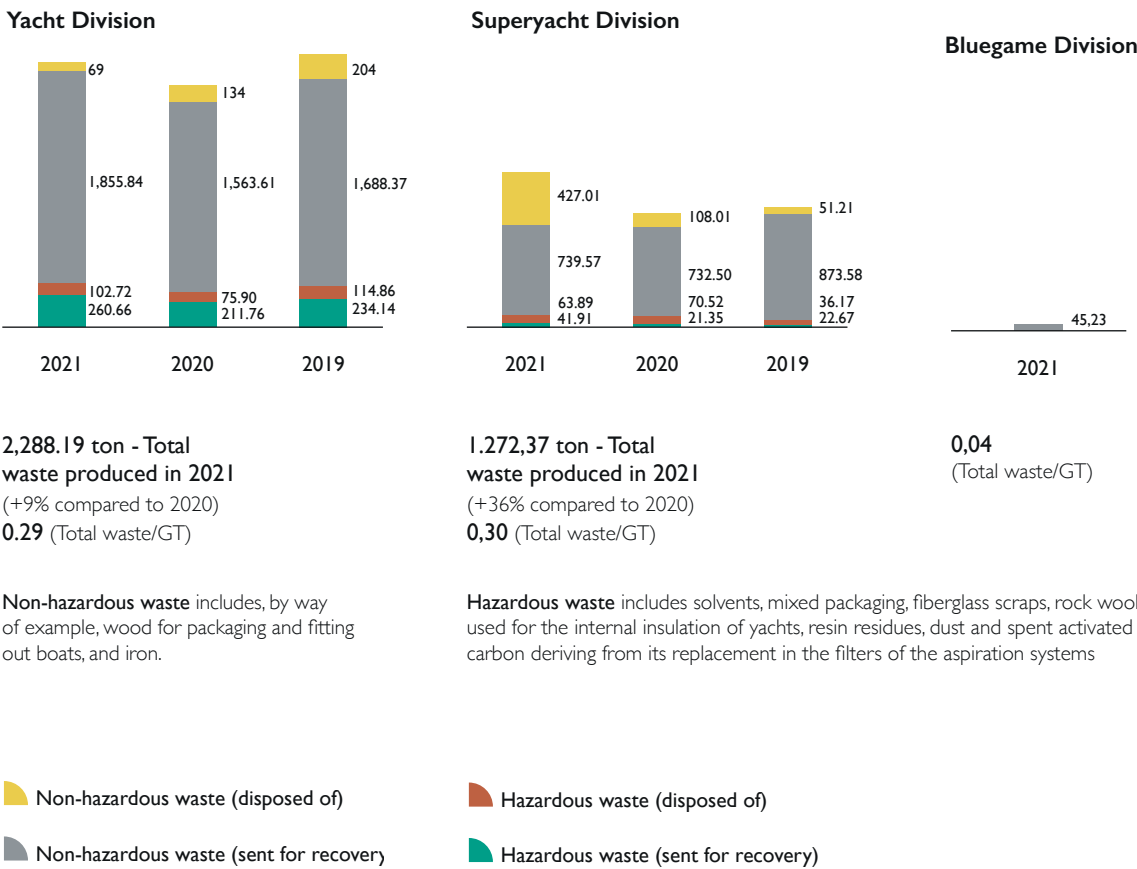
that once they reach the port, they can pay the exact amount depending on the amount of wastewater to be discharged. Larger yachts are also equipped with a desalinator capable of unlimited production of drinking water; without the release of any pollution in the marine ecosystem.

Waste

The issue of waste production and management is particularly relevant in the construction of yachts and superyachts, owing to the great variety of production processes involved and the resulting waste types. Any other waste passing through Sanlorenzo facilities may derive from the packaging with which materials and equipment for on-board assembly are delivered by

suppliers. The Group manages the waste it produces in compliance with law provisions, particularly by keeping accurate loading and unloading records and, more importantly, by entrusting operations to personnel specifically designated and trained in this field. Below is a summary of waste volumes generated in 2021, with reference to the Yacht and Superyacht BUs.

CHART 3.13 - WASTE GENERATED (TONS) IN 2021, BY BUSINESS UNIT



The increase in the amount of waste generated in 2021, compared to the previous year, is primarily due to the Group's increased production during the year. In general, the Company tends to prefer recovery, resorting to disposal only in respect of materials that cannot be recycled. This approach is being increasingly adopted through a growing commitment to waste separation with a view to sending for recycling, as opposed to waste disposal. In 2021 approximately 92% and 61% of the waste generated by the Yacht and Superyacht BUs was **sent for recovery**, respectively; 100% of the waste produced by the Bluegame Division was sent for recovery. Aluminium scrap, for example, is returned to the companies that purchased it on behalf of Sanlorenzo, which in turn send it for recovery.

Protection of biodiversity

The location of the Ameglia and Viareggio sites in or near protected natural areas is particularly important with regard to terrestrial biodiversity. More specifically, the Ameglia site is located in the fluvial area of the Magra River, a few hundred metres

With regard to hazardous waste, special attention is paid to the treatment of acetone, used in significant quantities during the fibreglass processing cycle. The Company has installed **two acetone distillers** at the Massa site, allowing recovery of 85% of the spent product, thus reducing the production of hazardous waste and allowing reuse of the substance, in this case for washing used machines and hand tools. Also at Massa, Sanlorenzo plans to build a new tank farm for storage of the different types of resins used, so as to rationalise storage and improve environmental and other safety aspects, including reducing the potential risks of spills.

from its mouth, on the border between the regions of Tuscany and Liguria, in the province of La Spezia. The area is part of the **Montemarcello-Magra-Vara Regional Park**²⁷, within which the Sanlorenzo site²⁸ extends across 0.17 km² (see Figure 3.14).

FIGURE 3.14 - THE AMEGLIA SITE IN THE MONTEMARCELLO-MAGRA-VARA REGIONAL PARK SETTING



- Plant species included in the Park:**
1. In the tree layer; Black poplar (*Populus nigra*), White willow (*Salix alba*), Bramble (*Rubus ulmifolius*)
 2. In the shrub layer; *Vitalba* (*Clematis vitalba*)
 3. Reed beds of perennial cane (*Arundo donax*)
 4. On the banks of the Magra river; strips of common reed (*Phragmites australis*) of limited extension because of the extreme human activity along the banks
 5. In the northern part of the site, in the residual oxbow lake (aka 'Camisano dead branch') – i.e. a body of water gradually silting up, detached from the main course of the river and subject to periodic flooding – there is a small reed thicket, yellow flag (*Iris pseudacorus*) and monarch fern
- Animal species inhabiting the Park:**
1. Batracofauna
 2. Avifauna

The area is home to a significant floral and faunal heritage. Emphasis is placed in particular on **three Special Areas of Conservation** (SAC) within or near the boundaries of the shipyard, established pursuant to Council of the European Communities Directive 43/1992/EEC²⁹ regarding the "Natura 2000" ecological network, as amended.

One of these areas includes over 60% of the residual alluvial forests of Liguria, with important natural characteristics and extension. The Viareggio site spans across 0.02 square km of coastal land near the boundary of the **Migliarino-S. Rossore-Massaciuccoli Nature Park**³⁰ (see Figure 3.15).



FIGURE 3.15 - THE VIAREGGIO SITE ADJACENT TO THE MIGLIARINO-S. ROSSORE-MASSACIUCCOLI NATURAL PARK



The Park is recognised as a Site of Regional Interest³¹, a Site of Community Importance³² and has been designated by UNESCO³³ as part of the World Network of Biosphere Reserves. Moreover, under the 1971 Ramsar Convention, the park areas are considered a "Wetland of International Importance" and are designated as a Special Area of Conservation within the Natura 2000 Network³⁴. The Viareggio production site is situated near the northern edge of the Park, occupied mainly by a coastal dune ecosystem and a Mediterranean pinewood to the rear. Production as well as technical and administrative activities carried out by Sanlorenzo in or near these areas, which are considered as more sensitive from a biodiversity perspective, could produce an impact in terms of:

1. **Noise pollution** – The noise of shipbuilding activities, especially if loud and sudden, could be a source of disturbance and temporary stress for the fauna;

2. **Air pollution** – Chemical emissions;
3. **Water pollution** – Significant impact on amphibian species with respect to their ability to gain access to water, search for food or even reproduce;
4. **Light pollution** – Infrastructure used for artificial lighting of workplaces or external areas of the site could potentially alter natural lighting and therefore change animal behaviour.
It should be stressed, however, that site activities are subject to strict constraints aimed at protecting the relative terrestrial ecosystems, with special reference being made to the Park's Technical Regulations and, for the Ameglia site in particular, memoranda of understanding on the periodic dredging of the Magra riverbed and the requirements applicable under the ISO 14001:2015 environmental standard.



INSIGHT

Dialogue with the Montemarcello-Magra-Vara Regional Park Authorities

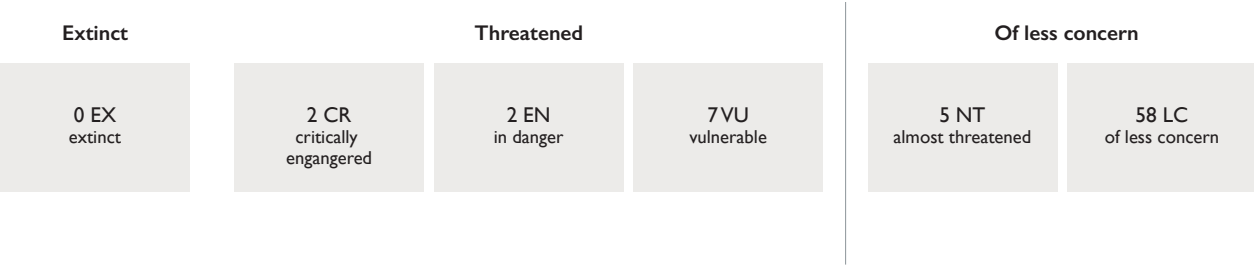
During the year Sanlorenzo struck up a dialogue with the Montemarcello-Magra-Vara Regional Park Authorities, to which an authorisation request was submitted regarding a project for the use of land purchased 5 years ago, the intended use of which is to be amended (such land being currently used for sports and recreational activities). In the past, the activity of the Marina Travelift dockyard, acquired by Sanlorenzo, was performed in this area

(right bank of the river Magra). Sanlorenzo plans to use this land for in-service boat storage purposes. The Company submitted a proposal to the Park Authorities to donate a portion of its property for use as a wildlife reserve (in the long bank and in the back bank), so as to balance its impact on the surrounding territory. In addition, the project includes work to be performed on the land without the need to cover it with concrete, as gravel will be used instead.

In order to further contextualize its impact on the flora and fauna species present in the Montemarcello-Magra-Vara Regional Park, Sanlorenzo has mapped out the biodiversity of this protected natural area using the Red List of the International Union for Conservation of Nature (IUCN), which allows species to be classified on the basis of their vulnerability.

According to the IUCN Red List, the above plant species (see Figure 3.16) are considered as 'least-concern'. On the other hand, below is the number of native animal species – including birds and other vertebrates – included in the IUCN Red List.

INFOGRAPHIC 3.16 - SPECIES OF THE AMEGLIA PARK INCLUDED IN THE IUCN RED LIST



The impact on marine biodiversity occurs primarily when boats are used, with special emphasis being placed on the pollution generated by boat engines and the use of antifouling treatment, i.e. a paint used to cover the hull to prevent it from being affected by aquatic vegetation. The Group is considering a number of solutions designed to minimise this impact, as detailed in Chapter 4 (see “Constant search for innovation”). In this regard, Sanlorenzo and Bluegame have also joined international non-profit organisations whose mission is the preservation of the oceans, including **Water**

Revolution Foundation (see insight box “The Yacht Environmental Transparency Index” project) and **Blue Marine Foundation**. The work of the latter, of which Bluegame has been a member since 2018, focuses on the protection of the sea through a number of measures, including the creation of marine reserves, the restoration of vital habitats and the development of sustainable fishing patterns. Together with this organisation, the Company is developing some projects, such as the organisation of specific events.



CHAPTER OVERVIEW – TECHNICAL DETAILS ON THE FOLLOWING MATERIAL ISSUES:
“SUSTAINABLE DESIGN OF BOATS”; “ENERGY CONSUMPTION”; “ATMOSPHERIC EMISSIONS”; “WASTE MANAGEMENT”; “MANAGING WATER RESOURCES”; “MANAGING WATER RESOURCES”.

REFERENCE GRIS:

102-15; 102-43; 102-44; 301-1; 301-2; 302-1; 302-3; 302-4; 303-1; 303-2; 303-3; 303-4; 303-5; 304-1; 304-2; 304-4; 305-1; 305-2; 305-4; 305-5; 306-2; 306-2; 306-3; 306-4; 306-5; 307-1

REFERENCE SDGS:



TARGETS: 12.4; 12.5;



TARGETS: 13.1



TARGETS: 14.2

PRINCIPLES OF THE UNITED NATIONS
GLOBAL COMPACT REFERENCED:

Principle 7 – Adopt a precautionary approach to environmental challenges

Principle 8 - Undertake initiatives to promote greater environmental responsibility

Principle 9 - Encourage the development and diffusion of environmentally friendly technologies

DESCRIPTION AND RELEVANCE OF THE ISSUE:

The Group adopts an integrated approach to the management of environmental matrices interrelated with its own activities, on which it can have important effects.

The Group's commitment is based on the pursuit of a careful selection of materials having a low environmental impact in relation to the construction of its fleet of yachts and superyachts. Efforts are also made to implement a process for revamping production sites with a view to reducing energy consumption, the ensuing emissions released in the atmosphere and the production of waste.

Finally, right from the outset and due to its nature, the Company has always paid great attention to the protection of marine and terrestrial ecosystems and their biodiversity, with special reference to (i) the management of any impact that might arise from the use of boats and (ii) the location of the Ameglia and, partly, Viareggio production sites, which lie within protected natural areas.

TYPE OF IMPACT ALONG THE VALUE CHAIN:
DIRECT/INDIRECT, INTERNAL/EXTERNAL

The environmental issues dealt with in this section are relevant along all stages of the Group's value chain with respect to direct or indirect, potential and actual impacts arising from company operations. The report is focused primarily on Sanlorenzo's direct (and Bluegame's indirect) impacts relating to the design and use of the boats, as well as on the end-of-life process of such boats. Water consumption is not significant at any stage of the yacht construction process, and in the storage area it figures only in washing the boats, which is done without using detergents or chemicals.

ASSOCIATED RISKS:

- Use of new materials/treatments not comprehensively evaluated in regards to influence on ecosystems;
- Scarcity of raw materials (e.g. precious woods) used for boat production, resulting in problems of availability;
- Non-implementation of increasingly strict national and international regulations, particularly concerning emissions, which could result in significant limitations on energy use.
- Accidental waste spills (Massa shipyard) or chemical spills on soils, with drainage into watercourses and bodies of water;
- Fire hazard from mixing incompatible process waste;
- Generation of long-term negative impacts on the marine ecosystem during the use of the vessels.

RELATED OPPORTUNITIES:

- Implementation of energy efficiency initiatives for reduction of environmental impacts and consumption costs;
- Communication and spread of environmentally respectful behaviour;
- Sanlorenzo's resources of know-how, dedicated R&D and leadership in the yachting sector could allow the Company to develop solutions that would have a positive effect on the preservation of marine and other natural habitats.

KEY STAKEHOLDERS:

- Environment
- Suppliers and contractors
- Customers
- Associations and NGOs
- Local community

RELEVANT POLICIES, PROGRAMMES AND
CERTIFICATION:

- Environmental Policy
- ISO 14001:2015



TALENT AND EXPERIENCE

MISSION

“To ensure effective and efficient human resource management, in order to build a working environment that is positive and respectful of differences; foster cooperation, collaboration and accountability; constantly support the Company’s business; support a healthy work-life balance; provide training and development for human capital skills; facilitate career planning and internal mobility; steer labour relations”

VISION

“To create an ideal working environment, enabling people to make excellent products for the customer”



By ideal working environment, the Group intends a setting within which everyone can feel and work at ease, see their skills recognised and have their contribution valued.
The sharing of **ethical values** in which the Group believes, and complete **respect for diversity** are fundamental aspects for the management of Sanlorenzo and Bluegame human resources.

Sanlorenzo's **Human Resources Department** is responsible for the administrative management of personnel for Italian companies, while foreign companies are managed independently by third-party companies/consultants. Within the parent company only a basic level of management is ensured in terms of aligning the various organisation charts of different companies.

Our people

In 2021, the Group employed 597 persons³⁵, of whom 90.3% hired at Sanlorenzo, 6.4% working for Bluegame, 1% for PN VSY and 1.8% for Sanlorenzo of the Americas and 3 employees are part of Sanlorenzo

Balear (0.5%). Of these, 95% of the company's workers had open-ended employment contracts, and 98% circa worked full time (ref. Infographic 3.17)

INFOGRAPHIC 3.17 - GROUP RESOURCES, BY COMPANY AND GEOGRAPHIC AREA (OF ACTIVITY)

SANLORENZO	BLUEGAME	PN VSY	SL AMERICAS
539 risorse	38 risorse	6 risorse	11 risorse
• 97% Permanent contract • 3% Fixed-term contract • 98% Full time • 2% Part time	• 95% Permanent contract • 5% Fixed-term contract • 97% Full time • 3% Part time	• 100% Permanent contract • 100% Full time	• 100% Permanent contract • 100% Full time

There are four types of professional category: Executives, employed under the national collective bargaining agreement for industry executives; Middle managers; Office workers and Manual workers³⁶. For the latter two categories, the reference contract is the rubber, plastic and metalworking national collective bargaining agreement.

In the United States, in accordance with American legislation, there is no coverage for employees in terms of collective bargaining.
In 2021 103 paid internships were also carried out at the Sanlorenzo and Bluegame companies, 23 of which were curricular: 30% of internships are ongoing. 47 apprenticeship contracts were activated at Sanlorenzo and 13 at Bluegame, once expired were transformed into permanent contracts.

Attracting talent

Starting with the selection phase, Sanlorenzo gives priority to the criteria of **fairness** and **merit**, which remain a mainstay of all stages of the employee's working life. Sanlorenzo invests in highly qualified and motivated resources that display a passion for the sea and for boating. The group is committed to providing its people with the tools to grow and discover their own areas of excellence, so that they are able to go on a

stimulating journey that, over time, will help develop new Sanlorenzo generations. New talents can contact the Group through multiple channels. Once CVs have been selected, the selection process consists of several phases aimed at ensuring the preparation and motivation of candidates in respect of their likely role and Sanlorenzo's working environment, as summarised in the infographic below.

INFOGRAPHIC 3.18 - BECOMING A SANLORENZO/BLUEGAME RESOURCE

Company/group contact channels for future resources

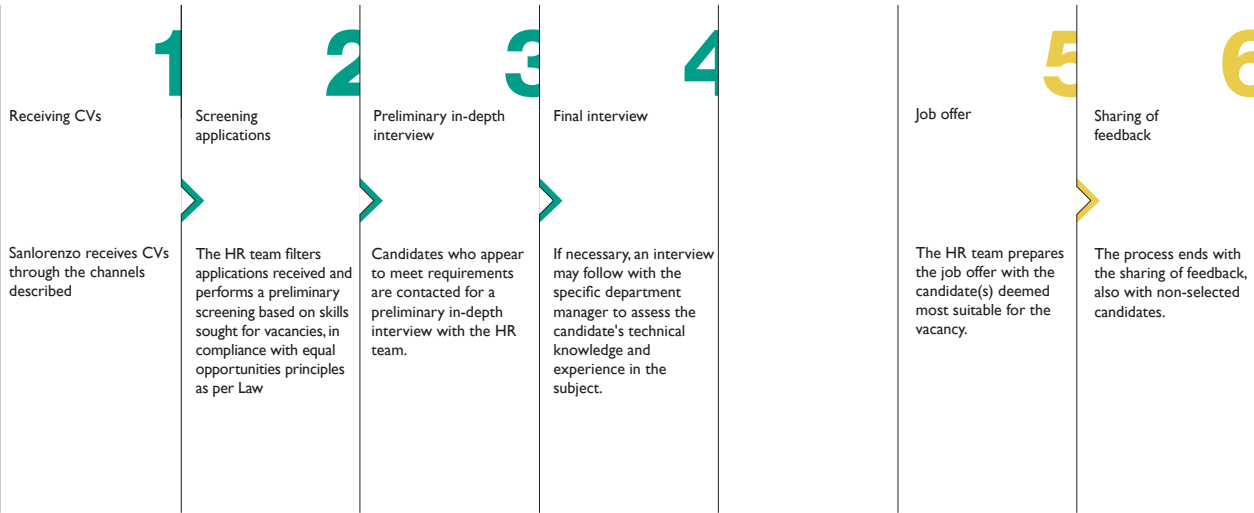
Voluntary application

- Section "Work with us" of the Sanlorenzo website
- Send to generic division addresses

For more junior resources

- University career guidance days
In collaboration with the University of Genoa, University of Pisa and Polytechnic of Milan
- Paid curricular internships and thesis projects
In collaboration with the above universities and Polytechnic of Turin, University of Bologna (Master's in composite materials), University of Parma, University of Florence, Istituto Europeo di Design (IED) and University of Modena-Reggio Emilia. These opportunities are in most cases aimed at hiring the resource, and centred on specific training paths
- Non-curricular paid internships (6 months or more)
The objective is to ensure stable employment at the end of the 12 months, with subsequent hiring.
- School-work alternation (high school students)
Expenses of the canteen service are covered. The project is extended to the children of employees (if they are of age, a monthly allowance is also granted) - even in the summer - who want to experience life in the company and learn more about their parents' trades, especially those who come from comparatively lower income families.

Stages of the selection process

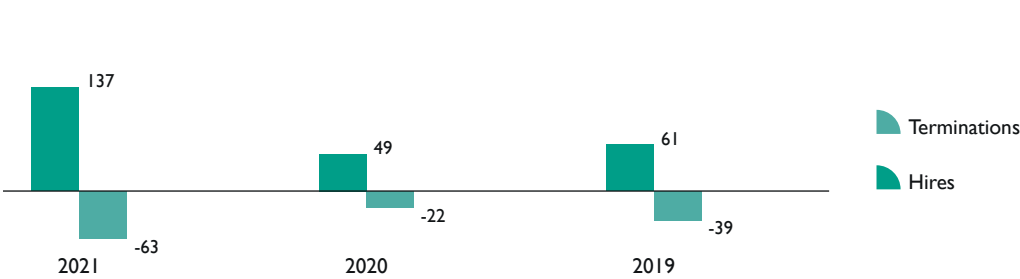


New recruits receive a **Welcome Kit**, intended to convey the passion, tradition and forward-looking approach intrinsic to the way of working of both companies. The kit contains several documents, including the main policies regarding human resource management and related procedures; the Code of Ethics; the Sanlorenzo Logbook and some videos illustrating the essence of Sanlorenzo. the most recent consolidated financial statements and the Group's NFS.

In 2021 137 new employment contracts were signed at Group level, including 34% newly hired women and 66% men. The largest share of new hires was in the under-30 age group. Compared with the previous year, affected by the Covid-19 pandemic, in 2021 there was an increase in new hires (49 in 2020 at Group level).

There were 63 terminations during the year, mainly due to resignations, retirement or consensual termination of employment. Fixed-term contracts that have come to an end are also included in the termination's calculation, in line with the natural due date of the contract itself. In order to gauge more precisely the motivations behind the termination of employment relationships, Sanlorenzo drew up and implemented in 2021 an **exit interview** process, an important opportunity to obtain **two-way feedback**, collecting and analysing qualitative views in order to promptly identify processes and areas that can be improved. Overall, the turnover at Group level in 2021 was equal to 27% incoming³⁷ - on which the hires of Bluegame are particularly relevant (62% incoming turnover) - and 12% outgoing³⁸ (mainly the terminations that occurred at Sanlorenzo of the Americas LLC, with an outgoing turnover of 20%).

CHART 3.19 - NEW HIRES AND TERMINATIONS



Equal opportunity

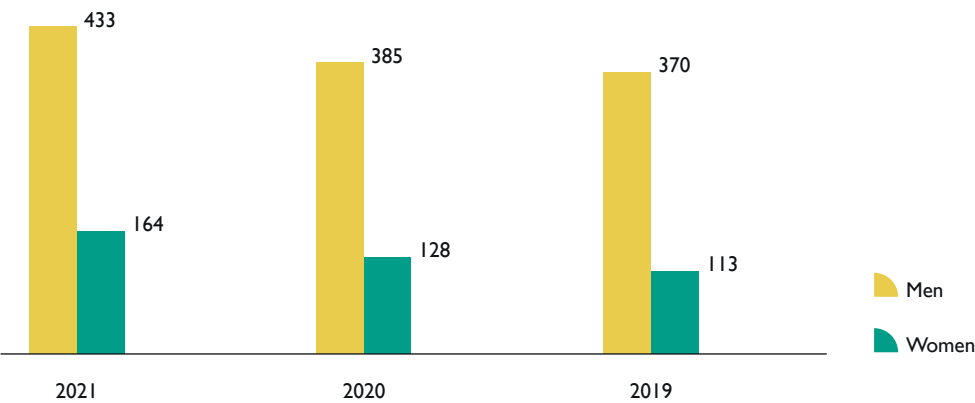
Diversity and **pluralism** are values that help create an **open and stimulating work environment**, ensuring that different points of view can be expressed and fostering discussion, the emergence of innovative ideas and development of more respectful and inclusive behaviour. The Group undertakes to prevent, and where they arise to carefully manage³⁹, **any form of conduct that might be viewed as discriminatory, intimidating, offensive, marginalising, violent** - both verbally and physically - and **any form of prejudice** aimed at employees, based on attitudes and personal characteristics such as ethnic origin, gender, language, religion, disability, ideology, age or sexual orientation,

demonstrated by other colleagues or third parties, such as clients and partners. The ethical and equal management of human resources must consider; the Group believes, all the areas of working life of people employed by it: selection, which must be fair and reward talent, skills and experiences; performance of work activities, which must be safe and fully respect the right to health, dignity, diversity and inclusion; theoretical and technical training; the professional and personal enhancement and growth of individuals.

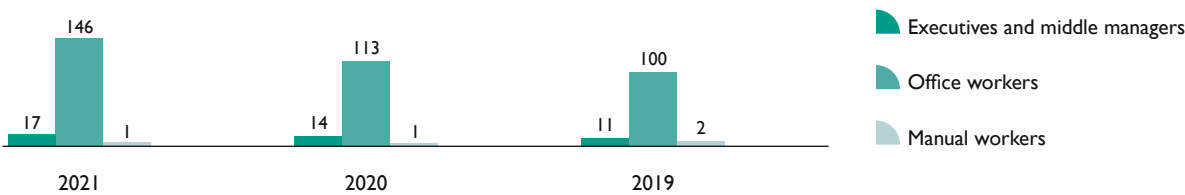
Monitoring carried out by the Group did not reveal episodes of discrimination in 2021, just as in previous years.

With special reference to the question of **gender**, the nautical sector continues to be affected by the legacy of a tradition that has associated career opportunities mostly with the male gender. This is particularly true for the position of captain or skipper. In contracting firms too – whose workforce is often made up of foreign personnel - there is a certain scarcity of female figures.

GRAPH 3.20 - HUMAN RESOURCES IN GROUP, BY GENDER



GRAPH 3.21 - WOMEN WORKERS, BY PROFESSIONAL CATEGORY



The Group's commitment to protecting and promoting gender equality was confirmed in March 2021 when the Sanlorenzo Board of Directors approved **“Measures to promote equal treatment and gender opportunities in the business organisation”**⁴¹, in keeping with the provisions of the Corporate Governance Code to which the company adheres and with the company's own Code of Ethics, as well as the rights enshrined in the Italian Constitution, the UN Universal Declaration of Human Rights, fundamental

Sanlorenzo, however, aims to bring about change in this regard, with the progressive inclusion of women in the sector's professions.

During the year women workers in the Group made up about 27% of the total workforce, a rise of 28% compared with the previous year. In top positions, 18% are women⁴⁰.

conventions of the International Labour Organisation, the EU's Charter of fundamental rights and the European Convention on Human Rights. The document sets out to **formalise the Group's commitment to ensuring equal employment and professional/career advancement opportunities**, without discrimination of any sort, to all employees based on their specific professional qualifications and performance capabilities.



Initiatives based on the aforementioned measures are entrusted to the Human Resources department, which is asked to develop annual plans of action containing specific objectives – quantifiable and measurable – on the promotion of equal treatment and gender opportunities. To this end, the department is also tasked with collecting and analysing relevant data to monitor the level of diversity among the Group's resources.

In addition, the Human Resources department has the duty to report to the Board of Directors and to the Control, Risk and Sustainability Committee at least once a year regarding the application of and

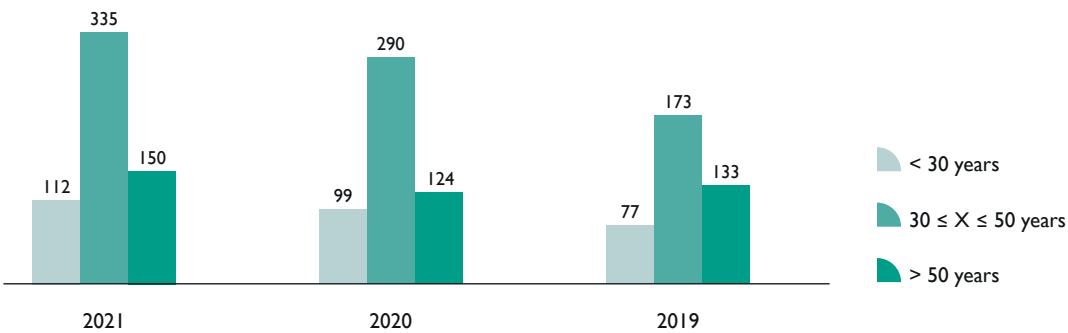
compliance with measures in this field, indicating the presence of any critical issues or priority intervention needs.

Regarding in particular the **remuneration** paid to its employees, Sanlorenzo prohibits any payment lower than that established for individual job levels defined by national or regional collective agreements stipulated by representative trade union organisations at a national level, or remuneration that is disproportionate to the quantity and quality of work performed by the individual person.

With regard to diversity and the question of age, the Group's total population is very heterogeneous (ref. Graph 3.22), which shows the Group's commitment to

the enhancement of resources with different levels of experience.

GRAPH 3.22 - GROUP EMPLOYEES, BY AGE BAND



In 2021 the average age of Group workers was 41, emphasising a greater concentration of the Group population in the age group 30-50.

In order to make the most of opportunities deriving from generational differences present in the company, in September 2021 Sanlorenzo started the project **“Buddy aziendale”**, a mentoring programme, with the aim of facilitating the introduction of each new hire. This reference figure – a colleague friend, not necessarily from the same department, but who plays a more senior role in the company – mentors the newly hired resource in the initial period, sharing information, including practical tips, to favour and accelerate his/her inclusion. The Buddy shares with the new hire key aspects of daily work activity as well as corporate

norms, procedures and customs. It also helps to encourage socialisation of the newcomer with his/her colleagues.

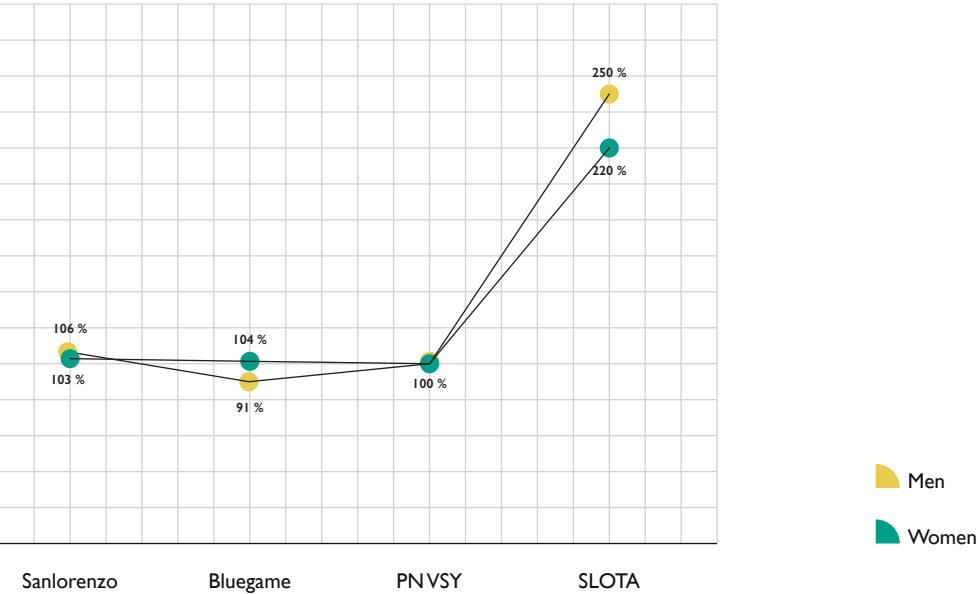
Finally, the Buddy is able to transmit the values and culture of the organisation in a transparent manner; in order to create and share a sense of community within the Group.

The Human Resources department presents the Buddy proposal to the (direct) manager of the new hire, who evaluates the suitability of the possible pairing.

This initiative aligns with the group's desire to define an induction process that is in keeping with the traits of the new arrival. The long-term benefit is seen as having a more direct, specific and consistent transmission of technical knowledge from one generation to the next.



GRAPH 3.23 - RATIO OF A NEW EMPLOYEE'S MINIMUM WAGE TO THE LOCAL MINIMUM WAGE⁴²



Looking at the **geographic origin** of employees, we have a homogeneous representation of different Italian regions, with a preponderance of (original) staff from the local area, in the vicinity of the Sanlorenzo shipyards. Of these, in 2021, 60% of senior managers⁴³ were hired from the local community⁴⁴. Non-Italian personnel include persons from Albania, Brazil, Bosnia and Herzegovina, France, Germany, Greece, Peru,

Senegal and Ukraine. As for Bluegame, none of the senior managers are employed by the local community, while this percentage is 100% for the PN VSY company.



Foreign companies also present a considerable cultural variety, and the presence of senior managers hired directly from the local community: in the United States (Sanlorenzo of the Americas) 100% of senior managers are hired locally.

Finally, a further dimension of diversity within the Group is that of **physical and intellectual abilities**. In particular, in 2021, at Sanlorenzo, 15 people (remaining constant compared to 2020) are included among the most vulnerable categories, of whom 10 are men and 5 women.

An **in-house support service** was also launched, offering tangible support to collaborators faced by complex family situations due to the presence of serious diseases. There are plans to provide an on-site social worker/psychologist for 4 hours a week. The company has involved other companies in the area in the project: they will be able to use the service on other half-days. The service will become operational from early 2022.

INSIGHT

Signing the agreement with the social cooperative Ma.Ris

In order to ensure the best integration of people with motor or psychological disabilities in the workplace, Sanlorenzo, with the support of Confindustria La Spezia, has entered into an agreement with a local

social cooperative to support more consistent work integration of these vulnerable categories.

Specific training courses on diversity and inclusion were promoted during 2021 with the aim of raising awareness on these matters.

INSIGHT

The course on Diversity & Inclusion

In 2021 all Sanlorenzo and Bluegame employees hired under an open-ended contract and under 35 years of age – a total of 150 participants - received training on the theme of diversity and inclusion in the company. This training will be extended in 2022 to all company staff. The course looked at the meaning of social sustainability, attempted to convey to participants the origins of Diversity Management in the United States and examined in greater detail the model implemented in Italy. Sanlorenzo focused attention on key concepts

in this field, highlighting how the topic of diversity has close similarities with biodiversity, therefore seeing it as an element of wealth for social and work environments. The course analysed some specific dimensions of diversity – gender, sexual orientation, age and disability – and actions to be taken in the work environment to ensure a correct inclusion of diversity. Given the Group's firm commitment to this area of human resource/personnel management, Sanlorenzo will seek to draw up a specific Policy on diversity and inclusion in the near future.

Listening and enhancing

In early 2021 Sanlorenzo completed an **indoor climate survey** on the entire company population, with participants maintaining complete anonymity. The ultimate goal was to implement **constructive listening methods** in human resource management as a basis on which to define specific **priorities for action** for future years.

The analysis considered three dimensions:
1. **constructive listening**, a phase in which employees were asked to reflect on the Sanlorenzo of the future - imagining and defining its characteristic features - with a view to empowering all resources in respect of change;

2. **organisational citizenship**, with the aim of assessing the social soundness of the organisation and predicting the level of success of business and “change” projects (in keeping with what they imagined for the Sanlorenzo of the future). Organisational citizenship is achieved through the discretionary and characteristic behaviour of each person, thus raising the effectiveness of the organisation. To evaluate this dimension, behaviour was considered in terms of altruism, involvement, conscientiousness and civic virtue;
3. **resources available for change**, with the aim of identifying, from the perspective of participants, current strengths that can support possible change for and within the company.

Results of the survey

STRENGTHS

- Employees show strong sense of belonging to Sanlorenzo
- Sanlorenzo is a very coveted company to work in/for
- Strong customer orientation and great ability to forge a long-term relationship
- Product innovation (unique design highly appreciated by customers)

AREAS OF INTERVENTION

- Raise the engagement, motivation, and enhancement of employees
- Foster a greater team/group spirit to increase mutual trust and encourage exchange of information
- Listen to employees' ideas and adopt them in the design and implementation of new products and processes
- Customised human resource development and career paths
- Encourage leadership style oriented towards delegation, empowerment, trust and accountability of employees
- Encourage the creation of strategic partnerships with suppliers

A second part of the analysis focusing on the so-called **Social Network Analysis** was later carried out in the summer months of 2021. In this phase, the interactions between people in the company were mapped and evaluated, with the aim of: i) identifying areas of greatest pressure, in terms of workload and deadlines; ii) seeing whether some colleagues are isolated or distant from company interactions; iii) identifying “change makers”, i.e. those people who play a leading role in the organisation, recognised at an informal level, and can exert a significant influence on colleagues.

On the same issue, 19 meetings were held for the climate survey during which staff were asked to give a score on the Group's core values, so as to collect the elements needed to define a “**Charter of values**” for human resource management. This Charter will also be used in performance evaluation, as part of the analysis on employees' soft skills. In early 2021 an **HR desk** was activated, receiving employees by appointment, available for clarifications and/or information regarding pay packets or other work-related aspects. Sanlorenzo intends to have a physical help desk at all its locations. Employees can also request information via the company's email.



Employee enhancement is also pursued through the development of multiple **training** initiatives, which in 2021 were further strengthened by the introduction of the “**Workflow**” management system. Sanlorenzo benefits from the services of CISITA, Confindustria's training body, and asks its department managers to encourage their employees to attend the courses offered. Managers themselves can suggest specific training courses for their workers, both technical and focusing on soft skills. In 2021, for example, courses were given on the topic of leadership and teamwork. During the year the Group paid particular attention to raising awareness among its employees⁴⁵ about sustainability issues, in particular environmental and social.

The two courses were attended by 150 employees, and focused on the questions “diversity and inclusion” and “combating climate change”. In the sphere of practical technical training – for example courses for operators of overhead cranes or self-propelled industrial trolleys - and more general training, such as courses on health and safety and “Model 231” issues, in 2021 the Group provided 2,811 training hours (around 1,024 in 2020). On average, each employee received 4.90 hours of training.



With regard to the **growth and development** of employees, Sanlorenzo has drawn up **Management By Objectives** (MBO) policies for senior managers, middle managers and employees of the parent company and Bluegame, based on job type and the role/function performed in the company. According to these policies the method of personnel evaluation is based on results achieved compared with shared operational and business goals in keeping with the “SMART” model: specific, measurable, achievable, relevant and time-bound. When these goals are attained, the variable part of the salary is paid out. Some of these are indirectly linked to performance in the area of sustainability. The development areas for the strategic objectives for 2021 were the following: environment/planet, social/human resources development, territorial development and supply chain management. The environment/planet area has set goals for the reduction of non-renewable energy consumption, the extension of the environmental management system and actions to preserve the marine environment and biodiversity. The social area has set the goal of disseminating the culture of sustainability to the new generations.

Wellbeing of personnel

Sanlorenzo considers company welfare tools to be fundamental for improving the internal climate and for employee wellbeing. In 2021 Sanlorenzo renewed **second-level agreements** providing supplementary provisions to the national collective agreement for the greater protection and wellbeing of Sanlorenzo and Bluegame employees⁴⁸.

INSIGHT

Joint committees

In September 2021 Sanlorenzo completed the job of establishing two joint working committees, consisting of three company and three worker representatives. The first body will focus on the study, development and increase of welfare services for employees and their families, as well as the development of a system of special company agreements. The basic aim of this

Finally, in developing the territory, the objectives were focused on the sustainability of the supply chains by monitoring the supply chain. The MBO model was reviewed during 2021, with the drafting of **Guidelines for managing MBOs** in the Sanlorenzo Group, with the aim of standardising the use of this tool within the Group.

During 2021, 94% (88% Sanlorenzo and 100% Bluegame) of executives and middle managers underwent a performance assessment⁴⁶; among Sanlorenzo employees⁴⁷, 35% received an evaluation during the year, including 21% of women (17% in 2020) and 41% of men (48% in 2020). As for Bluegame employees, 18% of them underwent a performance evaluation during the year (6% women, 28% men).

In the Group, development plans refer to specific choices made in advance catering to the specific traits of individuals, considering their role and the task being performed.

Second-level agreements are based on a participatory model of industrial relations, involving **regular meetings between company and worker representatives** on trends and prospects for the sector and the respective labour market.

Committee is to attempt to increase measures made available to workers to better reconcile working life and family life, and to offer a support network to employees who find themselves in difficulty. The second committee sets out to improve training possibilities developed through the Sanlorenzo Academy.



The benefits included in the company's welfare plan are managed through a new broad, well-structured platform. For employees receiving these services⁴⁹, Sanlorenzo has organised a summer training activity to explain in detail the possible areas of credit welfare

and the ways of submitting requests in accordance with existing legislation. The table below (Infographic 3.24) lists the current main instruments of the Group's welfare model:

INFOGRAPHIC 3.24 - POSSIBLE BENEFITS FOR PERMANENT AND FULL-TIME EMPLOYEES OF THE GROUP, BY GEOGRAPHIC AREA OF BUSINESS

	SANLORENZO	BLUEGAME	PN VSY	SLOTA
Life insurance	Executives Middle Managers	Executives Middle Managers	-	-
Healthcare ⁵⁰	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	Executives Middle Managers Office workers	Office workers Manual workers
Insurance coverage in the event of disability and invalidity	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	Executives Middle Managers Office workers	Executives Middle Managers Office workers Manual workers
Parental leave	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	Executives Middle Managers Office workers	-
Pension contributions	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-	Executives Middle Managers Office workers Manual workers
Shareholding	Executives Middle Managers	Executives Middle Managers Office workers	-	-
Facilitated banking services ⁵¹	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-	-
Solidarity hour bank ⁵²	Middle Managers Office workers Manual workers	Middle Managers Office workers	-	-
Confindustria CAF Service (Standard Service option) ⁵³	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-	-

In particular, the right to parental leave is legally regulated and guaranteed to all Group employees – of both genders – of the Italian companies of the Group. In 2021, out of all Group employees, 27 workers benefited from this instrument. Of these, 22 returned to work during the same year (based on the expected length of leave).

Occupational health and safety

In compliance with the provisions of Legislative Decree 81/08, at each of the four Sanlorenzo sites there is a Safety Office composed of carefully trained internal

Of those who returned to work after the end of the parental leave period, 100% are currently still an employee of the Group. This percentage bears out the care taken by Sanlorenzo for the wellbeing and work-life balance of its people, especially where new parents are concerned.

figures, also through the Sanlorenzo Academy (ref. Infographic 3.25).

INFOGRAPHIC 3.25 - OCCUPATIONAL SAFETY MANAGEMENT SYSTEM: FIGURES PRESENT IN THE 4 SHIPYARDS

VIAREGGIO

A PREVENTION AND PROTECTION SERVICE MANAGER
2 resources in charge of administrative management of documents

LA SPEZIA

A PREVENTION AND PROTECTION SERVICE MANAGER AND TWO PREVENTION AND PROTECTION SERVICE OFFICERS (ASPP (Prevention and Protection Service Officer)

MASSA

AN RSPP AND ASPP (PREVENTION AND PROTECTION SERVICE MANAGER AND OFFICER)

AMEGLIA

A PREVENTION AND PROTECTION SERVICE MANAGER, AN ASPP (PREVENTION AND PROTECTION SERVICE OFFICER) and an internship who will assume the role of second aspp

Sanlorenzo guarantees to all employees and interns, and to all workers of contracting firms,⁵⁴ safe and healthy working conditions, to prevent accidents and occupational diseases, eliminate dangers and reduce potential risks associated with one's working activity. As from 2021, all Sanlorenzo shipyards are covered by SGSL-ISO 45001:2018 certification. Health and safety risks in the workplace and the measures adopted to eliminate them are identified in the risk assessment document (DVR), which is updated annually.

In its **Safety and security policy**⁵⁵, Sanlorenzo has set itself the following goals:

- to promote the responsibility of all employees towards hygiene and safety and the implementation of information and training programmes;
- to effectively plan production activities in order to ensure hygiene and safety in the workplace;
- to select suppliers that comply with the provisions of the aforementioned Policy;
- to assess and monitor the activities of contracting firms for the correct coordination of the various phases of work processes and adequate awareness regarding hygiene and safety;
- to cooperate with public authorities and supervisory bodies.

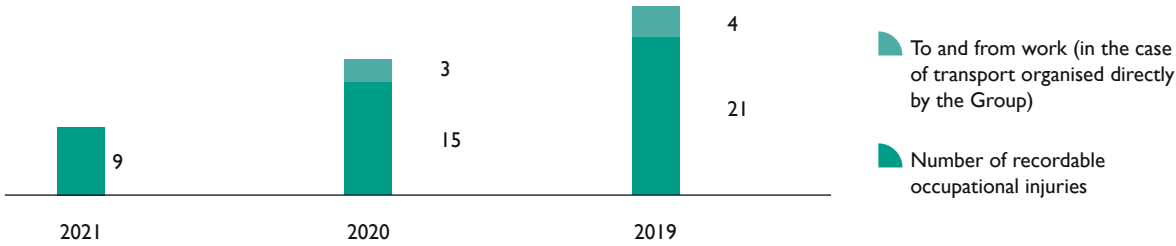


All Sanlorenzo personnel are required to comply with the Safety Policy, Code of Ethics and Code of Conduct, taking responsibility for the preservation not only of their own health and safety but also that of other colleagues and third parties. Employees are encouraged to report any misconduct, malpractice or general noncompliance that could affect the level of protection for themselves or others. The current report provides further details on risk identification and management in the production phases in the section Promoting an ethical and responsible supply chain. For employees in office positions, the DVR evaluates, in particular, the more significant areas of risk: transit areas and traffic routes in shipyards, fire risk, risks arising from use of equipment. With special reference to risks from work-related stress, the 2021 analysis confirmed the low incidence of this aspect, which was therefore not followed up by a further assessment. The company is in any case committed to ensuring the utmost wellbeing inside work environments, also ensuring the right internal microclimate conditions and lighting of the premises. For each job, Sanlorenzo has put in place a specific **health surveillance protocol** prepared by the regularly appointed Medical Officer. The type and frequency of medical examinations depend on the role held and the annual assessment of related risks. Employees who hold office positions are given medical examinations annually.

For video terminal workers, eye examinations are carried out, according to law provisions, i) every two years, in the case of employees classified as suitable/fit with limitations or requirements and all those over 50 years of age; ii) otherwise once every five years (for workers below the age of 50 and classified as suitable/fit). All employees also have the option of joining health plans partially financed by the Company. The Group organises specific annual training courses for all personnel, aimed at raising awareness about occupational health and safety issues. Specific reference to courses given on the subject during 2021 is given in the Annexes.

Occupational accidents recorded during the year with reference to the Group's direct employees⁵⁶ amounted to 9 (ref. Chart 3.26), a figure down by 11% compared to 2020, and are mainly related to episodes of tripping, falling or sprains. On the other hand, no occupational diseases were recorded. None of the accidents that occurred was attributable to accidents that occurred while traveling⁵⁷.

GRAPH 3.26 - ACCIDENTS AT WORK IN THE THREE-YEAR PERIOD 2019-2021 AMONG DIRECT EMPLOYEES OF THE GROUP, BY GEOGRAPHICAL AREA OF ACTIVITY



FOOTNOTES

- ¹ This category includes suppliers of: steel parts (for example, portholes, stern doors, chains and anchors); fiberglass details to complement and integrate the main parts of the hull, deck and superstructure; fiberglass raw materials for lamination and bodywork of semi-finished products; external crystals; materials for on-board electronics; domestic appliances; materials for fire-fighting systems; materials for air conditioning systems; details for propulsion systems; materials for generator systems; thrusters and stabilizer fins; wheelhouse system, flaps, propellers; bathroom accessories and taps; interior furniture; outdoor furniture; kitchen; cushions; tender; outdoor tables and seats, details in teak; equipment.
- ² In addition to providing the material necessary to perform a specific type of service/contract, the contracting companies also provide the relative manpower to install it according to the parameters required by the construction site. Among these, those involved in: lamination of fiberglass mouldings (hull, deck and superstructure in steel); production of semi-finished steel/ aluminium products; construction of the bodywork and painting of the fiberglass mouldings; creation of internal resin finishes; construction of the electrical system; preparation of the technical rooms, engine room and external assembly; construction of the plumbing system; realisation of the internal carpentry; furniture preparation/assembly; crystal assembly; realisation of internal insulation; supply and installation of teak decks and related accessories; creation of the Audio/Video system; construction of external carpentry; supply and installation of marble.
- ³ At the moment the Quality Booklets are not shared with the subcontractors that Bluegame turns to for its production; the company is investigating how to extend this document also for its own company and for the specific nature of the relationship with these companies.
- ⁴ The Protocol was signed in July 2021 by the Prefecture of La Spezia, Confindustria La Spezia, the Port System Authority of the Eastern Ligurian Sea, the Territorial Labour Inspectorate, ASL no. 5 of La Spezia, INPS, INAIL, CGIL, CISL, and UIL.
- ⁵ It is specified that in 2021 the Viareggio shipyard also obtained the ISO 45001:2018 certification, starting from the conversion from the OHSAS 18001 standard.
- ⁶ The scaffolding used at the Sanlorenzo sites are set up with reference to the Assembly, Use and Disassembly Plan of the same (“PiMUS”), which must also be consulted by the personnel assigned to the work in order to know all the measures required to ensure maximum safety in quote.
- ⁷ Every year, in rotation, 2 out of 4 construction sites are subject to such inspections; for the Ameglia site, the audit is annual.
- ⁸ The project is defined in line with a trade union agreement which provides that those selected by Sanlorenzo can be hired with a permanent contract/apprenticeship or with fixed-term contracts with a minimum duration of 6 months.
- ⁹ Recordable occupational accidents take into account the accidents occurring at the four Sanlorenzo sites of which the Company becomes aware and analyses in order to deepen the risk assessment.
- ¹⁰ Accidents with serious consequences mean, in alignment with the definition provided by the GRI Standards, accidents that lead to death or damage from which the worker cannot recover, does not recover or it is unrealistic to expect that he will recover fully by returning to his state of health prior to the accident within 6 months.
- ¹¹ The Environmental Policy was updated in March 2021.
- ¹² For Sanlorenzo it is material that falls within the tenders, therefore purchased by the contractors.
- ¹³ The reference is to EU Regulation no. 995/2010, also known as the “Wood Regulation”.
- ¹⁴ The reference is to materials purchased directly by the companies.
- ¹⁵ The data of the Yacht Division also includes the consumption of Bluegame - accidents at the Ameglia site - which could not be separated. The data relating to diesel also contain both the Sanlorenzo and Bluegame values. Starting from next year, the Company will report separately the energy consumption of the Bluegame Division. It is also noted that the data published in the previous NFS have been restated to ensure greater accuracy in their calculation: in particular, the share of electricity purchased from renewable sources was calculated starting from the percentages made available by the energy mix of the suppliers, from which the 3 yards of the Yacht Division get their supplies. The value of the diesel fuel for sea trials includes all the diesel purchased by Sanlorenzo and Bluegame, including the share not used directly by the companies for this purpose and therefore remaining in the boat and subsequently used by the owner. The data relating to the diesel fuel used for heating the Ameglia site (via 1 oil boiler) for the years 2021-2019 was also added.
- ¹⁶ The data published in the previous NFS have been restated to ensure greater accuracy in their calculation: in particular, the share of electricity purchased from renewable sources was calculated starting from the percentages made available by the energy mix of the suppliers from which the construction site of La Spezia supplies itself. The value of the diesel fuel for sea trials includes all the diesel purchased by Sanlorenzo and Bluegame, including the share not used directly by the companies for this purpose and therefore remaining in the boat and subsequently used by the owner.
- ¹⁷ Sanlorenzo plans to start the activity of the new plant starting from March 2022. Therefore, this acquisition does not fall within the reporting scope of this NFS.
- ¹⁸ It is noted that Legislative Decree 152/2006 was amended in 2020.
- ¹⁹ Volatile organic compounds
- ²⁰ It is noted that the asbestos fibres still present at the La Spezia shipyard relate to some confined parts of the site, today in disuse.
- ²¹ In line with the definition given by “The Greenhouse Gas Protocol. A corporate Accounting and Reporting Standard”, by Scope 1 direct emissions we mean the emissions generated by sources owned or controlled by the Company and also including emissions deriving from the consumption of fuel associated with company-owned vehicles.
- ²² In line with the definition given by “The Greenhouse Gas Protocol. A corporate Accounting and Reporting Standard”, by Scope 2 indirect emissions we mean the emissions deriving from energy consumption.
- ²³ The 2020 and 2019 data presented in the graphs have been restated, in alignment with the changes made in the methods of calculating energy consumption described above.
- ²⁴ It is noted that all four Sanlorenzo yards are located in areas deemed to have medium-high water stress (20-40%), as reported in the Water Resources Institute’s “The Aqueduct Water Risk Atlas” database. Water stress is assessed on the basis of the availability, quality or accessibility of water in a given area, and therefore, in accordance with the definition given by the GRI Standards, it means the capacity or not of that area to meet the demand for water, both human and ecological.
- ²⁵ For both wells, the sampling data are taken from the communications sent to the Province of La Spezia on an annual basis.

FOOTNOTES

- ²⁶ Since these are water withdrawals for human purposes, it is estimated that the total water withdrawn is equal to the water discharged. Therefore water consumption - calculated as the difference between withdrawals and discharges - is not significant.
- ²⁷ Regulatory reference: Regional Law 22 February 1995, n. 12
- ²⁸ Shed D1 of the Ameglia construction site is located within the Park, while D2 is only adjacent to it. There is no underground land owned by the Company.
- ²⁹ It is noted that this network brings together the sites of community interest and Special Conservation Areas defined as priorities at European level in order to safeguard their habitats and native flora and fauna species. The relevant Zones with respect to the location of the Ameglia construction site are as follows: IT343502 Parco Magra-Vara; IT1345109 Montemarcello; IT1345101 Plain of Magra.
- ³⁰ Regulatory reference: Tuscany Regional Law no. 24 of March 16, 1994.
- ³¹ Regional law no. 30 of 19 March 2015 “Regulations for the conservation and enhancement of the regional naturalistic-environmental heritage”.
- ³² Directive 92/43/EU as amended.
- ³³ UNESCO Program “On Man and the Biosphere” (MAB - Man and Biosphere).
- ³⁴ The area is as follows: IT5170001 “Dune di Torre del Lago”.
- ³⁵ For the perimeter limitations relating to data on human resources, please refer to the “Methodological Note” section in the Annexes.
- ³⁶ Professional category present in the companies Sanlorenzo S.p.A. and Sanlorenzo of the Americas LLC.
- ³⁷ The incoming turnover (or positive turnover) is calculated by comparing the new hires during the year in question to the total workforce of the previous year.
- ³⁸ The outgoing turnover (or negative turnover) is given by the ratio between the terminations that occurred during the year in question and the total company population of the previous year.
- ³⁹ As explained in the Code of Conduct, infringements in this direction are punished with disciplinary measures appropriate to the specific case, or, if necessary, with criminal proceedings.
- ⁴⁰ In compliance with the provisions of Law 205/2017 (pursuant to Legislative Decree 198/2006) on the Code of Equal Opportunities between men and women, Sanlorenzo prepares every two years the report on the situation of male and female personnel in the company in each of the professional categories provided, highlighting in particular the selection and hiring processes, training, professional development, level, category or qualification changes, other mobility phenomena, remuneration and any dismissals.
- ⁴¹ The document is communicated and disseminated within the organisation, including through publication on the company intranet.
- ⁴² The term “local minimum wage” in Italy refers to what is defined in the specific CCNL. In the United States, the reference is to the local minimum wage for the State of Florida (10\$/day), where Sanlorenzo of the Americas LLC is based.
- ⁴³ To respond to the GRI 202-2 indicator, the professional category of executives was taken into consideration. For Sanlorenzo S.p.A. and Bluegame S.r.l., senior managers hired by the local community, Executives and Middle Managers born or who have the legal right to reside indefinitely in the regions in which the
- ⁴⁴ Company operates, therefore Liguria and Tuscany, were considered. For PNVSY S.r.l. Executives and Middle Managers born or resident in the Tuscany region were considered, with reference to the location of the company’s headquarters in Viareggio. Finally, for the company Sanlorenzo of the Americas LLC, the figures of the CEO, CFO and CSO born or indefinitely resident in Florida, where the company is based, were considered.
- ⁴⁵ In 2021, all Sanlorenzo and Bluegame employees hired with permanent contracts and under the age of 35 were involved. This training will then be extended in 2022 to the remaining part of the staff.
- ⁴⁶ Performance evaluation is not envisaged for employees of PNVSY S.r.l. and Sanlorenzo of the Americas LLC.
- ⁴⁷ Performance evaluation, in the professional category of employees, is envisaged only for those who are recipients of MBOs.
- ⁴⁸ The second level agreements signed are valid for middle managers, employees and workers hired by Sanlorenzo S.p.A. and by Bluegame S.r.l.
- ⁴⁹ All Sanlorenzo and Bluegame employees are included among the recipients of the program, with the exception of executives.
- ⁵⁰ In 2020 the Company took out an additional insurance policy in favour of its employees, which compensates under certain conditions the inconvenience suffered due to infection with the Sars-Cov-2 (Covid-19) virus.
- ⁵¹ The Company has entered into agreements with banking institutions to guarantee benefits for its employees, including a system of corporate credit cards with debiting from the private current account, which offers more favourable conditions for employees, such as, for example, a simplified investigation phase, no management costs for the employee (paid by Sanlorenzo), amounts debited fifty days after the end of the month, the possibility of requesting a second card for a family member at a subsidised price. A subsidised rate was also agreed with the same bank for requesting a personal loan, with monthly deduction directly on the pay slip. Finally, through another bank, special rates are offered for opening a current account and taking out first-home mortgages.
- ⁵² In December 2020, the Company signed a supplementary contract - envisaged for all employees, both with the metalworking and rubber-plastic collective labour agreement - which governs the establishment of the “Solidarity hour bank”: this initiative consists in the voluntary transfer and free monetisable holidays for colleagues who live in situations of serious need or who need to assist minor children with problems that require constant care.
- ⁵³ Starting from 2021, all interested Sanlorenzo and Bluegame employees can access the Confindustria CAF Service - in the “standard service” type - fully offered by Sanlorenzo. This additional corporate welfare tool aims to facilitate all employees in carrying out a recurring activity such as the annual tax return.
- ⁵⁴ For further information on the management of the issue relating to health and safety at work with reference to the workers of contractors, please refer to the section “The promotion of an ethical and sustainable supply chain” of this NFS.
- ⁵⁵ Last updated: June 2020.
- ⁵⁶ The data includes only the Parent Company and Bluegame S.r.l.
- ⁵⁷ If the movement is organised directly by the organisation.



THE CHAPTER IN BRIEF: TECHNICAL DETAILS ON THE MATERIAL TOPICS “ETHICAL AND EFFECTIVE MANAGEMENT OF HUMAN RESOURCES” AND “PROTECTION OF HEALTH AND SAFETY”

REFERENCE GRI:

102-8; 102-15; 102-41; 102-43; 102-44; 202-1; 202-2; 401-1; 401-2; 401-3; 402-1; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-8; 403-9; 403-10; 404-1; 404-3; 405-1; 405-2; 406-1

REFERENCE SDGS:



4 QUALITY EDUCATION

TARGET: 4.4



5 GENDER EQUALITY

TARGET: 5.1; 5.5



8 DECENT WORK AND ECONOMIC GROWTH

TARGET: 8.2



10 REDUCED INEQUALITIES

TARGET: 10.3

PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT OF REFERENCE:

- Principle I - Promotion and respect for universally recognised human rights
- Principle II - Not to be, even indirectly, complicit in human rights abuses
- Principle III - Support for workers' freedom of association and recognition of the right to collective bargaining
- Principle VI - Elimination of all forms of discrimination in employment and occupation

DESCRIPTION AND RELEVANCE OF THE TOPIC:

For Sanlorenzo, people are the driving force behind actions and the achievement of business objectives. Human resources management that is above all ethical and effective takes into consideration all phases of the working life of people within the companies of the Group: from the selection, which must be fair and enhance the merit of talents, to the protection of human rights in terms of health and safety in the workplace, non-discriminatory treatment, promotion of equal opportunities, diversity and inclusion, technical training, especially through the Sanlorenzo Academy, and the development of soft skills, enhancement and professional and personal growth of individuals.

TYPE OF IMPACT ALONG THE VALUE CHAIN: DIRECT/INDIRECT INTERNAL/EXTERNAL

The topic explained in the chapter is of relevance to all phases of the value creation chain, because the attention paid to employees is a favourable condition for the pursuit of the corporate strategy and the achievement of related objectives. It is equally important to share the corporate culture with employees, who have a primary role as brand ambassadors to the outside world.

ASSOCIATED RISKS:

- Failure to meet the expectations and needs of human resources and a correlated decrease in the productivity of the individual;
- Ineffective involvement of human resources in business developments and therefore lack of loyalty to the corporate culture, which could lead to an erroneous representation of the Company's identity in the relationship with the end customer;
- Failure to implement training programmes, with consequent longer times for acquiring new skills;
- Interruption of work due to infection with the Sars-Cov-2 (Covid-19) virus.



RELATED OPPORTUNITIES:

- Development of the Group's human capital and transmission, to new incoming generations, of the skills of those who have more seniority in the company
- Maintaining and enhancing the company's attractiveness to the outside world

KEY STAKEHOLDERS:

- Human resources
- Schools and universities
- Trade union representations

POLICIES, PROGRAMMES AND CERTIFICATION ON THE SUBJECT:

- Human resources management policy
- Company security policy
- Privacy Policy
- Measures to promote equal treatment and opportunities between genders in the business organisation
- Guidelines for managing MBOs
- ISO 45001:2018 (conversion from the OHSAS 18001 standard for the Viareggio shipyard)

COMMITMENT TO THE PRODUCT

UNIQUENESS, ENDLESSNESS AND UNPREDICTABILITY
CONSTANT SEARCH FOR INNOVATION
ENSURING QUALITY AND SAFETY ON BOARD
EXCLUSIVE RELATIONSHIP WITH SHIPOWNERS



UNIQUENESS, ENDLESSNESS
AND UNPREDICTABILITY

Sanlorenzo and Bluegame lines and models are continuously evolving, as also shown by the Group's goal of launching three new product lines in 2022, one for each BU. Constant innovation is invariably accompanied by the distinctive design of the external lines, which has remained consistent over time while allowing the yachts to be readily recognised. Built in fibreglass, the creations of the Yacht Business Unit have been developed to meet the needs of a wide variety of yachtsmen: the range – consisting of the SL line, the most historic, the SD line (launched for the first time in 2007) and the SX line of fast semi-displacement yachts – makes it possible to meet different approaches to life at sea. Since 1972, the shipyard has completed over 1 000 yachts.

40Alloy was the first metal (aluminium) yacht built by Sanlorenzo, marking the launch – in 2007 – of the Superyacht Business Unit, whose models have become icons: from the 46Steel of 2010 to the 52Steel of 2017, as well as the Explorer in 2015. The latter proved innovative not only in terms of details but also in the idea it encompasses, namely the expansion

of the horizons of sailing towards distant and sometimes extreme seas, driving the rise of a new type of owner. To date, the shipyard has produced and delivered 39 superyachts, sailing units since Sanlorenzo's entry into the Superyacht segment in 2007. Bluegame yachts are a cultural, functional and morphological synthesis of different types of boats that come together in a form never seen before, defined by a fully innovative design: The Sport Utility Boat. The expertise and passion for the sea of their designer have shaped a range of boats with fast planing hulls and variable deadrise¹ that, thanks to the Volvo Penta IPS propulsion system, can navigate at speeds in excess of 30 knots, while ensuring easy manoeuvrability and being able to face any navigation condition.

BG42 was the first model to be introduced, featuring compact dimensions. In 2019, at the Cannes Boat Show, the BGX line was presented, a disruptive boat combining the features of the BG line with the comfort of interior spaces typical of flybridges². Bluegame models are designed with the will to “bring the sea inside”. To date, 55 Bluegame yachts have been made.



The infographic below provides an overview of the current ranges and models of Sanlorenzo and Bluegame yachts:

INFOGRAPHICS 4.1 - THE SANLORENZO AND BLUEGAME FLEET

DIVISION	PRODUCTION SITE	LINES	MODELS	LENGTH	CROSSING TIME ³	UNITS DELIVERED IN 2021
Yacht	Ameglia	SL range	• SL78 • SL86 • SL90A • SL96A	24,6-36,5 metres	7-15 months	• 6 • 4 • 0 • 6
	Viareggio		• SL102A/106A • SL118/120A			• 3 • 3
	Viareggio	SD range	• SD90/SD90S • SD96 • SD118 • SD126 • SD132	28,8-37,9 metres	10-16 months	• 0 • 8 • 2 • 1 • 0
	Ameglia	SX range	• SX76 • SX88	23,7-34,2 metres	7-12 months	• 6 • 12
	Viareggio		• SX112 • SX100			• 3 • 0
	Viareggio	SP range	• SPI10	33,5 metres	12-15 months	• 0
Superyacht	La Spezia	Alloy	• 44Alloy	44,5 metres	24-30 months	• 3
		Steel	• 52Steel • 57Steel • 62/64Steel • 70Steel • 58Steel DE • 72Steel DE	46-70 metres	28-36 months up to 56 months 38-46 months up to 57 months to 70 months	• 2 • 0 • 1 • 0 • 0 • 0
		Explorer	• 500Exp	47 metres	24-30 months	• 1
		X-Space	• 44Xsp	44 metres	24-30 months	• 0
Bluegame	Bergamo from third parties/ Ameglia	BG	• BG42 • BG54 • BG62 • BG72	12,98-22,82 metres	• 4 months • 6 months • 6.5 months • 7 months	• 7 • 0 • 2 • 0
		BGX	• BGX60 • BGX70	19,02-21,86 metres	• 6.5 months • 7 months	• 5 • 8

INSIGHT

The SX line, a revolutionary project

The SX line, created in 2017, has set a new standard in the landscape of luxury yachting thanks to its innovative features, paving the way for a new philosophy of yachting increasingly closer to the sea.

The functions and uses of the spaces intertwine, giving birth to a “crossover” yacht, perfect for contemporary and sophisticated owners. The main deck has been freed from the wheelhouse, which is instead positioned on the flying bridge: this results in a continuous space that can be used as a single, large living area. The upper deck, which houses the wheelhouse, has a dual function: thanks to sliding windows it can become a closed and air-conditioned panoramic lounge; if left open on three sides towards the stern, it provides direct contact with the sea.

The SX line includes 3 models, from 23 to 33 metres, with different possible interior layouts, and can be completely customised to suit the tastes and passions of the owner.



CONSTANT SEARCH FOR INNOVATION

Engineering and stylistic innovation is one of the key success factors for the Group. Investments in R&D endeavours enable innovation to be increasingly geared towards the study of sustainable ways of making products and using them. The overarching objective of such a focus is to identify all the new avenues that can be relied upon in order to maintain the Group's success – in terms of margins, increased market share, shipowner loyalty and corporate visibility and reputation – in the medium to long term.

Even though, to date, the technical solutions available on the market show a limited level of efficiency increase compared to the past, and while results are still insufficient in terms of reduction of environmental impact, the Group is determined to proceed with a view to **incremental and open innovation as part of a constant dialogue with its suppliers/partners and customers**, thus pursuing the desire to act as a forerunner in terms of sustainability applied to yachting among industry companies.

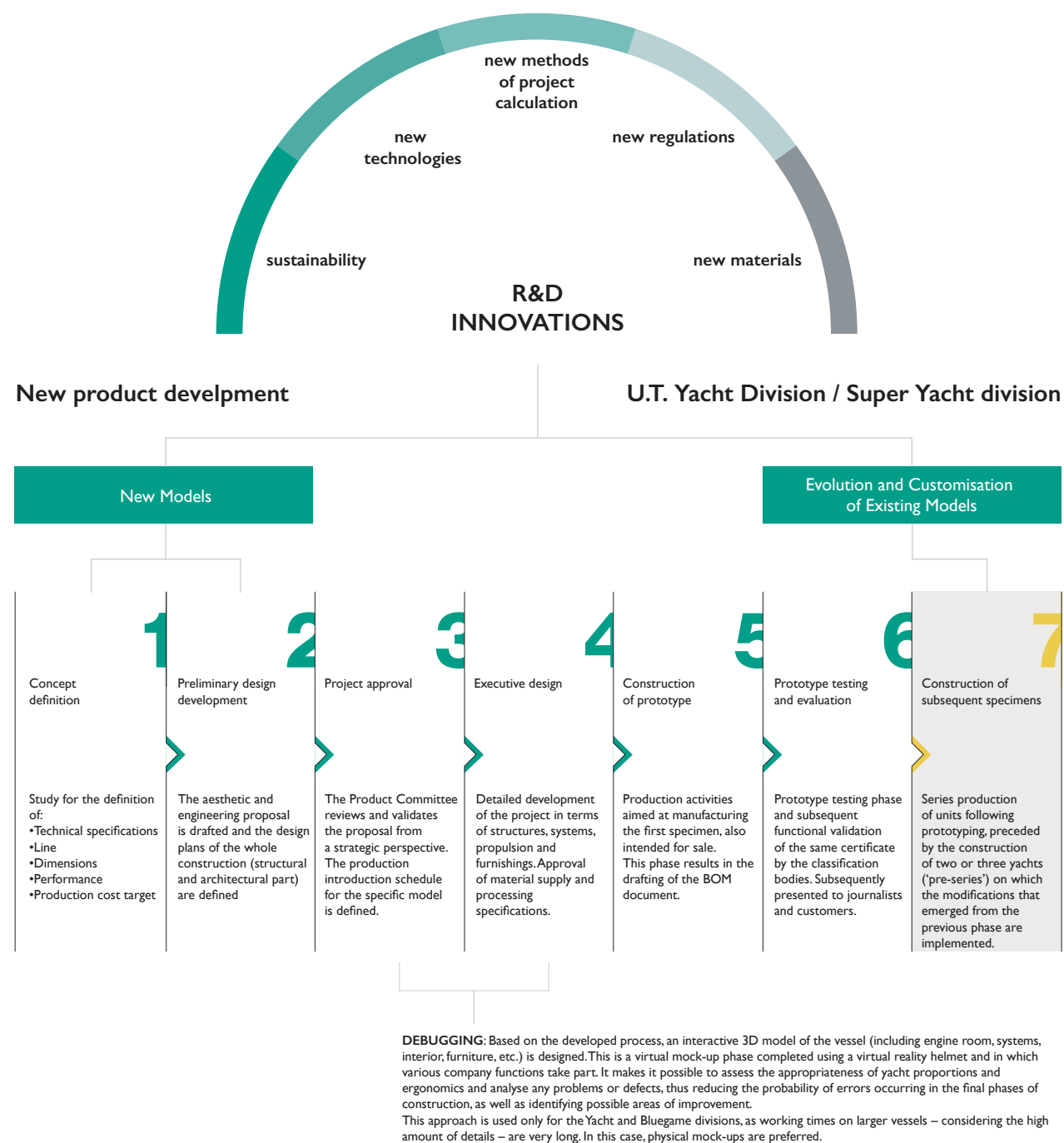
The **R&D and Sustainability Function** operates across the Group, with reference to both brands. Its name shows the extent to which business is increasingly aimed at completing highly sustainable projects, in which technology, innovation and interdisciplinary knowledge can merge to achieve cutting-edge results in the industry. It is therefore a key department that fulfils a dual function: on the one hand, it engages in R&D efforts on subjects not previously explored in the yachting industry. On the other hand, it collaborates with the **New Product Development (NPD)** sections of the three Business Units in applying innovative technical solutions to new models, and to boats already in the range that are subject to restyling work. The above Function is also supported by the **SL SP Team**, specifically dedicated to the development of the new Smart Performance (SP) yacht line, which will be presented in 2022, and by the **Quality Function**, which also oversees compliance of aspects related to the sustainability of materials and construction solutions applied to the product.

Two **Product Committees** common to both companies have also been established, with President and CEO Massimo Perotti and Architect Luca Santella, responsible for Product Strategy in Bluegame, sitting on such Committees.

R&D also receives constant support from the architects and designers who collaborate with the Group on the creation of yachts' external lines and interior furnishings. R&D activities are carried out consistent with the development proposals submitted by the same Function, on the basis of analyses of the market and of the

solutions already available or, in some cases, starting from the inputs of the Strategic Committee and the BoD. Indeed, a number of requests can arise from such efforts, both reflecting the interests voiced by the shareholders and as a result of the specific insight that independent directors in particular have gained on innovations in related industries, such as automotive and luxury goods. The **mainstays** of R&D's activity are described in the following infographic, where the phases at the base of the development and construction of Sanlorenzo and Bluegame yachts are also explained.

INFOGRAPHICS 4.2 - MAINSTAYS OF R&D ACTIVITIES AND DEVELOPMENT OF NEW MODELS

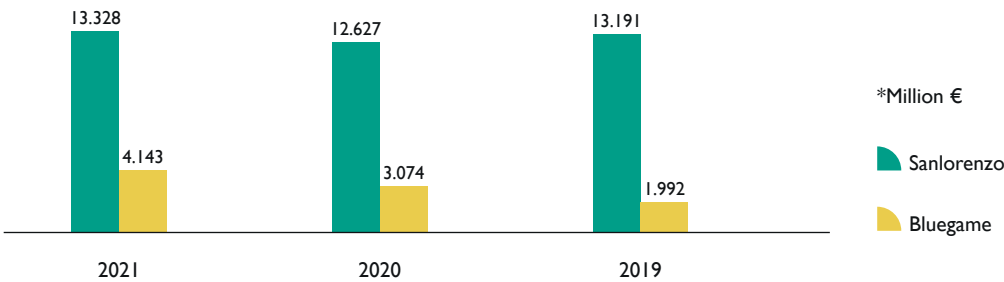


Some of the solutions designed and implemented have led to the **registration of patents**, such as the asymmetrical configuration introduced on some models or the system for launching and hauling tenders hosted on board. To date, 2 patents have been obtained; 3 more are currently in the registration process.

Some design developments have also become aesthetic icon, such as the swimming pool with a transparent floor; which doubles as a skylight in the beach club ceiling of the 52Steel, and the hidden stern davit in the SX line.

The chart below shows the evolution of investments in R&D and product development endeavours during the 2019-2021 three-year period.

CHART 4.3 - INVESTMENTS IN R&D AND PRODUCT DEVELOPMENT

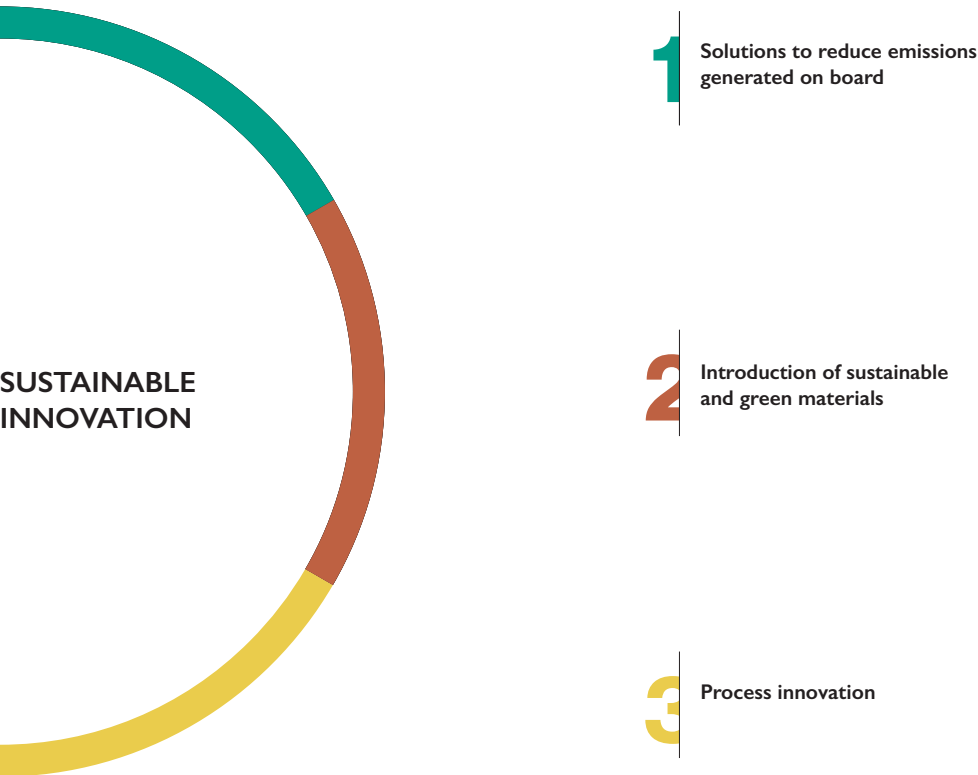


Sustainable innovation

To limit the impact caused during the production process and while using the vessel, the sustainable

innovation strategy includes three main types of initiatives:

INFOGRAPHICS 4.4 - TYPES OF INITIATIVES SET OUT IN THE GROUP'S SUSTAINABLE INNOVATION STRATEGY



Solutions to reduce emissions generated on board

1 In 2015, Sanlorenzo was recognised as the first shipyard in the world to use an early-generation hybrid system for planing yachts over 30 metres (SL106 Hybrid). Two years later, the Company followed up with a second application of the parallel hybrid model on a more compact vessel, in both cases operating through two MTU engines, two generators and a lithium battery system. These solutions ensure not only **greater safety at sea** – the electric system being ‘redundant’, meaning that it is able to operate even in the event of a breakdown – but also significant **reductions in CO₂ emissions**, sailing with only the generators or batteries. In September 2021, Sanlorenzo finalised an **exclusive partnership with Siemens Energy**, through which they will jointly develop innovative solutions to reduce the environmental impact of yachts. Specifically, the partnership will focus on the following areas:

- Development of solutions for the integration of **methanol** fuel cell technology for yachts between 24 and 80 metres in size to generate electricity on board when engines and generators are turned off, significantly extending the time spent at anchor and manoeuvring without consuming diesel fuel;
- Two development and purchase contracts for **next-generation diesel-electric propulsion systems** for yachts over 50 metres and for **next-generation hybrid** systems for yachts under 50 metres, made compatible with limited space on board and aimed at reducing greenhouse gas emissions and fuel consumption.

Such a collaboration scheme will enable Sanlorenzo to develop – by 2024 – the first superyacht with diesel-electric propulsion and the first vessel with on-board hotellerie powered by fuel cells.

To ensure lower energy consumption on board and, as a result, a reduction of CO₂ emissions generated, all BG and BGX models of the Bluegame Division can be equipped with **thermal break glass windows** capable of reducing over 70% of heat transmission, thus cutting down the thermal power used for the air conditioning system, the electrical power of the electric generator and fuel consumption. With regard to air conditioning, the use of **inverter technology** operating with an energy efficiency 50% higher than a traditional on/off system was also considered. Likewise, the use of energy-efficient appliances is preferred. All Bluegame yachts are also designed to be covered with **solar panels**, which in some models can span 30 square metres (i.e., 56 panels). The Group is also committed to implementing solutions for the reduction of engine-combustion NO_x emissions, by applying **selective catalytic (SCR) technologies on board** its yachts⁴. This selective catalytic system, however, requires operation at exhaust gas temperature >250°C, achievable only under high engine loads, and has some constraints, including an impact on the overall weight of yachts, which may cause consumption to increase. Yacht engines typically operate for about 200-300 hours per year, mostly at low load and low speeds over limited distances. This type of usage does not always manage to heat exhaust gases to the temperature necessary for efficient NO_x abatement. In certain situations, this can cause ammonia exhaust emissions. Therefore, efforts by the R&D and Sustainability Function are focusing on solutions that will enable **particulate and unburned matter** to be reduced.

Introduction of sustainable and green materials

2 Special attention is paid to **teak**, given the need to modify supply sources in line with the latest strict regulations governing this raw material from Myanmar (see “The Context”). In addition to paying attention to the origin of its teak stocks, the Group is taking steps primarily to look for alternative materials that ensure equal quality and strength. Among these is the wood of a certain species of marine pine, impregnated with resins in autoclave, for achieving resistance comparable to teak under conditions of high salinity, solar radiation, moisture and temperature. In 2021, with a view to testing these characteristics, aging tests – with UVA rays – were performed on the selected alternative materials. The first test phase made it possible to discard many of them and a new test campaign was launched to analyse wood, laminated and synthetic material, with promising results already coming through. Activities also focused on conducting a benchmark analysis concerning bamboo. With special reference to Bluegame yachts, tests are underway for the use of light covering panels of coconut, jute or pressed cotton, completely natural and not involving the use of plastic material. The materials are laid out on a mould, with the fabrics being set and then superheated on one of the faces. Basalt fibre is also being considered for the bulkheads. A further area of analysis concerns the fabrics used on board the yachts: materials coming from the recycling of PET plastic bottles are currently being considered. Again, aging tests were performed using UVA rays to test aesthetic performance and durability over time. At Bluegame, the first experimentation on the use of such recycled material was made on the BG42 model.

Similarly, the use of fabrics rather than leather is preferred for furniture. Where leather is still used, a transition to suppliers that guarantee ecological tanning processes is being pursued. In 2021, the Group signed an agreement with a supplier that adopts an odourless, chemical-free tanning process: the leather so processed was presented at the 2021 Genoa Boat Show. To date, Sanlorenzo and Bluegame yachts are coated with antifouling coatings that do not cause significant disruption to marine biological chains. The R&D and Sustainability Function is carrying out analyses to support reliance on treatments that are increasingly less aggressive and as effective as those originally used. More specifically, innovative silicone-based products are

being considered and tests have been conducted on a new type of antifouling paint. Testing returned positive results, with the SP line being the first to be produced with such coatings.

Further experimentation is currently underway for the production of moulds using material obtained from the recycling of fibreglass production waste. Such material – for the time being tested on small moulds – could be further reused, at the end of its life, to build new moulds or models. In line with the circular economy model, it is the Group's objective to try to maximise the useful life of its yachts and visualise, right from the design phase, sustainable solutions for their future disposal. In this regard, it should be noted that the “*High Technology and Sustainability*” (HTS) in-house laboratory was established.

In the area of research into circular and more sustainable materials, collaboration between the R&D and Sustainability Function and the Service Team (see “Exclusive relationship with shipowners”) is also crucial.

Process Innovation

3 In the 2022-2023 two-year period, a “*Sustainable design manual*” is expected to be drafted. Its purpose is to set out rules and criteria to be followed in the preliminary and executive design phases. It will include across-the-board guidance with respect to the different technical areas of the Business Units and detailed guidance with respect to the specific aspects related to fibreglass and metal productions. The manual will incorporate the European Commission and IMO environmental regulations on emissions and define improvement objectives in terms of sourcing materials with lower environmental impacts. The R&D Function also works with leading international companies in the monitoring and data transmission/processing sector on the development of remote diagnosis and assistance devices. Projects completed include the development of the ‘Smart Helmet Sanlorenzo’ portable device, which is currently in use. It is a tool designed to facilitate remote diagnostic activities and troubleshoot technical problems on board through exchanges between crews and Sanlorenzo technicians. The two-sided system consists of **management software** (installed

on Sanlorenzo Service Centre devices) and a **helmet equipped with camera, microphone and visors**, enabling audio-video connection to be established between the on-board technician/captain and the site technician. The Smart Helmet can identify the problem that occurs on board and flag it in real time to Sanlorenzo technicians, who will provide the crew with the instructions to solve it, where possible, themselves. The device can also collect information on the problem, making it possible to: make an initial diagnosis remotely, reduce resolution times, significantly reduce costs and frequent communication problems between the yacht and the support team. We are also developing and testing remote monitoring solutions for both the Yacht and Superyacht divisions with the aim of remotely processing the operating parameters of the yachts and their main systems. Such an accurate monitoring will allow the R&D and Sustainability and Technical Office Functions to know how yachts are used by shipowners, thus providing guidance regarding research and innovation activities to be pursued.



ENSURING QUALITY AND SAFETY ON BOARD

The Group ensures that the highest standards of quality and safety on board are complied with at all times. To this end, the entire production process is underpinned by a constant focus on quality control regarding the execution of the different processing types and stages and, consequently, of the end result. The unique characteristics of the yachts, fittings that do not rely on mass production, coupled with the lead time for larger yachts – which may well exceed 3 years – require the Group to define quality control plans with a **very long timespan** and **systematic and continuous** checks by highly skilled internal staff. At Sanlorenzo, the Quality Function, reporting directly to General Management, has a staff of 22 qualified technicians seconded to the various production units. All boats, across all models in production, are individually checked by quality officers according to their specialisation. In addition, the aforesaid Function is responsible for checking sustainability aspects concerning materials and construction solutions applied to the product. Checks are performed by relying on highly detailed proof and control test lists. Examples include a yacht's noise and vibration levels as well as characteristics relating to construction, size and installation of the furnishings. A key tool to support quality controls are the⁵ Quality Booklets. They are also shared with the shipowner and are intended for all those involved in the production process. These manuals set out to regulate in detail Sanlorenzo quality requirements defined for the different yacht environments and the related fittings. The output of the checks performed consists of specific reference tables, highlighting the quality parameters to be ensured. The results are then re-processed in the form of a histogram for easier reading. In the case of Bluegame, the technical staff pay daily visits to the facility of the subcontractor who has been entrusted with the production, in order to check progress. Noise and vibration performance

tests are then carried out to validate compliance with quality standards. Additional tests are carried out by third parties on behalf of Bluegame, such tests being key to gaining further insights for completion and improvement purposes. Tests are also conducted by the shipowner if he considers it necessary during the control phases completed by his own surveyor. Once processing is completed, the yachts are brought to Liguria where they are launched and tested. As regards information sent to the shipowner, in addition to the contents of the Quality Booklets, the Group shares several documents, which may be of a commercial, regulatory (with reference to the yachts' compliance with the many requirements laid down by regulations in force) and technical nature (i.e., relating to the characteristics and specific aspects of each yacht).⁶ The purpose of preparing this technical and information material is to ensure **maximum transparency and consistency** regarding quality and safety on board the yachts. With specific reference to safety on board, it should be noted that in 2021, in France, on board the SL96-720 M/Y REINE D'AZUR unit, a fire broke out that caused the vessel to sink. Investigations related to the causes of the accident will be started in 2022.⁷ As a result, at present it is not possible to establish whether responsibility lies with Sanlorenzo, which is cooperating with the customer in the collection of information and in the investigation.

EXCLUSIVE RELATIONSHIP WITH SHIPOWNERS

The **relationship with shipowners is direct and personal** – especially in the case of yachts that require a high degree of customisation – and in most cases long-standing. **Professional attitude, expertise, availability, respect** and **fairness** represent the Group's core principles and style of behaviour upon which such relationships are built. With regard to both Sanlorenzo and Bluegame, shipowners are sophisticated and loyal customers (aka connoisseurs) whose tastes are perfectly reflected in the yachts that the two companies build for them. The Group's customer base is primarily comprised of Ultra High Net Worth Individuals (UHNWI), which has been steadily increasing, especially in North America and APAC. The **Sanlorenzo Club** represents the group of shipowners (about 1,000) who over time have become owners of a Sanlorenzo yacht; Bluegame customers are identified as **Bluegamers**, i.e. owners characterised by their instinctive nature, independence and nonconformism, being unique individuals just like the yachts they choose to become owners of.

Empowerment of the emotional part of the relationship and of the **user experience** are two key drivers of the dialogue established with each shipowner. With a view to fostering and nurturing these dimensions, the communication and experiential marketing strategy of the Group is focused on the exclusive workmanship, high quality, design and elegance of its yachts, combined with the exclusive nature of and key role played by the relationship with the customer. In this connection, video stories (known as storytelling) have been created, centring on the narration of the main characters, i.e. the shipowners themselves, and/or of those who took part in the design and planning of the yacht, including architects and designers. Special attention is also paid to the training of dealers – whose role is most crucial especially with regard to the relationship with the shipowners of Bluegame, as the company does not engage in direct sales – so that they may be fully aware of the **characteristics of the product, the language** used by the brands to present it, as well as the **values** underlying the Group's endeavours.

INSIGHT

Training on the core value aspects of the two brands

Every year, a Brand Representative Meeting is held (in the past two years it was organised remotely). It is an important time of mutual exchange during which materials and ideas are shared to support brand awareness and knowledge of the Group as a whole. Moreover, in June and October 2021, a workshop run by Studio Lissoni & Partners was held. It was attended by internal staff – including both management and all other people who deal with external relations – and was aimed at integrating and strengthening the Group's image and brand positioning in terms of external reputation. Plans have been made to extend this workshop also to dealers in the near future.



As regards opportunities to meet with shipowners, before and during the construction of the boat, reference is made to the **visits to the design showrooms** in Milan, during which customers can explore the history of Italian design and view unique pieces that they can select for the layout and the décor of their yachts. On such occasions, shipowners are also invited to attend exclusive evenings, such as at Milan's La Scala Theatre, and participate in **guided tours** – with the support of Sanlorenzo Style Director – **of the most renowned art galleries**, for a fuller understanding and experience of Italy's artistic tradition. Such initiatives further reinforce the Group's desire to “bring art on board” (see Chapter 5).



The Group also stages **Elite Days** – or Elite Weekends, according to the format used during the pandemic – with the aim of gathering at its shipyards Sanlorenzo and Bluegame shipowners as well as prospects from all over the world.

In 2021, the two initiatives mentioned above were not staged. Boat Shows remain indeed the main event dedicated to existing customers and prospects. The Group took part in the **Genoa Boat Show**, the

Although boat shows are recognised opportunities for first contact and lead generation with future clients, the Company is at pains to clarify its absolute commitment to the protection of any personal information shared by participants. Indeed, the process of registering with Sanlorenzo requires the individual to read the Privacy Policy and accept its conditions, so that the data collected, particularly those of a sensitive nature, are protected, in accordance with the provisions of the European Regulation (GDPR).⁸

In August 2021, a dinner was held in Porto Cervo attended by the local dealer and local customers for the presentation of the new SPI 10 model that will be released in 2022.

Cannes Boat Show and the Palma de Mallorca Boat Show – where three new models for the Yacht Division (SL90 Asymmetric, SL120 Asymmetric, SD118) and the expansion of the BG Line with the BG72 were presented to the market – and the **Fort Lauderdale Boat Show**, where Sanlorenzo dedicated the launch event of the restyling of the SL106 Asymmetric model of the Yacht Division to the American market.

INSIGHT

Genoa Boat Show: 61 editions of excellence

The largest and most important trade fair and exhibition for the Mediterranean boat industry was established in Milan in 1961, known as the “Salone internazionale della nautica” (International Boat Show). In 1962, the event was renamed as the “Boat Show” and was moved to Genoa, where it has been held every year since then. Since 1967 the organisation has been led by Confindustria Nautica (UCINA), the Italian Marine Industry Association, the institutional representative in the boat industry.

The Genoa Boat Show is a major event for operators in the Italian and international yachting industry and for enthusiasts of the pleasure boating sector; other sea-based activities and ‘Made in Italy’ excellence. Since 2018, the Genoa Boat Show has been divided into four interlinking events, reflecting the multi-specialist nature of the sector: Tech Trade (components and accessories), Sailing World (sailing), Boating Discovery (outboard motorboats), and Yacht and Superyacht.

In 2021, the BG72 model was awarded the **Design Innovation Award** in the Motorboats over 10 mt.LH category. This award was first introduced in 2020 with the aim of encouraging excellence in the yachting industry, enhancing its drive for innovation as reflected in the latest products launched on the market.

The 61st edition of the Show was fully booked throughout the event, welcoming 93,782 visitors (71,168 in 2020) and 992 exhibitors (824 in 2020) in full compliance with the measures of the Health Protocol approved by the National Technical Scientific Committee. A larger turnout that again saw the participation of people from abroad. The Genoa Boat Show is getting ready for the “**Road to 2023**” project that will make the event even bigger and more innovative, also thanks to the new “Waterfront di Levante” designed by Renzo Piano that will allow the event to have a more functional and scenic layout.



In order to enhance the shipowners' experience in using their yachts, Sanlorenzo offers **high-end services**, ranging from the possibility of accessing a customised loan/lease plan defined in conjunction with Sanlorenzo's main financial partners, to yacht servicing/refitting. In the years to come, the ambition of the Group is to gradually extend those services to Bluegame, too.

Specifically, Sanlorenzo delivers **specific training courses to crews** by relying on the Sanlorenzo Academy and on the collaboration between the Marketing & Communication Function and the Service & Deliveries Department. This enables shipowners to count on **highly qualified and skilled personnel** on board, reflecting the engineering and aesthetic quality of the yachts.

For example, the “**Sanlorenzo Captains Workshop**”, launched in 2017 and organised by Sanlorenzo in collaboration with its Dealer network, is a project that sets out to convey the technical guidelines, modus operandi and philosophy of the Sanlorenzo shipyards. The programme saw the organisation of two editions staged by Sanlorenzo at its shipyards and one edition staged by Trio Deniz in Turkey.

The “**Sanlorenzo Service School**” initiative, launched in 2019, is a training course developed for the Service Points and Service departments of the Sanlorenzo Brand Representatives, with the aim of enhancing their technical knowledge by offering them the opportunity to establish contact with shipyards and to fully understand their values and philosophy. In the edition held in March, the course saw the participation of 6 Service Points and 7 Dealers, for a total of 19 people, while in the November edition 1 Service Point and 4 Dealers attended, totalling 14 people.

At present, the activities described in the two projects mentioned above are dedicated to the captains of Sanlorenzo customers and to the Service departments of the Sanlorenzo Dealer network, but it is the Group's intention to extend this training also to Bluegame.

With reference to the SX112 model - The **Sanlorenzo Charter Fleet**, the first single-brand charter programme in pleasure boating, was then activated. With regards to the **assistance services**, Sanlorenzo's offer includes an office dedicated to the supply of spare parts, with shipments all over the world, storage in the specific area called Marina Travel Lift inside the Ameglia shipyard, mechanical, electrical and hydraulic maintenance, as well as testing and consulting services. Shipowners can also count on an after-sales service network made up not only of the Sanlorenzo shipyards but also of the Brand Representatives and Service Points present all over the world (see Infographic 1.3). In the case of Bluegame, these services are first of all managed by the direct presence of dealers in the area; where coverage on their part is not ensured, the company relies on a trusted Service Point. Only in more limited and technical cases do Bluegame technicians intervene directly.

Each yacht is also equipped with a tablet on which the Wosa Yacht Surveyor (WYSR) application is installed, the official tool for managing guarantees and related communications between shipyard and customer, through which the crew can send requests for assistance to Sanlorenzo technicians, who in turn can interact directly with the on-board personnel (see “Constant search for innovation”).

The offer of services managed by the “**Sanlorenzo Timeless**” department also falls within the scope of after-sales services, with the aim of preserving the value and timeless character of Sanlorenzo yachts, adapting them to the style and taste of the owners and modernising the on-board equipment. In this way, it is possible to enhance and increase the customer's affection for their boat, beyond its commercial value, in line with the company philosophy of “*made to last*”.

In particular, there are three types of services available to shipowners:

- **Refit** - Replacing or updating the instruments and equipment on board to make each boat more efficient, performing and technically advanced, improving safety and functionality and restoring the pleasure of sailing in total comfort. This activity is also crucial in the implementation of a circular approach to business, ensuring a significant extension of the useful life of the boat and a reduction in the environmental impacts generated by yachts.

Interventions carried out with significant implications also in terms of environmental impact include (i) on-board system modernisation operations – in order to ensure greater energy savings – (ii) “repowering” interventions also aimed at reducing consumption and emissions, (iii) the application of antifouling treatments with latest generation products and therefore with reduced environmental impact, (iv) the implementation of on-board wastewater filtration systems – such as black and grey water – and anti-pollution systems. With regard to the Refit activity, the collaboration between the Service and the R&D and Sustainability Function is particularly important for the use of circular and more sustainable materials and for the implementation of new technologies. Indeed, this service also qualifies as a “field of experimentation”, especially in the case of more massive interventions, to then apply what has been tested in the construction of new boats.

The Refit service is also extended to second-hand vehicles – both Sanlorenzo and other (traded in) brands, with the aim of allowing the useful life of the yacht, already very extensive in itself, to be extended, and therefore help reduce the impacts generated by it. In this case, reference is made to the “Experienced Yacht” programme.

INSIGHT

The “Experienced Yacht” programme

All the boats that become part of the Sanlorenzo second-hand fleet acquire a new life. Each boat of the “Experienced Yacht” programme is carefully evaluated, managed and reconditioned by qualified Sanlorenzo personnel, including captains, systems and on-board systems technicians, fiberglass, bodywork and nautical carpentry specialists. The boats undergo a controlled process that begins with a preliminary survey and ends with delivery to the customer. In particular, it involves 3 work phases:

- **Boat assessment**, during which the hull and the hull appendages are checked, the sea trial is carried out with the detection of engine data and the operation of all on-board systems is tested;

- **Work implementation**, i.e., the implementation of refitting, repair or replacement interventions to ensure the efficiency of the boat in all its parts;
- **Acceptance testing**, i.e., functional tests of every single machinery, apparatus or system on board before the boat is delivered.
- “**Experienced Yachts**”, once reconditioned, are then subjected to periodic checks so that the state of maintenance and efficiency are guaranteed over time.

- **Restyle** - Renewing the design of the yacht to assure the owner that his boat reflects his lifestyle and specific needs over time, through targeted interventions on furnishings, the replacement of materials and upholstery and the design of spaces from scratch and (internal and external) structures, with a view to pursuing alternative solutions with a low environmental impact. As in the case of new boats, Sanlorenzo's second-hand boats always try to ensure maximum customisation;

- **Lifetime care** - Constant routine and extraordinary care and maintenance of the boat through rigorous checks, services, tests, coupons and certifications, in order to guarantee the continuous improvement of efficiency and the maintenance of the level of excellence that distinguishes every Sanlorenzo yacht.

- **Spare parts service**, which are supplied directly to customers all over the world through international shipments that guarantee prompt delivery of any spare part.

Over time, there has been a growing appreciation for this offer, above all thanks to the added value deriving from the fact that it is the manufacturer itself, i.e. Sanlorenzo, who takes care of the refitting of the boats, fully knowing their peculiarities. Indeed, in 2021, 27 boats were refitted (+50% compared to 2020), for a total of 58 in the last three years. Of the total number of yachts renovated during the year, 11% were boats from other brands.

During the year, in order to make customers even more informed about the services offered, the Timeless Brochure and the brochure for the SL55 were created (others dedicated to boats undergoing refitting are being developed). The newsletter, called “Sanlorenzo Service Bulletin”, focuses on after-sales topics.

INSIGHT

Restoration of a Palio del Golfo regatta boat

In collaboration with the Italian Naval League Association, Sanlorenzo carried out the partial restoration of a Palio del Golfo regatta boat

at the Ameglia shipyard, where it underwent paint restoration work.

Lastly, the Group, in cooperation with specialised operators – including Ar-Nav Marina (Ameglia), Porto Mirabello (La Spezia) and Polo Nautico Consortium (Viareggio) – offers its customers **in-port hospitality**

services, consisting of dedicated mooring spaces and a response to needs of all kinds, including technical and maintenance services, through dedicated infrastructures.

FOOTNOTES

- ¹ Angle formed between the bottom of the hull and the horizontal plane, on both sides of the hull.

² Flybridge yachts feature a helm station as well as a sundeck in an area located on their roof. This area is known as 'Fly bridge'.

³ Lead time refers to the time elapsing from the start of construction to delivery to customer.

⁴ It stands for Selective Catalytic Reduction, a component that reduces NOx emissions by passing them through a unit that combines the emissions with a blend of urea and water, known as AdBlue.
- ⁵ Currently available only for Sanlorenzo, Quality Booklets refer to technical expedients, operating instructions for applying Prospeed (antifouling coating), cooling and securing appliances, carpentry and cable passageways.

⁶ More information can be found in the Annex.

⁷ The wreck was recovered in January 2022. More information will be provided in the 2022 NFS.

⁸ EU Regulation 2016/679.

⁹ At present, the activity only involves Sanlorenzo and not Bluegame.



CHAPTER OVERVIEW – TECHNICAL DETAILS ON THE FOLLOWING MATERIAL ISSUES:
“RESEARCH AND DEVELOPMENT”, “EXCLUSIVE CUSTOMER RELATIONSHIP”

REFERENCE GRIS:

102-15; 102-43; 102-44; 203-1; 416-2; 417-1; 417-2; 417-3; 418-1

REFERENCE SDGS:



TARGET: 12.4; 12.5



TARGET: 13.1

PRINCIPLES OF THE UNITED NATIONS
GLOBAL COMPACT REFERENCED:

Principle 7 – Adopt a precautionary approach to environmental challenges

Principle 8 - Undertake initiatives to promote greater environmental responsibility

Principle 9 - Encourage the development and diffusion of environmentally friendly technologies

DESCRIPTION AND RELEVANCE
OF THE ISSUE:

The production of made-to-measure yachts, perfectly tailored to the specific needs of each customer; obligates Sanlorenzo to guarantee the highest standards of customisation, reliability and safety. Such guarantees are heavily dependent on close attention to the quality of processes and materials. The questions of project design and choice of materials also demand ever-increasing attention to the principles of environmental protection, aimed at the utmost sustainability in product and process levels. This focus applies both within the Group and externally, and involves constant dialogue with yacht owners. All this is made possible by the significant investments in research and development (R&D) endeavours managed by the R&D and Sustainability Function, as it operates group-wide with developments and applications that apply to the three Divisions.

TYPE OF IMPACT ALONG THE VALUE CHAIN:
DIRECT/INDIRECT, INTERNAL/EXTERNAL

The input from R&D is particularly important in the design phase, and onwards to the end of engineering. This includes the choices of materials, increasingly dependent on the assessment and minimisation of environmental, social and economic impact. Building and maintaining a unique and special relationship with customers is an element that defines the entire value creation chain of the Group. Indeed, business operations are driven by the attention paid to shipowners' needs and the will to fully meet such needs. Our relationship with shipowners involves a constant dialogue, exchanges and knowledge gathering efforts, including – to an increasing extent – on issues related to sustainability and, more specifically, respect for the environment.

ASSOCIATED RISKS:

- Lack of technical solutions to meet new environmental or safety regulations by deadlines (e.g. IMO Tier III NOx emissions standards, effective from 2021 for pleasure boats and megayachts >24m <500GT).
- Difficulties in finding raw materials suitable for the construction of Sanlorenzo and Bluegame yachts
- Theft or loss of sensitive customer data



RELATED OPPORTUNITIES:

- Although lagging behind compared to other industries, customers in the yachting industry are becoming increasingly aware of sustainability features. By developing innovative and sustainable solutions, the Group will play a pioneering role in the industry – thanks to the design and implementation of pilot projects, such as fuel cell – in terms of increasing awareness and driving cultural change on these issues not only among its customers, but also among other stakeholders.
- Access to markets that are increasingly alert to the sustainability aspects of products, meaning reducing consumption and environmental impacts as much as possible;
- Positive repercussions in moving from a linear to circular economy;
- By applying sustainable boat design criteria, the Group can accommodate/meet customers' requests for more advanced products in terms of sustainability as compared to competing firms. This has positive implications in terms of expanding the customer base and positive external effects also regarding the external reputation of the Group's two brands;
- In sharing its commitment to sustainability issues with customers, the Group can increase business, but also sees opportunities to raise awareness and communication of vital information.

KEY STAKEHOLDERS:

- Materials, components and systems suppliers
- Universities and research centres
- Shipowners

RELEVANT POLICIES, PROGRAMMES AND
CERTIFICATIONS:

- Quality Booklet

LINK WITH THE LOCAL COMMUNITY

A KEY PARTNER FOR THE LOCAL COMMUNITY
ART AND DESIGN



A KEY PARTNER FOR THE LOCAL COMMUNITY

Strongly driven by the context where it was first established and has grown since, over the years Sanlorenzo has become a partner of the community in which it operates, in the constant pursuit of an open and synergistic dialogue with the relevant stakeholders while showing its full commitment by supporting cultural initiatives and associations and redevelopment endeavours. In this connection, the Company promotes

and sponsors major cultural and artistic events. Since 2019, Sanlorenzo has been a partner, together with the Municipality of Lerici, of the **Lerici Pea Golfo dei Poeti Award** (see “The Lerici Pea Golfo dei Poeti Award”), one of the most representative awards of the Italian and international literary scene dedicated to the empowerment of Italian and international poetry of excellence.

INSIGHT

The Lerici Pea Golfo dei Poeti Award

Again in 2021, Sanlorenzo contributed to the annual edition of the Lerici Pea Golfo dei Poeti Award, as well as to the section of the “Ligurians in the world” Award dedicated to all those who are considered “Ligurian excellences”, which in 2021 was granted to artist Mario Cresci.

Sanlorenzo acknowledges the privilege of working and producing in the enchanting setting of the Ligurian coast by embracing initiatives that remember and bring back to life the splendour of places loved by artists and poets of international stature, such as Byron, the Shelleys, D.H. Lawrence and Bernardo Bertolucci. In this context, in 2020 Sanlorenzo created, in collaboration with the Association responsible for the event and the Municipality of Lerici, a “**Poetical Promenade**” between Lerici and San Terenzo. An iconic promenade along the seafront of the two villages, in respect of which the Company designed a series of 316L stainless steel plaques resistant to saline environment – the same used on its yachts – on which

the names of the great poets celebrated over the years were engraved.

By using QR codes along the entire route, visitors can discover the biographies and poems of each poet, including last year's winner Tomaso Kemeny.



Likewise, the Company supports cultural and artistic events staged in the local community, such as “**The Vertical Sea**” – a literary event by writer and journalist Marco Ferrari from La Spezia – during which, every summer in Monterosso, leading writers present their books in the magnificent setting of the Cinque Terre. As regards work for the improvement in the local area, Sanlorenzo has contributed, through a sponsorship scheme, to the recovery of the **Sala delle Polene** in

the **Naval Technical Museum of La Spezia** and to the construction – completed in 2019 – of the **defensive embankment for the Magra River** (Ameglia), to protect the biodiversity of the area and for the benefit not only of the company's business, but also of the adjacent built-up area otherwise exposed to the risk of flooding. The initiative was supported by funds provided by Sanlorenzo to the extent of 800,000.

In the same year, the Company built **lock gates** in the D2 area of the Ameglia shipyard. Not only do they allow boats to transit between the original area of the site and the new one, but they also ensure that the embankment is not disrupted during weather alerts, making the area safer for the entire local environment.

In 2021, with a view to helping cope with the Covid-19 pandemic and underpinning local actions taken to limit infections and promote the vaccination campaign, Sanlorenzo supported the construction of the Vaccine Hub at the Ameglia shipyard. Access to the hub was granted both to Sanlorenzo and Bluegame employees and to the workers of the contractors collaborating with Sanlorenzo.

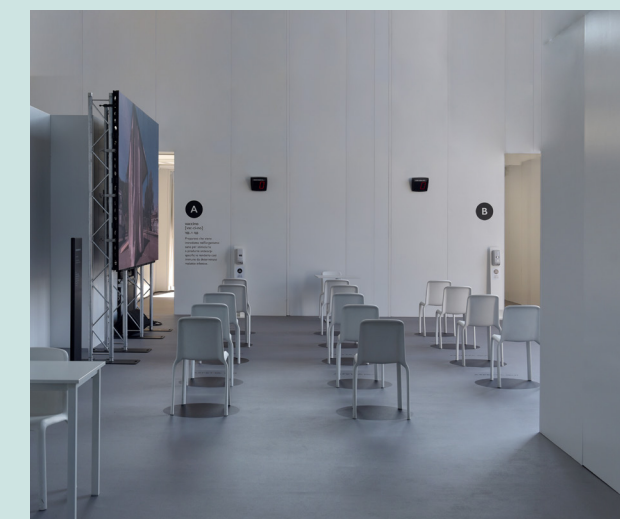
APPROFONDIMENTO

SANLORENZO HUB: the vaccine hub in Ameglia and other measures implemented by the Group to mitigate the pandemic

Between June and August 2021, the Ameglia shipyard hosted the vaccination hub created by the Group for the benefit of both its own employees and the workers of the contractors with which Sanlorenzo collaborates. Booking was handled through an application, in full compliance with privacy policies. In addition to the Covid-19 vaccination, all employees were also given the opportunity to get the flu vaccination directly at the Company's premises.

In the following months, the Group also launched a **Covid-19 support and advice help desk**, managed by the Local Health Authority of La Spezia. The service may be accessed by any employee or contractor who needs to request information either for themselves or their families. Inquiries may be made to the desk also via a dedicated phone number and email address.

In terms of tracking contagions, control swabs were provided to all employees who took part in events, such as boat shows, or went on foreign and domestic trips.



Moreover, again with the aim of ensuring its support to the local community where the Company operates and to the people who live in the area, in 2021 Sanlorenzo financed – to the extent of 10,000 – the purchase of a vehicle for the **transport of people with motor disabilities**, in support of the Humanitas Romito Magra Public Assistance Association.

During the year, Sanlorenzo also provided financial support to the “Children of Madagascar Tonga Soa ODV” association, which can rely on a very active group of supporters in the local area: through the donation, support was given to the project to create

a school on the island of Nosy Be (Madagascar). It consists of a 3-storey building intended to accommodate the 4 classes of the middle school (according to the French model), but also the fifth grade, currently in a classroom too small to hold all the students (which in the year 2020-2021 were over 85).

Finally, it is specified that in April 2021 the **Sanlorenzo Foundation**¹ was established at the initiative of the Perotti family, to which the Company paid an initial contribution of 50,000 following a resolution of the Board of Directors.

INSIGHT

The Sanlorenzo Foundation

Established in 2021, the Foundation has its registered office in the Municipality of Ameglia and its founders include Sanlorenzo S.p.A, Holding Happy Life and members of the Perotti family.

The latter, in affinity with human values, the culture of work and corporate social responsibility that characterises the history of Sanlorenzo S.p.A, aims to improve the economic and social conditions of the community, promoting in particular life, study and work opportunities.

The main activities include the granting of scholarships aimed at allowing young and deserving scholars, belonging to families facing financial hardship, to continue their school and training, financing their study stays in Italy and abroad.



The Foundation also aims to allocate a part of the funds to the most deserving children of Sanlorenzo employees and their families in case of emergency.

The Foundation's institutional interventions also include support for economic and entrepreneurial initiatives aimed at promoting the integration of young people into the world of work. By way of example, the opening of special calls will be considered to allow young people to access the artisan shops that collaborate with Sanlorenzo, in order to encourage direct experiences in the world of local craftsmanship, while enriching the resources of the recreational boating industry, an excellence of our country.



The Sanlorenzo Group also contributes to the **generation of induced employment** in Italy, not only through its direct employees (considering the Italian companies) but also indirectly through the suppliers and contractors who work for the Group.

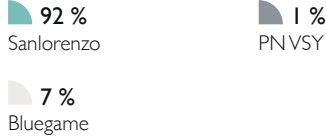
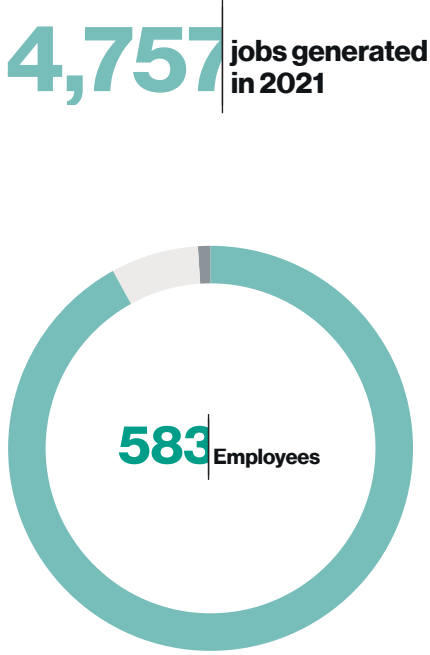
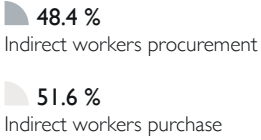
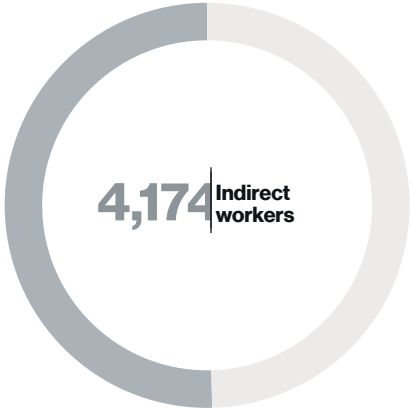
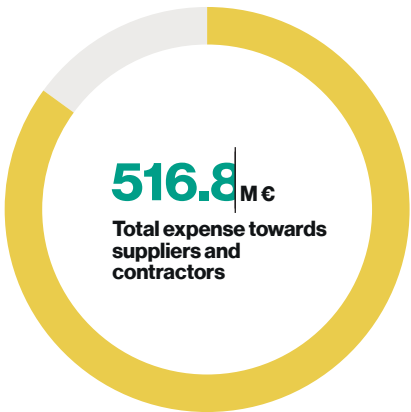
The objective of the **indicator of induced employment** generated by the Sanlorenzo Group is to determine the total number of jobs referable to the Sanlorenzo Group in Italy both directly and indirectly, i.e. in its supply chain.



To this end, the proportion of the Group's expenditure towards suppliers and contractors who have their registered office in Italy was first quantified. By defining the portion of the costs attributable to labour through the Group's value creation process and an estimate of the annual cost per worker, it is possible to ascertain that in 2021 the induced employment

of the Sanlorenzo Group is approximately 4,200 jobs at its own Italian suppliers and contractors. Adding to this value the 583 direct employees of the Italian companies of the Group, we reach a total number of approximately 4,800 jobs (direct and indirect) attributable to the Sanlorenzo Group in Italy in 2021.

INFOGRAPHICS 5.1 – INDUCED EMPLOYMENT INDICATOR



ART AND DESIGN

The Group has **brought art and design on board its yachts**, mindful of the excellent quality of Italian yachting history, which is inspired by the work of Giò Ponti and Gustavo Pulitzer whose yachts combined technology with design and contemporary art.

The link with the world of art has evolved hand in hand with the evolution of the design of Sanlorenzo and Bluegame yacht models, becoming more and more a distinctive and key feature of their offerings. The two companies have long collaborated with designers representing Italian excellence in the luxury interior design industry.

In 2010, Gianfranco Pardi’s works of art seamlessly matched the context of the SL106, the interiors of which were designed by Rodolfo Dordoni.

This marked the beginning of collaborations with contemporary artists and galleries, which helped realise Sanlorenzo’s vision of bringing art on board.

It is with this spirit that over the years Sanlorenzo has taken part in **major artistic events worldwide**: Art Basel, whereby a global partnership has been established since 2018, allowing Sanlorenzo to attend the Basel, Miami and Hong Kong editions; the Venice Biennial; the FuoriSalone del Mobile in Milan; and the Peggy Guggenheim Collection in Venice, of which the Company became an Institutional Patron in 2019.

In 2021, in particular, as restrictions on travel between countries loosened, it was possible for Sanlorenzo to participate once again in Art Basel Miami Beach (see “Melding the arts with yachting: Sanlorenzo Arts at Art Basel Miami Beach 2021”).

INSIGHT

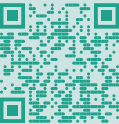
Melding the arts with yachting: Sanlorenzo Arts at Art Basel Miami Beach 2021

In December, Miami played host to the 2021 edition of Art Basel, the prestigious international Modern and Contemporary Art event.

Sanlorenzo attended the event and, on that occasion, launched “**Sanlorenzo Arts**”, thereby increasing its commitment to support creativity and contemporary art. “Sanlorenzo Arts” is a platform that aims to navigate through the complexity of present times through creativity. It is an active and interactive channel for projects related to the world of art and design, addressing the most current issues in an original way by relying on the sensitivity of artists, designers, thinkers and creative talent. The Company views such a platform as a true culture and design creator and not only as an art sponsor or enabler.

The leading international contemporary art magazine Flash Art, and its entire global network of curators and artists, were also involved in the project, with the aim of implementing, facilitating and consolidating a meaningful dialogue between the world of arts and Sanlorenzo.

In this context, the ‘Sanlorenzo Lounge’ specially set up at Art Basel Miami Beach showcased the site-specific work commissioned by the Company “*Cobalto*” by the American artist McArthur Binion, where the choice of Italian ink represents the connection between the artist’s practice and Sanlorenzo’s marine world. On the other hand, the “*Suspensions*” installation by the Swiss artist Emil Michael Klein was part of the Sanlorenzo Lounge at Art Basel in Basel.



FOOTNOTES

¹ The Sanlorenzo Foundation is not part of the reporting boundary of this NFS.



CHAPTER OVERVIEW – TECHNICAL DETAILS ON THE FOLLOWING MATERIAL ISSUE:
“PROMOTION AND DEVELOPMENT OF THE LOCAL COMMUNITY AND RELATIONSHIP
WITH LOCAL PLAYERS”

REFERENCE GRIS:

I02-15; I02-43; I02-44; 203-I

REFERENCE SDGS:



TARGET: 8.2

DESCRIPTION AND RELEVANCE
OF THE ISSUE:

Sanlorenzo operates in a region known for its experience and traditions in the naval and yachting sectors, to the point of emerging as a model industrial cluster.

Sanlorenzo is naturally and historically rooted within the Ligurian territory and believes in the importance of contributing to the creation of value for its own community. This commitment is reflected in the Group's ability to generate an important source of employment and local development, which in turn creates significant economic activities, and in its support to important cultural initiatives, work improvement and environmental enhancement efforts, as well as the social support activity carried out by some local associations.

TYPE OF IMPACT ALONG THE VALUE
CHAIN:
DIRECT, EXTERNAL

The Group ensures that its activity and the economic and intangible value associated with it can generate positive external effects that not only contribute to the enhancement of the local community and culture, but also increasingly strengthen the “social licence to operate” that over the years has been granted to Sanlorenzo by the communities that experience at first hand the company's activities across the local areas.

ASSOCIATED RISKS:

- Failure to take into account and meet the expectations of internal and external stakeholders with respect to the management of impacts deriving from its business;
- Forfeiture of the “social licence to operate”, which may take the form of, for example:
 - The emergence of discontent in local communities due to the presence and activity of Sanlorenzo shipyards;
 - Problems with local public administrations concerning the management of the Sanlorenzo shipyards in their areas, and for the Ameglia site in particular, situated within the Montemarcello-Magra Park.
- Effects on business continuity due to climate change (adverse weather events, exceptional temperatures, etc.).

RELATED OPPORTUNITIES:

- Maintaining and strengthening the social licence to operate;
- Developing skills ensuring quality, craftsmanship, skills to draw from to carry forward the business of the Company and its suppliers;
- Promoting Italian art and culture, in this way reinforcing the value of “Made in Italy”;
- Strengthening corporate culture and external reputation.
- Adopting and promoting proactive behaviour in the fight against climate change, for the purpose of raising the awareness of all stakeholders interacting with the Company; taking the lead in initiating incisive action in response to global challenges.

KEY STAKEHOLDERS:

- Local community
- Contractors

Independent Auditors' Report

on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and of article 5 of CONSOB Regulation n. 20267 of January 18 2018

To the Board of Directors of Sanlorenzo S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267 of January 18 2018, we have been engaged to perform a limited assurance engagement on the Consolidated Non-Financial Statement of Sanlorenzo S.p.A. (hereinafter the "NFS") and its subsidiaries (the "Group") as at December 31, 2021 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on March 10, 2022.

The limited assurance engagement performed by us does not extend to the data contained in paragraph "The 2021 of the Sanlorenzo Group - European taxonomy and adoption by Sanlorenzo" and "Technical insights - Sanlorenzo's adoption of the European taxonomy (2021)" of the NFS, required by article 8 of the European Regulation (UE) 2020/852.

Directors' and Board of Statutory Auditors' responsibility for the NFS

The Directors are responsible for the preparation of a NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative, "core" option (hereinafter "GRI Standards"), identified as the reporting standard.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for the identification of the content of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the Group's business and characteristics, to the extent necessary to ensure an understanding of the Group's business, performance, results and the related impacts.

Finally, the Directors are responsible to design a business management model for the organisation of the Group's activities, as well as, with reference to the topics identified and reported in the NFS, for the policies for the identification and management of the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, compliance with the provisions set out in the Decree.

Auditors' Independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control that includes directives and procedures concerning

compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established in the *International Standard on Assurance Engagements 3000 (Revised) ~ Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised")*, issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. Wherever applicable: comparison of data and financial economic disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Understanding of the following matters:
 - Business management model of the Group's activity, with reference to the management of the topics set out in article 3 of the Decree;
 - Policies adopted by the entity in connection with the topics set out in article 3 of the Decree, achieved results and related key performance indicators;
 - Main risks, generated and/or undertaken, in connection with the topics set out in article 3 of the Decree.

With reference to these matters, we compared them with the disclosures presented in the NFS and carried out the procedures described in point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of significant qualitative and quantitative information disclosed in the NFS.

Specifically, we carried out interviews and discussions with the management of Sanlorenzo S.p.A. and we also performed limited documentary verifications, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's business and characteristics:

- at parent company's level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with available evidence.
 - b) with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Sanlorenzo Group as of December 31 2021 has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the Decree and selected GRI Standards.

Our conclusions on the NFS of Sanlorenzo Group do not extend to the data contained in paragraph “*The 2021 of the Sanlorenzo Group - European taxonomy and adoption by Sanlorenzo*” and “*Technical insights - Sanlorenzo's adoption of the European taxonomy (2021)*” thereof, required by article 8 of the European Regulation (UE) 2020/852.

Genoa, March 28, 2022

Signed by
BDO Italia S.p.A.

Paolo Maloberti
Socio

*This report has been translated into English language
solely for the convenience of international readers.*

ANNEX

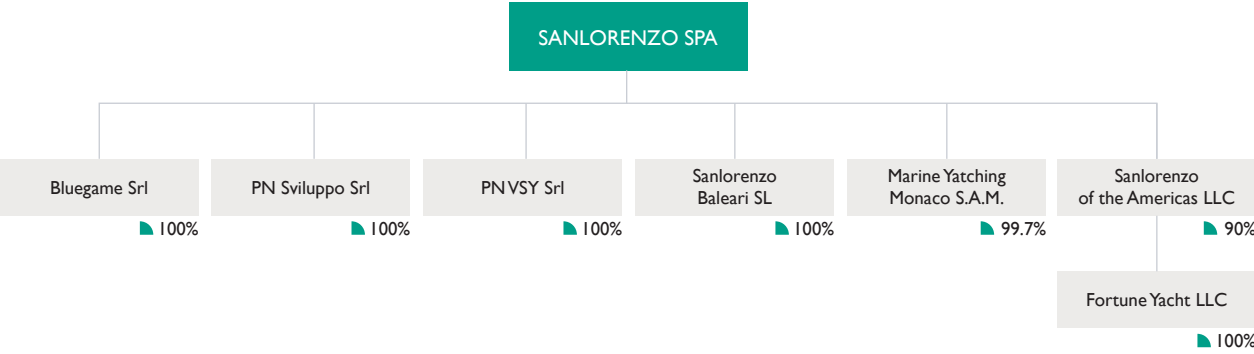
METHODOLOGICAL NOTE
GRI CONTENT INDEX



METHODOLOGICAL NOTE

This is the second NFS published by the Sanlorenzo Group. The document is issued on a yearly basis consistent with the timelines defined for financial reporting. The information contained in the document refers to the period from **1 January 2021 to 31 December 2021**. The **reporting boundary of this NFS** includes the entire **Sanlorenzo Group**: the parent company S.p.A.,

with special reference to the two Yacht and Superyacht Divisions and four owned shipyards – Ameglia, La Spezia, Viareggio and Massa; the two subsidiaries: Bluegame S.r.l. and related Division, PN VSY S.r.l., Sanlorenzo Baleari SL, Marine Yachting Monaco S.A.M., Sanlorenzo of The Americas LLC and Fortune Yachts LLC.



PN Sviluppo S.r.l. was set up in 2021. Although this company is included in the reporting boundary, it does not contribute to the reporting of the quantitative and qualitative data reflected in the document since it was founded on December 16th, 2021. Restart S.p.A. is 50% associated with the aforementioned company.

This NFS was prepared in accordance with the GRI Standard 101 Foundation¹ principles, as summarised below:

- **Stakeholder Inclusiveness** – Identification of the Group’s key stakeholders and awareness and protection of their right to be heard and receive information on the Group’s activities and impacts (see “Listening to Stakeholders”);
- **Sustainability Context** – Assessment of the Group’s performance, taking into account identification of the environmental and social trends that during the reporting period characterise the specific industry in which the Group engages and the wider context of sustainability (see “Backdrop”);
- **Materiality** – Defining the relevant topics for the Group and the relevant stakeholders – the reporting of which as part of the NFS is considered essential – which reflect the significant economic, environmental and social impacts of the Group and which substantively influence the assessments and decisions of the stakeholders concerning the Group (see “Areas of focus”);

- **Completeness** – Coverage of all material topics, with clear indication of their boundaries, sufficiently reflect significant economic, environmental and social impacts and enable stakeholders to assess the Group’s performance in the reporting period;
- **Accuracy** – The qualitative and quantitative information reported in the NFS must be sufficiently accurate and detailed for stakeholders to assess the Group’s performance and the impacts generated;
- **Balance** – The qualitative information and quantitative data reported should reflect, in a balanced manner, both positive and negative aspects associated with the Group’s performance;
- **Clarity** – The contents of the NFS must be presented in a manner that is understandable and accessible to all Group stakeholders;
- **Comparability** – Data and information must be reported across at least a three-year timespan to enable stakeholders to analyse changes in the Group’s performance over time;
- **Reliability** – Assurance for stakeholders that they can verify internal controls or view documents supporting the information and data presented;
- **Timeliness** – Preparing and publishing the NFS on an annual basis and consistent with current financial reporting.



Materiality analysis and identification of material topics

The Group renews its materiality analysis every two years. As the previous analysis was conducted in 2020, this NFS incorporates the results of the last materiality analysis. An overall update will be done in the next financial year. However, in order to assess the consistency of the material topics in the light of the normal evolution of the reference context, **an in-depth review of the sustainability context** was conducted. As a result, the main megatrends of environmental, social, economic and governance sustainability were analysed. In addition to defining the broader sustainability context at the national and international level, these megatrends have or may have a significant impact on the industry in which the Group engages and may, as a consequence, affect its operations. Several external sources were considered, including national, European and international regulatory references related to sustainability in general and concerning the yachting industry or related sectors, as well as academic and grey literature publications (e.g., produced by consulting firms or rating agencies) and contributions from leading international standard setters. The study of these external sources was also supplemented with a media sentiment analysis and benchmarking against the Group’s main peers and competitors by viewing documents available on the web. The results of the context analysis confirmed the materiality of the previous year. Similarly, the key concept of **stakeholder interests** was taken into account, i.e. awareness and protection of the right of the Group’s stakeholders to be heard and to receive all necessary information on the activities developed and implemented and the impacts generated. Based on the list of priority stakeholders identified in the previous NFS, the Group’s top management took part in an online survey designed to examine the state of the art of stakeholder engagement implemented by the Group. The survey was administered to 33 respondents representing top management of Sanlorenzo S.p.A., Bluegame S.r.l., Sanlorenzo Baleari SL; Sanlorenzo of the Americas LLC.

In addition to defining an extensive mapping of stakeholders and the related dialogue channels – whether in place or to be implemented – the frequency of interaction, the principles underlying dialogue, the guidelines for engagement and the management methods implemented by the Group to listen to and internally route the positive and negative feedback submitted by stakeholders, the survey made it possible to collect information on the sustainability issues that emerged from the dialogue. The topics with respect to which stakeholders have shown particular interest and/or request monitoring are summarised in Table I, further confirming the Group’s materiality. Finally, the integration, updating and revision of the contents of the NFS with reference to 2021 took into account the assessments of the functional area managers and data owners of Sanlorenzo S.p.A. and Bluegame S.r.l., who were involved in **12 semi-structured interviews**. Specifically, the interviews focused on material issues and focused on the following aspects:

- *Strategy/vision/policies* related to the issues presented, including objectives most relevant to environmental, social and governance aspects from the perspective of the Function being represented;
- *Risks/opportunities* related to the issues presented;
- *Impacts generated along the value chain* related to the issues presented;
- *Organisational control and initiatives* implemented during the year with respect to the issues selected by the respondent.

Below is an overview of the Group's material topics, with a relative link to the sustainability areas defined by Legislative Decree 254/2016 and boundary of impact, internal and/or external.

TABLE I – TABLE LINKING MATERIAL TOPICS WITH THE AREAS SET OUT IN LEGISLATIVE DECREE 254/2016, ASPECTS OF GRI STANDARDS AND BOUNDARY OF IMPACT, BOTH INTERNAL AND EXTERNAL

Relevant topics	Areas under Legislative Decree 254/2016	GRI Standard aspect	Boundary of impact of the topic	
			Internal	External
Energy consumption	Environment	GRI 302 – Energy	Sanlorenzo S.p.A ² Bluegame S.r.l.	Suppliers/contractors Customers
Marine habitat and biodiversity conservation	Environment	GRI 304 – Biodiversity	Sanlorenzo S.p.A. (Ameglia and Viareggio shipyards)	Community
Atmospheric emissions	Environment	GRI 305 – Emissions	Sanlorenzo S.p.A. Bluegame S.r.l.	Suppliers/contractors Community
Waste management	Environment	GRI 306 – Waste	Sanlorenzo S.p.A.	Suppliers/contractors
Sustainable vessel design	Environment	GRI 301 – Materials	Sanlorenzo S.p.A. Bluegame S.r.l.	-
Water resource management	Environment	GRI 303 – Water and water discharge	-	Suppliers/contractors Customers
Health and safety protection	Personnel management Social impacts	GRI 403 – Occupational Health and safety	Sanlorenzo S.p.A. Bluegame S.r.l.	Suppliers/contractors
Human resources management	Personnel management Social impacts Human rights	GRI 202 - Market presence GRI 401 - Employment GRI 402 - Relations between workers and management GRI 404 - Training and education GRI 405 - Diversity and equal opportunities GRI 406 - Non-discrimination GRI 407 - Freedom of association and collective bargaining	Sanlorenzo S.p.A. Bluegame S.r.l. Sanlorenzo of the Americas LLC - Fortune Yacht LLC PNVSY S.R.L	Suppliers/contractors
Exclusive relations with customers	Social impacts	GRI 416 - Customer health and safety GRI 417 - Marketing and labelling GRI 418 - Customer Privacy	Sanlorenzo S.p.A. Bluegame S.r.l. Sanlorenzo of the Americas LLC - Fortune Yacht LLC Sanlorenzo Baleari SL	Customers
Promotion and development of the territory and relations with local actors	Social impacts Human rights	GRI 203 - Indirect economic impacts GRI 415 - Public Policy	Sanlorenzo S.p.A. Bluegame S.r.l.	Community and territory - Local organisations and associations University Schools Institutions
Sustainable supply chain management	Social impacts Environment Human rights Combating active and passive corruption	GRI 204 - Procurement practices GRI 408 - Child Labour GRI 409 - Forced or compulsory labour GRI 412 - Human rights assessment	Sanlorenzo S.p.A. Bluegame S.r.l.	Suppliers/contractors
Sustainability governance	Social impacts	-	Sanlorenzo S.p.A. Bluegame S.r.l.	-
Combating active and passive corruption	Combating active and passive corruption	GRI 205 – Anti-Corruption	Sanlorenzo S.p.A. Bluegame S.r.l.	Suppliers/contractors
Research and development	Environment Social impacts	GRI 203 – Indirect economic impacts	Sanlorenzo S.p.A. Bluegame S.r.l.	-



Gathering and consolidation of data

The gathering of qualitative and quantitative information in accordance with GRI Standards – Option: “*In accordance – Core*”, involved company departments through the identification of specific functional area managers and data owners responsible for the topics covered within this NFS.

With reference to the processing of quantitative data within the document, it is noted that:

- In the **social** area, data are presented by company. The text contains specific indications regarding the scope of application of the individual GRI information reported, with reference to the Group companies for which it was possible to collect the data. The data relating to PNVSY S.r.l. relate only to 2021, i.e. the year in which the Group acquired the company. More specifically, GRI Standard 403-8 “*Workers covered by an occupational health and safety management system*”, gives information internally, for Sanlorenzo S.p.A. and Bluegame S.r.l. employees and trainees, and externally, for workers of contracting companies collaborating with the Company. The information for standards GRI 403-9 “*Industrial accidents*”, GRI 403-10 “*Occupational Diseases*” and GRI 407-1 “*Activities and suppliers in which the right to freedom of association and collective bargaining may be at risk*” were covered by information on both direct employees and the workers of contractors;
- In the **environmental** area, data are presented by Division (BU): Yacht, including the Ameglia, Viareggio and Massa shipyards; Superyacht, including the La Spezia shipyard. The figures attributable to Bluegame (Ameglia shipyard) are also included in the data of the Yacht Division as it has not been possible for this year to separate the data from those pertaining to Sanlorenzo SpA, considering that at present only a part of the company activity is carried out at the Ameglia shipyard where the Sanlorenzo production is still present. On the other hand, with specific reference to GRI 301-1 “*Materials used by weight or volume*”, the data for the Bluegame Division were reported separately and take into consideration both the models created in Ameglia and the models created in outsourcing. The GRI Standards related to biodiversity – which qualifies as a material topic for the Ameglia and Viareggio sites, given their location within protected areas and near protected areas, respectively – are covered with reference to these two locations. It should be noted, however, that GRI indicator 304-4 “*IUCN Red List species and national conservation list species with habitats in areas affected by operations*” was addressed only with reference to the Ameglia site, where the impacts

generated on local plant and animal species have a greater relevance, since the shipyard lies within the Natural Park of Montemarcello-Magra-Vara.

- In the area of **economic/governance** data are mainly reported in aggregate form at a Group level. Any specific situations pertaining to one or more companies are clearly described in the footnotes. In addition, the “Technical details” section highlights the characteristics of the Parent Company and its subsidiaries in some cases (see for example the composition of the highest governance body of the various Group companies).

Below are the main methods used to calculate some specific quantitative Key Performance Indicators (KPIs):

- GRI 403-9 “*Work-related injuries*”:
 - The rate of recordable work-related injuries is the ratio of the total number of recordable work-related injuries incurred in the year – including accidents to and from work only when transport has been organised directly by the Company – to the total number of hours worked in the same year, multiplied by 1,000,000;
 - The rate of work-related injuries having serious consequences³ (excluding deaths) is given by the ratio of the total number of industrial accidents having serious consequences (excluding deaths) occurring during the year to the total number of hours worked, multiplied by 1,000,000;
 - The death rate is calculated as the ratio of the total number of deaths resulting from industrial accidents in the year to the total number of hours worked, multiplied by 1,000,000.
- GRI 302-1 “*Energy consumption within the organisation*”:
 - To determine the composition of (renewable and non-renewable) electricity purchased, reference was made to the specific energy mix – for the years 2020 (also valid for 2021) and 2019 – of the supplier(s) from which the Sanlorenzo yards source their supplies. In the case of Viareggio, in particular, one of the pods is supplied by a different supplier compared to the other withdrawal points present on the site. The implementation of this more accurate calculation method made it possible to refine the collection and presentation of data and therefore also the 2020 and 2019 data, published in the last NFS, were restated. The data are supplemented with specific information within the footnotes in the body of the document.
 - The consumption of diesel fuel shown in the charts and tables in this NFS also includes the data relating to Bluegame. In line with the above, the 2020 and

2019 data published in the last edition of the NFS were restated to provide a fairer view of the Group's consumption. The following changes were made: the consumption of diesel oil for company cars and the consumption of diesel oil for heating the Ameglia yard, where there is a boiler that runs on diesel, are now included in the calculation of the 2019-2021 data. With reference to diesel for sea trials, it is specified that the data shown represent the entire quantity purchased by Sanlorenzo and Bluegame, including the portion that is not used directly by the companies but which remains inside the boats and is therefore subsequently consumed by the owner.

- The energy consumption conversion factors are those proposed by "UK government GHG conversion factors for company reporting" for the years 2021, 2020 and 2019.
- GRI 302-3 "Energy intensity":
 - Energy intensity was calculated by relating energy consumption for the year to the gross tonnage (GT) of vessels delivered in the year; with reference to the Yacht and Superyacht Division.
- GRI 305 - "Emissions"
 - With regard to the calculation of direct GHG emissions (Scope 1), resulting from the consumption of natural gas and diesel fuel of company vehicles, cranes and trucks used for moving craft, and for yacht sea trials, the emission factors defined by the "UK Government GHG conversion factors for company reporting" for the years 2021, 2020 and 2019 were used.
 - For the calculation of indirect GHG emissions (Scope 2), deriving from the consumption of electricity, we proceeded as follows: for **location-based** emissions, the emission factors from the "UK Government GHG conversion factors for company reporting" for the years 2021, 2020 and 2019 were used; for **market-based** emissions, reference was made to the residual mix for 2021, 2020 and 2019 indicated, respectively, by "AIB - European Residual Mixes 2020 - V. 1.0, 31st May 2021", "AIB - European Residual Mixes 2019 - V. 1.1, 8th September 2020" e "AIB - European Residual Mixes 2018 - V. 1.1, 28th May 2019".
 - Emission intensity (GRI 305-4) was calculated as the ratio of emissions generated (Scope 1 and Scope 2) to the hours of working activity at Sanlorenzo shipyards, the latter estimated by considering 10 hours of work per day for 330 days/year.

It should be noted that the following KPIs were also calculated:

- Materials used in relation to the gross tonnage (GT) of yachts delivered during the year; with reference to the Yacht, Superyacht and Bluegame BUs;
- Water intensity in 2021, calculated as the ratio of total water withdrawal to the number of people present at Sanlorenzo sites (Sanlorenzo's and Bluegame's employees and contractors' workers);
- Waste produced in relation to the gross tonnage (GT) of yachts delivered during the year; with reference to the Yacht and Superyacht BUs;
- Value of the related activities generated by the Sanlorenzo Group at the domestic level, in terms of job creation. On the basis of the total procurement spending on the Italian suppliers and contractors, of the portion attributable to labour through the process of creation of value for the Group and an estimate of the annual cost per worker; it was possible to obtain the number of workers employed by the suppliers and contractors of the Group. The number of employees of Italian companies Sanlorenzo S.p.A., Bluegame S.r.l., and PNVSY S.r.l. ws added to these figures thus obtaining the total value of induced employment generated by the Sanlorenzo Group in Italy in 2021.

To ensure the reliability of the information contained in the document, an attempt was made to rely on estimates as little as possible. Where such reliance was deemed necessary – with estimates virtually corresponding to actual data – mention thereof was expressly made in the footnotes of the document. Finally, it should be noted that this NFS has provided a qualitative and quantitative answer to the requests under Regulation EU 2020/852. Qualitative details are given in Chapter I "Sanlorenzo Group" (see "Sanlorenzo Group performance 2021"), while information on indicators – revenues, Capex and Opex – required by the EU Taxonomy is provided in the Annex ("Technical insights" section).



GRI CONTENT INDEX
Option "In accordance - Core"

The table below provides information on GRI standards – in line with the latest published version available – that were used for 2021 NFS reporting by the Sanlorenzo Group. More specifically, it should be noted that reference was made to the 2018 version for GRI Standard 303 "Water and effluents" and GRI Standard 403 "Occupational Health and Safety"; GRI

Standard 207 "Taxes" (2019); and GRI Standard 306 – Waste (2020). The table also provides a specific reference to the pages where the information required by the Standards is processed, or references to other publicly accessible company documents, if applicable. Any comments and omissions are also reported.

TABLE II - GRI TABLE OF CONTENTS

GRI Standards	Information	Page number(s) and references	Comments and omissions
GRI 101: 2016 Reporting principles			
General information			
Organisation profile			
GRI 102: General Information 2016	GRI 102-1: Name of Organisation		Sanlorenzo S.p.A.
	GRI 102-2: Activities, brands, products and services		
	GRI 102-3: Location of headquarters		Ameglia, Via Armezzone 3, 19031
	GRI 102-4: Location of operations		Italy
	GRI 102-5: Ownership and legal form		Joint stock company
	GRI 102-6: Markets served		
	GRI 102-7: Scale of the organisation		
	GRI 102-8: Information on employees and other workers		
	GRI 102-9: Supply chain		
	GRI 102-10: Significant changes to the organisation and its supply chain		As for Sanlorenzo, there were no significant changes to the organisation and its supply chain. As for Bluegame, the relocation and integration of part of the production at Ameglia got underway as early as 2021 (relating to the hull of the BG72). The approach to the sea allows the company to be more competitive in optimising transport costs. Increasing the production areas makes it possible to expand the range of suppliers who will be chosen in places adjacent to the production. The percentages of local suppliers will become more and more consistent as production increases
	GRI 102-11: Precautionary principle		

GRI 102: General Information 2016	GRI 102-12: External initiatives		External initiatives supported include: • The 2020 Corporate Governance Code for listed companies of the Italian Stock Exchange; • The Memorandum of Understanding for combating labour exploitation and illicit intermediation of labour in the pleasure boating sector signed between the Prefecture of La Spezia, Confindustria La Spezia, Port System Authority of the Eastern Ligurian Sea, Local Labour Inspectorate, A.S.L. n.5 Spezzino, I.N.P.S., I.N.A.I.L., C.G.I.L., C.I.S.L. and U.I.L. Compliance with the IMO NOX emissions legislation in force since January 2021 for Tier III compliance in the ECA zones (boundary: >24m yachts produced by the Yacht and SuperYacht BUs.
	GRI 102-13: Membership of associations		National and international associations of which Sanlorenzo is a member as at 2021 include: • Sybass (membership) • Miglio Blu Association (La Spezia) starting from February 2021: focus on infrastructure, environment, innovation and training. In particular Sanlorenzo S.p.A. (boundary: Superyacht BU) coordinates working group 9 for the design and construction of an energy competence cluster: • Athena (ordinary collective member) • Cavalieri del Lavoro National Federation • ADI industrial design association • Business contribution in Z.I.A. (Apuana Industrial Zone consortium) • Promostudi La Spezia (supporting member) • Water Revolution Foundation (Anchor Partner) • UCINA Confindustria Nautica (both Sanlorenzo S.p.A. and Bluegame S.r.l are active members) • Ligurian District of SCA Marine Technologies (Alfa partner)
Strategy			
GRI 102: General Information 2016	GRI 102-14: Statement from senior decision-maker		
	GRI 102-15: Key impacts, risks and opportunities		It should be stressed that the internalisation of part of Bluegame's production began in 2021, and that most of the Division's production is carried out by third-party companies. Therefore, the Group has partial responsibility for Bluegame's environmental and social risks, which are largely attributable to the aforementioned third-party companies.
Ethics and integrity			
GRI 102: General Information 2016	GRI 102-16: Values, principles, standards and norms of behaviour		
Governance			
GRI 102: General Information 2016	GRI 102-18: Governance structure		
	GRI 102-19: Delegating authority		

	GRI 102-20: Executive-level responsibility for economic, environmental, and social topics		Bluegame: CEO Carla Demaria has been vested – on an exclusive basis – with the powers and duties relating to the matters of safety and hygiene at work, ecology, protection of the external environment and the territory, fire prevention, as well as management of contracts. PNVSY: CEO Ferruccio Rossi has been vested – on an exclusive basis – with the powers and duties relating to the matters of safety and hygiene at work, ecology, protection of the external environment and the territory, fire prevention, as well as management of contracts. Foreign companies (Sanlorenzo Baleari SL, Marine Yachting Monaco S.A.M., Sanlorenzo of the Americas LLC, Fortune Yacht LLC) do not have positions within their BoD with responsibility for economic, environmental and social issues.
	GRI 102-21: Consulting stakeholders on economic, environmental, and social topics		
	GRI 102-22: Composition of the highest governance body and its committees		
	GRI 102-23: Chair of the highest governance body		
	GRI 102-24: Nominating and selecting the highest governance body		
	GRI 102-25: Conflicts of interest	Code of Ethics (Chapter 5) Procedure for Transactions with Related Parties	The provisions on conflicts of interest for Sanlorenzo S.p.A. and PNVSY S.r.l are contained in the Code of Ethics of Sanlorenzo S.p.A. and are applicable to all recipients thereof. The provisions on conflicts of interest for Bluegame S.r.l. are contained in the Bluegame Code of Ethics. The provisions on conflicts of interest for the Group's foreign companies are contained in the Code of Conduct, which applies to all Group companies, including foreign ones. Furthermore, the Group has adopted the Procedure for Transactions with Related Parties in order to mitigate the risk that a conflict of interest may generate transactions aimed at promoting more the specific interest of individuals capable of influencing the decision-making centres of the Group than the interest of the Group itself and the shareholders of Sanlorenzo. Consequently, a Committee for Transactions with Related Parties was set up which includes non-executive Directors of the Sanlorenzo Board of Directors. The Sanlorenzo Code of Ethics and the Procedure for Transactions with Related Parties are available on the Sanlorenzo website and therefore can be viewed by everyone. Furthermore, the information relating to transactions with related parties is reported in the periodic financial reports regularly published.
	GRI 102-26: Role of highest governance body in setting purpose, values and strategy		
	GRI 102-27: Collective knowledge of highest governing body		
	GRI 102-29: Identifying and managing economic, environmental and social impacts		



	GRI 102-30: Effectiveness of risk management processes	Report on corporate governance and ownership structures for the year 2021.	
	GRI 102-31: Review of economic, environmental and social topics		
	GRI 102-32: Role of highest governance body in sustainability reporting		
	GRI 102-33: Communicating critical concerns		
	GRI 102-34: Nature and total number of critical concerns		
	GRI 102-35: Remuneration policies		
	GRI 102-36: Process for determining remuneration		
	GRI 102-37: Stakeholder's involvement in remuneration		
	GRI 102-38: Annual total compensation ratio		
	GRI 102-39: Percentage increase annual total compensation ratio		
Stakeholder engagement			
GRI 102: General Information 2016	GRI 102-40: List of stakeholder groups		
	GRI 102-41: Collective bargaining agreements		
	GRI 102-42: Identifying and selecting stakeholders		
	GRI 102-43: Approach to stakeholder engagement		
	GRI 102-44: Key topics and concerns raised		
Reporting practices			
GRI 102: General Information 2016	GRI 102-45: Entities included in the consolidated financial statements		
	GRI 102-46: Defining report content and topic boundaries		
	GRI 102-47: List of material topics		
	GRI 102-48: Restatements of information		
	GRI 102-49: Changes in reporting		
	GRI 102-50: Reporting period		
	GRI 102-51: Date of most recent report		The latest edition of the NFS was published in March 2020
	GRI 102-52: Reporting cycle		
	GRI 102-53: Contact point for questions regarding the report		
	GRI 102-54: Claims of reporting in accordance with GRI Standards		
	GRI 102-55: GRI content index		
	GRI 102-56: External assurance		
Material topics			
200 Series			
Economic performance			



GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 201: Economic performance 2016	GRI 201-1: Directly economic value generated and distributed		
Market presence			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 202: Market presence 2016	GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage		
	GRI 202-2: Percentage of senior managers hired from the local community		
Indirect economic impacts			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 203: Indirect economic impacts 2016	GRI 203-1: Infrastructure investments and services supported		
Procurement practices			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 204: Procurement practices 2016	GRI 204-1: Proportion of spending on local suppliers		
Anti-corruption			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 205: Anti-corruption	GRI 205-1: Operations assessed for corruption-related risks		
	GRI 205-2: Communication and training about anti-corruption policies and procedures		
	GRI 205-3: Confirmed incidents of corruption and actions taken		The Supervisory Board reports to the Board of Directors every six months on the activities carried out in relation to the monitoring activity concerning the assessment of any corruption incident. Furthermore, the Supervisory Board can receive information flows from all employees (Whistleblowing procedure and information flow procedures to the Supervisory Board).

			With regard to this last point, it should be noted that the Supervisory Board did not receive any reports of corruption incidents during the 2021 financial year; in line with previous financial years. For further information, please refer to the Half-Year Financial Reports.
Anti-competitive behaviour			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 206:Anti-competitive behaviour	GRI 206-1: Legal actions for anti-competitive behaviour; anti-trust, and monopoly practices		During the year; as in previous years, there were no legal actions for anti-competitive behaviour; anti-trust and monopoly practices.
Taxes for the period			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 207:Tax 2019	GRI 207-1:Approach to tax		
	GRI 207-2:Tax governance, control and risk management		Tax information is subject to external assurance, in line with provisions in place for information given in the Annual Financial Report and in this NFS.
	GRI 207-3: Stakeholder engagement and management of tax concerns		
	GRI 207-4: Country-by-country reporting		
300 Series			
Materials			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 301: Materials 2016	GRI 301-1: Materials used by weight or volume		
Energy			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 302: Energy 2016	GRI 302-1: Energy consumption within the organisation		
	GRI 302-3: Energy intensity		
	GRI 302-4: Reduction of energy consumption		



Water and effluents			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 303:Water and effluents 2018	GRI 303-1: Interactions with water as a shared resource		
	GRI 303-2: Management of water discharge-related impacts		
	GRI 303-3:Water withdrawal		
	GRI 303-4:Water discharge		
	GRI 303-5:Water consumption		
Biodiversity			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 304: Biodiversity 2016	GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	GRI 304-2: Significant impacts of activities, products and services on biodiversity		
	GRI 304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations		
Emissions			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 305: Emissions 2016	GRI 305-1: Direct (Scope 1) GHG emissions		
	GRI 305-2: Energy indirect (Scope 2) GHG emissions		
	GRI 305-4: GHG emission intensity		
	GRI 305-5: GHG emission reduction		
Waste			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2:The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 306:Waste 2020	GRI 306-1:Waste generation and significant waste-related impacts		
	GRI 306-2: Management of significant waste-related impacts		
	GRI 306-3:Waste generated		
	GRI 306-4:Waste diverted from disposal		
	GRI 306-5:Waste directed to disposal		

Environmental compliance			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 307: Environmental compliance 2016	GRI 307-1: Non-compliance with environmental laws and regulations		Audits conducted in 2021 confirmed that company activities were once again carried out in compliance with environmental regulations and applicable laws; therefore, the Company is deemed to have fulfilled its obligations.
400 Series			
Employment			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 401: Employment 2016	GRI 401-1: New employee hires and employee turnover		
	GRI 401-2: Benefits provided to full-time employees, but not to temporary or part-time employees		
	GRI 401-3: Parental leave		
Relations between workers and management			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 402: Relations between workers and management 2016	GRI 402-1: Minimum notice periods regarding operational changes		Two weeks, for all the Italian companies of the Group, in line with the "adequate notice" requirement set forth in the national collective labour agreement.
Occupational health and safety			
GRI 403: Occupational health and safety 2018	GRI 403-1: Occupational health and safety management system		
	GRI 403-2: Hazard identification, risk assessment and incident investigation		
	GRI 403-3: Occupational health services		
	GRI 403-4: Worker participation, consultation and communication on occupational health and safety		
	GRI 403-5: Occupational health and safety worker training		
	GRI 403-6: Promotion of workers' health		
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts within business relations		



	GRI 403-8: Workers covered by an occupational health and safety management system		
	GRI 403-9: Occupational accidents		
	GRI 403-10: Work-related ill health		
Training and education			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 404: Training and education 2016	GRI 404-1: Average hours of training per year per employee		
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews		
Diversity and equal opportunities			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 405: Diversity and equal opportunities 2016	GRI 405-1: Diversity in governance bodies and among employees		
	GRI 405-2: Ratio of basic salary and remuneration of women to men		
Non-discrimination			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 406: Non-discrimination 2016	GRI 406-1: Incidents of discrimination and corrective actions taken		In the 2019-2021 three-year period, no incidents of discrimination occurred within the Group companies.
Freedom of association and collective bargaining			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 407: Freedom of association and collective bargaining 2016	GRI 407-1: Operations in which the right to freedom of association and collective bargaining may be at risk		The Group protects the right to the freedom of association and collective bargaining of its own employees and contractors' workers. With reference to the latter, no risk is deemed to exist as a result of the regulations contained in the shared GPCs.
Child labour			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		

GRI 408: Child Labour 2016	GRI 408-1: Operations and suppliers at significant risk for incidents of child labour		The suppliers from which Sanlorenzo and Bluegame source their goods are all located in European and North American countries where there clear relevant legislation is in force. Monitoring of child labour is originally entrusted to the relevant state bodies, together with compliance with the regulations in force in each country.
Forced or compulsory labour			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 409: Forced or compulsory labour 2016	GRI 409-1: Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour		The suppliers from which Sanlorenzo and Bluegame source their goods are all located in European and North American countries where clear relevant legislation is in force. Monitoring of child labour is originally entrusted to the relevant state bodies, together with compliance with the regulations in force in each country.
Human rights assessment			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 412: Human rights assessment 2016	GRI 412-1: Operations that have been subject to human rights reviews or impact assessments		Activities audited for human rights compliance during 2021 focused on the supply of teak from Myanmar; in line with European legislative developments that prohibit the import of such material. Verification of the origin of the material used lies with the individual contractors who are required to collect all the necessary certification and keep it on file.
	GRI 412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Both Sanlorenzo and Bluegame share specific GPCs with their suppliers of materials and contractors containing clauses relating to the different articulation of the notion of "fundamental human rights". It is also underlined that in 2021, Sanlorenzo signed the Memorandum of Understanding for the fight against labour exploitation and illicit intermediation of labour in the pleasure boating sector between the Prefecture of La Spezia Confindustria La Spezia, Port System Authority of the Eastern Ligurian Sea, Asl 5, INPS, INAIL and major trade unions. This document further clarifies the commitment to protect human rights in the nautical sector.
Public policy			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 415: Public policy 2016	GRI 415-1: Political contributions		No political contributions were made during the 2021 financial year.



Customer health and safety			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 416: Customer health and safety 2016	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services		With reference to Bluegame, there were no incidents of non-compliance of the boats with impacts on health and safety.
Marketing and labelling			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 417: Marketing and labelling 2016	GRI 417-1: Information and labelling requirements for products and services		
	GRI 417-2: Incidents of non-compliance concerning product and service information and labelling		In the 2019-2021 three-year period, there were no incidents of non-compliance with regard to information and labelling of the products and services offered.
	GRI 417-3: Incidents of non-compliance concerning marketing communications		There were no incidents of non-compliance with regulations and/or codes of conduct in the 2019-2021 three-year period in the field of marketing communications.
Customer privacy			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 418: Customer privacy 2016	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were no cases of data breach or loss of data during the three-year reporting period, with reference to both customers and employees of the Group.
Socio-economic compliance			
GRI 103: Management approach 2016	GRI 103-1: Explanation of the material topic and its boundary		
	GRI 103-2: The management approach and its components		
	GRI 103-3: Evaluation of the management approach		
GRI 419: Socio-economic compliance 2016	GRI 419-1: Non-compliance with laws and regulations in the socio-economic area		Bluegame was not inflicted any sanctions in the 2019-2021 period. With regard to 2019 alone, reliance was made on dispute settlement systems in one case involving Bluegame. Since the other companies of the Group are not required to pay taxes, they are not subject to sanctions for non-compliance with laws and regulations in the socio-economic area. With reference to Sanlorenzo, however, in 2021 fines were inflicted for a total amount of € 15,258.71. These were fiscal sanctions. Dispute settlement systems were relied upon in 9 cases.

TECHNICAL INSIGHTS
CORPORATE GOVERNANCE

Director appointment process

The process for the appointment of Sanlorenzo S.p.A.'s directors currently in office involved two steps:

- 1) The Ordinary General Meeting of the Company appointed a five-member Board of Directors;
- 2) Effective the start date of negotiations, the Ordinary General Meeting of the Company raised the number of directors to nine.

With the introduction of the so-called slate voting mechanism, directors that are to serve in the following term will be appointed by the General Meeting based on lists of candidates submitted by shareholders, in compliance with law provisions and the Company's articles of incorporation. The lists must be accompanied by information on the identity of the shareholders who have submitted the lists, indicating the total percentage shareholding, the statement with which each

candidate accepts the nomination, certifying on their own responsibility that there are no ineligibility and incompatibility causes, and that requirements for the position are met; a curriculum vitae for each candidate containing exhaustive information on personal and professional qualities, indicating the suitability of the candidate to qualify as independent. The Chairman of the Board, chosen from among the Directors, is appointed by the General Meeting or, if not nominated by the General Meeting, by the Board itself. He/she shall exercise such powers as may be necessary to carry out any administrative operation and act on behalf of the Company, including the execution of Board resolutions, with the power to delegate, with the sole exception of the powers reserved to the Board of Directors pursuant to the articles of incorporation.

Composition of corporate boards

TABLE III - COMPOSITION OF THE BOARD OF DIRECTORS AND OF THE INTERNAL BOARD COMMITTEES OF SANLORENZO S.P.A.

Member	Post	Role	Indepen- dence	Competencies on economic, environmen- tal, social topics	Represen- tation of stakehol- ders	Appointment Committee	Remunera- tion Commit- tee	Commit- tee for Transactions with Related Parties	Control, Risk and Sustainability Committee
Massimo Perotti	Chairman and CEO	Executive	No		Yes				
Marco Viti	Managing Director	Executive	No		Yes				
Carla Demaria	Managing Director	Executive	No	•Winner of 2018 "Marisa Bellisario" award for women distinguished in management; •Has given numerous seminars on the role of women in the labour force.	Yes				
Paolo Olivieri	Vice-president, Director	Non-executive	No		Yes	•	•		
Cecilia Maria Perotti	Director	Non-executive	No		Yes				•



Pietro Gussalli Beretta	Director and Lead Independent Director	Non-executive	Yes			• (Chairman)		•	
Silvia Merlo	Director	Non-executive	Yes	•Stanford Graduate School of Business, "BNP Paribas Women Entrepreneur Programme"; •"In the Boardroom" training programme organised by Valore D Association, working for diversity inclusion; •Risk management			• (Chairman)	•	•
Licia Mattioli	Director	Non-executive	Yes	Yes		•		• (Chairman)	
Leonardo Luca Etro	Director	Non-executive	Yes	•International development; •Scientific Director of "Best Performance Award" granted annually by SDA Bocconi for the excellence of Italian companies in the area of sustainable development; •Risk management			•		• (Chairman)

TABLE IV - COMPOSITION OF THE BOARD OF STATUTORY AUDITORS OF SANLORENZO S.P.A.

Member	Office	End of term of office
Andrea Caretti	Chairman	General Meeting convened for approval of financial statements for the year ended 31 December 2021
Margherita Spaini	Regular Auditor	
Roberto Marrani	Regular Auditor	
Luca Trabattoni	Alternate Auditor	
Marina Scandurra	Alternate Auditor	

Powers of executive directors

Massimo Perotti, Chairman of the Board and Chief Executive Officer (CEO), is vested with all the necessary powers to implement board decisions and perform all acts and operations relating to the design, construction and sale of yachts. In addition, the CEO has been vested with exclusive powers and duties relating to matters of occupational health and safety, ecology, protection of the external environment and the territory, fire prevention, and public procurement management⁴. In addition, the Company's Board of Directors has granted management powers to:

- **Marco Viti**, in particular vesting him with powers for the management of the production process and for the sale of boats built and/or marketed by the Company.

Remuneration Policy

At its March 2021 meeting, the Board of Directors approved the Remuneration Policy valid for financial year 2021⁵. This Policy contributes to the corporate strategy and plays a role in the pursuit of the Group's sustainable success, since it is based on principles of meritocracy and fairness in terms of allocation of remuneration to directors and managers of the Group's companies having strategic responsibilities⁶. Decisions on remuneration involve shareholders in a wide-ranging and conscious manner, as they are

Induction and training initiatives

The educational and working background of current directors ensures a **balanced combination of profiles and experience** within the governing body, ensuring that its duties are performed correctly.

A session of the Induction Programme was held in December 2021 for the benefit of the Company's directors and Statutory Auditors. Among the topics covered, a specific in-depth analysis was devoted to environmental sustainability, with particular reference

- **Carla Demaria**, with reference in particular to powers for the management of charter boat activities and construction and/or running of marinas and other marine works of tourist interest, the construction and/or running of accommodation, hospitality and recreational boating assistance facilities in marinas and of all the installations and infrastructure that make up marina services for charter boat activities, as well as training in the field of design, construction, production and sale of pleasure boats, yachts and naval units, including the Sanlorenzo Academy. Carla Demaria is also the Managing Director of Bluegame S.r.l.

called upon not only to decide on the remuneration of directors and auditors, but also to cast their binding vote on the Policy itself. It should be noted that during 2021, an external academic consultant was also retained to revise the Remuneration Policy – to be approved in March 2022 – with a view to further extending the link between variable remuneration and sustainability goals.

to: energy transition towards non-fossil energy sources; main legislative references that at European and international level establish objectives and targets for the reduction of GHG emissions; energy and emission trends in the maritime transport and yachting industries. In light of the first results obtained following photovoltaic energy production at the Ameglia site, the Company's vision is to extend this solution to the other sites, starting with La Spezia.



During the Induction Programme, information was also provided on the overall legislation regarding gender equality and other related aspects. With reference to economic information, on the other hand, economic disclosures are submitted in all the board meetings scheduled in line with the annual

financial calendar. This information is also shared with the Control, Risk, Sustainability Committee, as well as during the Management and Strategic Committee meetings, where environmental and personnel-related matters were also addressed.

The other companies of the Group

Bluegame S.r.l. is based in Ameglia. This Division was established in 2018 and is tasked with the design and marketing of Bluegame branded composite sports utility yachts having a length between 13 and 23 metres. Bluegame's corporate governance system is of a traditional nature and consists of the following corporate boards:

- General Assembly;
- Board of Directors, consisting of 6 members, as detailed in Table X
- Statutory Auditor
- Independent Auditors
- Supervisory Board, pursuant to Legislative Decree 231/2001

TABLE V - COMPOSITION OF THE BOARD OF DIRECTORS OF BLUEGAME S.R.L.

Member	Office	Position	Independence
Massimo Perotti	Chairman	Executive	No
Carla Demaria	CEO	Executive	No
Ferruccio Rossi	Managing Director	Executive	No
Cesare Perotti	Director	Non-executive	No
Luca Santella	Director	Non-executive	No
Massimo Radice	Director	Non-executive	No

Board members of Bluegame, by gender and age group	Men	Women	Total
<30 Years	1	0	1
30 ≤ x ≤ 50 Years	1	0	1
> 50 Years	3	1	4
Total	5	1	6

Sanlorenzo of the Americas LLC, based in Fort Lauderdale (Florida), aims to market the Group's boats to international customers in Canada, the United States, Central and South America.

In addition, Sanlorenzo of the Americas LLC offers the following services to customers in these markets: technical assistance and spare parts management, refitting and storage, brokerage and charter services. Since 2019, Sanlorenzo of the Americas LLC has also been marketing Bluegame-branded boats.

Since the beginning of its activity in September 2008, Sanlorenzo of the Americas has been able to progressively establish the Sanlorenzo brand in the American markets.

It should also be noted that Sanlorenzo of the Americas LLC wholly owns **Fortune Yacht LLC**, being therefore indirectly controlled by the parent company. The company deals with brokerage services for the American market and resumed operations in the second quarter of 2021 after a period of inactivity.

TABLE VI - COMPOSITION OF THE BOARD OF DIRECTORS OF SANLORENZO OF THE AMERICAS LLC

Member	Office	Position	Independence
Massimo Perotti	Chairman	Executive	No
Marco Segato	Deputy Chairman/Managing Director	Executive	No
Barbara Tito	Director	Non-Executive	No
Ferruccio Rossi	Director	Non-Executive	No
Attilio Bruzzese	Director	Non-Executive	No

Members of the Board of Directors of SLOTA, by gender and age group	Men	Women	Total
30 ≤ x ≤ 50 Years	1	0	1
> 50 Years	3	1	4
Total	4	1	5

TABLE VII - COMPOSITION OF THE FORTUNE YACHT LLC BOARD OF DIRECTORS

Member	Office	Position	Independence
Ferruccio Rossi	Chairman	Executive	No
Marco Segato	Deputy Chairman/Managing Director	Executive	No
Attilio Bruzzese	Director	Non-Executive	No
Barbara Tito	Secretary/Treasurer	Non-Executive	No



Sanlorenzo Baleari SL, a company based in Puerto Portals, Mallorca (Spain), provides support to commercial and customer service activities in the area of Spain and the Balearic Islands.

TABLE VIII - COMPOSITION OF THE BOARD OF DIRECTORS OF SANLORENZO BALEARI SL

Member	Office	Position	Independence
Massimo Perotti	Chairman	Executive	No
Attilio Bruzzese	Managing Director	Executive	No
Marco Viti	Managing Director	Executive	No

Board members of Sanlorenzo Baleari, by gender and age group	Men	Women	Total
> 50 Years	3	0	3
Total	3	0	3

Marine Yachting Monaco S.A.M., a company based in the Principality of Monaco, also engages in providing support to the commercial and customer service activities in the area.

TABLE IX - COMPOSITION OF THE BOARD OF DIRECTORS OF MARINE YACHTING MONACO S.A.M.

Member	Office	Position	Independence
Massimo Perotti	Chairman and CEO	Executive	No
Marco Viti	Managing Director	Executive	No
Ferruccio Rossi	Director	Non-Executive	No
Ermanno Porro	Director	Non-Executive	No

Finally, **PNVSY S.r.l.** – wholly owned by Sanlorenzo S.p.A. effective 8 July 2021 – completed the acquisition of the Viareggio Superyachts S.r.l. business unit in liquidation, including a building located in Viareggio near the Sanlorenzo shipyards, complete with systems

and equipment. The building, with an area dedicated to production of approximately 3,000 square metres, will be used for fitting out metal Superyachts and, in particular, the new X-Space line.

TABLE X - COMPOSITION OF THE BOARD OF DIRECTORS OF PN VSY S.R.L.

Member	Office	Position	Independence
Massimo Perotti	Chairman	Esecutivo	No
Ferruccio Rossi	CEO	Esecutivo	No
Attilio Bruzzese	Managing Director	Esecutivo	No

Members of the Board of Directors of PN VSY, by gender and age group	Men	Women	Total
30 ≤ x ≤ 50 Years	1	0	1
> 50 Years	2	0	2
Total	3	0	3

Powers vested with the members of the Board of Directors of the other Group companies

PN VSY

Massimo Perotti holds the position of Chairman of the Board of Directors, being vested with all the necessary powers to implement the resolutions of the Board and perform duties and operations relating to the design, construction and marketing of yachts. In addition, the company's Board of Directors has also vested Ferruccio Rossi and Attilio Bruzzese with management powers. Managing Director Ferruccio Rossi has been vested with exclusive powers and duties relating to the matters of safety and hygiene at work, ecology, protection of the external environment and the territory, fire prevention, as well as procurement management.

SL BALEARI

Massimo Perotti holds the position of Chairman of the Board of Directors. In addition, the company's BoD has also vested Attilio Bruzzese and Marco Viti with management powers.

MARINE YACHTING MONACO

Massimo Perotti holds the position of Chairman of the Board of Directors and CEO of the company. In addition, the company's BoD has also vested Marco Viti with management powers.

SLOTA

Massimo Perotti holds the position of Chairman of the Board of Directors. In addition, the company's BoD has vested the following members with management powers: Massimo Perotti (Chairman of the BoD), Marco Segato (MD, Chief Commercial Officer), Barbara Tito (CFO, Secretary).

FORTUNE YACHT

Ferruccio Rossi holds the position of Chairman of the Board of Directors. In addition, the company's BoD has vested the following members with management powers: Ferruccio Rossi (Chairman of the Board), Marco Segato (MD), Attilio Bruzzese (CFO), Barbara Tito (Secretary, Treasurer).



Business risk management

The objective of the ICRMS (Internal Control Risk Management System) is to identify, measure, manage and effectively monitor the corporate risks that are potentially capable of affecting the Group's ability to achieve its strategic and operational objectives, and causing harm to the value of the assets of the Sanlorenzo Group and to the prestige of the brand. Given the importance of such System for a healthy management of the Group, Sanlorenzo integrates it into its business processes.

The bodies that operate in various capacities within the ICRMS include:

- **Board of Directors** – It has the task of defining, approving and verifying the ICRMS; it verifies the effectiveness of risk management processes through the Control, Risks and Sustainability Committee, and the ICRMS itself.
- **Control, Risks and Sustainability Committee** – It meets on a regular basis and verifies compliance with the relevant regulations with the help of internal (Risk Manager and Internal Audit Function - IA) and external functions. This Committee also carries out checks on the other companies of the Group, which fall within the sphere of the management and coordination of the parent company;
- **Chief Executive Officer (CEO)** – He/she is responsible for establishing and maintaining the ICRMS;
- **Risk Manager** – He/she reports directly to the CEO, ensuring that the corporate risk management methods are applied correctly;
- **IA Function** – It performs audits on the Parent Company on the basis of the Audit Plan approved annually by the Board of Directors subject to the opinion of the Committee, reporting its findings to the Control, Risk and Sustainability Committee and to the Board of Statutory Auditors. During 2021, controls were also extended to subsidiary SLOTA, on which audits relating to some processes were carried out;
- **Board of Statutory Auditors** – It monitors the effectiveness of the ICRMS.

The implementation of the ICRMS is governed by the **Guidelines of the Internal Control and Risk Management System**, approved by the Board of Directors of Sanlorenzo S.p.A. on 24 October 2019, with the process consisting of three macro-phases:

- Phase 1: *Identifying risk areas*
This action is taken by the Risk Manager with the support of the heads of the main functions. The main areas of risk are identified through a systematic analysis of all corporate processes and of the setting in which the Company operates. This approach responds to the need to analyse all the factors that might compromise the achievement of the Company's main business goals, assessing their causes and consequences. Risk is assessed by cross-checking the **Likelihood of occurrence** or frequency of the event and the **Severity of damage** caused by the event, resulting in the **Risk Index** (RI) and the **Priority of Action**.
- Phase 2: *Dealing with risks*
1. Identification of mitigation actions
This phase is designed to identify and implement the actions needed to reduce the specific risk in order to bring the RI into the lowest possible risk range. Responsibility for each risk can be assigned to a level one manager, who will provide the necessary resources to support the action plan, and is tasked by the Risk Manager with carrying out the necessary analyses and implementing the action plan itself. Preventive actions to mitigate the risk may include the following types of action:
 - Preventive actions to remove the cause of the risk;
 - Mitigation actions to reduce the likelihood;
 - Mitigation actions to reduce impact.This process will lead to the compilation of **Risk Data Sheets** on the part of the Risk Manager and the manager of the department concerned.
- 2. Corrective actions*
If the risk has already manifested, all corrective actions must be taken to limit its consequences and economic impact. In this event, an operations team will then be convened, in order to define a timely action plan, led by the manager of the reference area and approved by the Risk Manager.
- 3. Progress control and supervision*
To ensure the effectiveness of the process, the corrective actions referred to above must be evaluated on a regular basis.
- Phase 3: *Risk monitoring*
1. Periodic risk review
Given the variability of the factors considered, those involved in the process should periodically identify and assess existing risks or any new risks, at least once a year.

2. Reporting

Following the periodic review, the Risk Manager shares the results with the Control, Risk and Sustainability Committee by drafting a Risk Management report.

Control activities carried out by the Internal Audit (IA) Function

The planning of IA activities incorporating the priorities defined above is organised in a three-year Audit Plan, in order to arrange periodic checks on different business areas⁷.

With reference to audit tasks carried out in 2021, the main areas of focus included:

- 1. Audits of operating procedures and instructions for the safe handling of yachts or their components, consistent with ISO 45001:2018 certification;

Anti-corruption and anti-trust tools

With specific reference to the contents of the **Compliance Programme**, special care is taken over the question of **purchases** and **suppliers**. Sanlorenzo has set out a series of internal steps to ensure an adequate level of control in relation with business processes where corruptive offences could happen, e.g. controls on orders and signatures. The Company's supplier policy, as well as General Procurement Conditions (GPCs), expressly set out measures to combat active and passive corruption.

A further key area to watch over are relations with **customers**: Sanlorenzo undertakes to ensure the full satisfaction of customers throughout the relationship, based on the utmost trust, and believes it is essential to operate with the utmost transparency and correctness, in compliance with law provisions, while ensuring independence from any form of internal and external conditioning. In this sense, all communications sent directly to customers, as well as all contracts, must meet the requirements of clarity, simplicity, completeness, maximum correctness and compliance with current legislation and internal commercial policies. The Company continuously monitors these business processes in order to define preventive actions to counter the risks identified, and is committed to developing commercial relations based on the **principle of reciprocity**, with both parties involved in the relationship having as their main objective the success of the relationship, preventing possible obstacles and difficulties.

- 2. Audits on compliance with Legislative Decree 152/06, with special reference to waste management;
- 3. Audits on compliance with Legislative Decree 231/01 in terms of effective implementation of the Compliance Programme (aka 231 Programme) and related procedures, with special reference to documentary checks on contractors and sub-contractors;
- 4. Audits on data security activities and computer system operations;
- 5. Audits relating to the Quality Management System, with special reference to the use of Quality Booklets
- 6. Audits on the main financial flows pursuant to Legislative Decree 262/05.

In greater detail, the Compliance Programme sets out a disciplinary system that defines sanctions commensurate with the violation committed and in compliance with the specific terms of the contract: reference is made for instance to the National Collective Bargaining Agreement for the specific worker category in the case of employees and executives, or as indicated in the letters of appointment in the case of contractors and external suppliers. Dismissal, with or without notice, and termination of the sales contract are classified as the highest possible sanction, and will therefore apply only in the event of very serious and unlawful actions or conduct. Everyone working in the name and/or on behalf of the Company is notified about methods for dealing with and punishing any unlawful conduct, including both acts and omissions.

Bluegame has also adopted a Compliance Programme (aka 231 Model) and related Code of Ethics, which was approved by the Board of Directors of the Company in July 2021, where the areas identified as most sensitive in relation to certain types of crime are the same as those identified for Sanlorenzo.

The **Code of Conduct** is an instrument that clarifies the duties and responsibilities of the Group in relations with all its stakeholders, and sets forth the principles and rules of business conduct to which the recipients must conform. Sanlorenzo sets out three main commitments in the Code:



- 1. Commitment to people and the environment
 - 2. Commitment to responsible business conduct and integrity
 - 3. Commitment to asset management and business information management.
- The Code of Conduct also identifies the ethical and professional standards that Group companies must meet when performing their business, also in terms of efficiency and reliability. This system therefore integrates with the internal control of each company.
- The Code calls on all employees to act responsibly and seek advice in the event of difficult decisions or in specific situations. In particular, it goes through some key questions to guide human resources in acting correctly and evaluating other people's conduct.
- In keeping with the policy of maximum accountability of human resources, the Code seeks to ensure that collaborators themselves are able to evaluate the legal and moral correctness of their actions and decisions in order to protect their role within the Company and the Company's reputation, and to enable them

to reach out to specific internal contacts should they require support in this regard.

With reference to the Sanctions Compliance Programme, a specific risk assessment was carried out with the aim of identifying threats or weaknesses that could lead to the violation of OFAC's sanction programmes, harm the reputation of the Group or its business and determine the infliction of sanctions. The assessment showed that the main OFAC risk area is that concerning the relationship with existing or potential customers. Therefore, rigorous "Know Your Customer" (KYC) procedures have been established, as well as a Customer Due Diligence Process system, developed on the basis of both the information provided by customers themselves, and through research and checks carried out independently by Sanlorenzo when establishing the relationship with the customer. Controls on countries and individuals sanctioned by OFAC are normally also carried out by the counterparties of the Company, in particular financial institutions and insurance companies.

GRI 205-2 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Communication and training on anti-corruption policies and procedures delivered to the BoD (2021)	Sanlorenzo	Bluegame
Total number of members of the Board of Directors	9	6
Percentage of BoD members who have been notified of anti-corruption policies and procedures and who have received training on the subject	100%	100%

Communication of anti-corruption policies and procedures delivered to employees (2021)	Sanlorenzo	Bluegame
Total number of executives and middle managers	85	5
Percentuale di dirigenti e quadri a cui sono state comunicate le politiche e procedure in materia di anticorruzione	100%	100%
Total number of employees	366	33
Percentage of executives and middle managers who have been notified of anti-corruption policies and procedures	100%	100%
Total number of workers	88	/
Percentage of workers who have been notified of anti-corruption policies and procedures	100%	/

Training on anti-corruption policies and procedures delivered to employees	Sanlorenzo	Bluegame
Training on Antitrust Compliance		
Percentage of executives and middle managers who have been notified of anti-trust policies and procedures	29%	25%
Percentage of employees who have been notified of anti-trust policies and procedures	0%	3%
Percentage of workers who have been notified of anti-corruption policies and procedures	0%	/

Training on ex D.Lgs. 231/2001		
Percentage of executives and middle managers who have been notified of D. Lgs 231 model compliance	44%	50%
Percentage of employees who have been notified of D. Lgs 231 model compliance	0%	0%
Percentage of workers who have been notified of D. Lgs 231 model compliance	0%	/

As regards information provided to business partners, it should be noted that the Code of Ethics is available on the Sanlorenzo website⁸, where can be accessed and viewed by everyone. Bluegame's Code of Ethics is not uploaded online.

Listening to stakeholders – Policy for managing dialogue with shareholders

On 16 March 2021, the Board of Directors of Sanlorenzo S.p.A. approved the **Policy for the management of dialogue with shareholders**⁹. It explains the general principles, the management methods and the main contents of the dialogue between the Company and the Shareholders with a view to formalising Sanlorenzo's commitment to ensuring active and constructive communication with all its shareholders and to building a **relationship based on dialogue and meaningful exchange**. The implementation of the provisions set out in the Policy therefore allows the Company to engage with its shareholders in a **responsible, transparent and trustworthy manner**, sharing with them the actions and strategic visions underlying the Company's management and creating shared value. Communication and dialogue are also informed by the principles of:

- Equal treatment and consistent disclosure to ensure that shareholders receive all the information they need to exercise their rights;
- Timely and regular communication and publication of matters of interest to shareholders;

ECONOMIC SUSTAINABILITY INDICATORS

GRI 102-38 RATE OF TOTAL ANNUAL REMUNERATION - SANLORENZO (AMOUNT SHOWN IN EUR)

	2021	
Individual with the highest annual salary within the country of the specific significant business location		1,000,000
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country		46.750
Total annual salary rate		2139%

The General Procurement Conditions of Sanlorenzo and Bluegame, applying to their suppliers and contractors, contain specific measures to combat corruption.

- Promotion of corporate purpose when sharing information;
- Compliance with legal provisions and internal rules on market abuse and governance.

The subjects underlying the dialogue with the shareholders governed by the aforesaid Policy include all aspects concerning the corporate governance system, financial and accounting reporting, remuneration policy and the risk management and control system. Special attention is also paid to aspects relating to environmental, social and governance issues (ESG issues), as Sanlorenzo considers them relevant to building a corporate identity of sustainability integrated with the business, with a view to creating current and future value. Through the Chairman of the Board and the CFO, the Board is informed – at least on an annual basis – of the developments and contents of the dialogue between the Directors and the shareholders governed by the Policy, in line with the provisions of Recommendation No. 3 of Borsa Italiana's Corporate Governance Code.



GRI 102-38 RATE OF TOTAL ANNUAL REMUNERATION - BLUEGAME (AMOUNT SHOWN IN EUR)

	2021	
Individual with the highest annual salary within the country of the specific significant business location		203,000
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country		37,311
Total annual salary rate		544%

GRI 102-38 RATE OF TOTAL ANNUAL REMUNERATION - SLOTA (AMOUNT SHOWN IN USD)

	2021	2020	2019
Individual with the highest annual salary within the country of the specific significant business location	250,000	250,000	250,000
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country	65,000	77,000	50,000
Total annual salary rate	385%	325%	500%

GRI 102-39 PERCENTAGE INCREASE IN THE RATE OF TOTAL ANNUAL REMUNERATION – SANLORENZO (AMOUNT SHOWN IN EUR)

	2021	2020
Individual with the highest annual salary within the country of the specific significant business location	1,000,000	750,000
% Change in total annual earnings for the highest earning individual	33%	-
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country	46,750	44,472
% Change in total annual earnings for the highest earning individual	5%	-
Rate between the percentage increase in total annual salary of the individual with the highest salary and the percentage increase of the median value of total annual remuneration of all employees	651%	-

GRI 102-39 PERCENTAGE INCREASE IN THE RATE OF TOTAL ANNUAL REMUNERATION – BLUEGAME (AMOUNT SHOWN IN EUR)

	2021	2020
Individual with the highest annual salary within the country of the specific significant business location	203,000	200,000
% Change in total annual earnings for the highest earning individual	2%	-
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country	37,311	37,013
% Change in total annual earnings for the highest earning individual	1%	-
Rate between the percentage increase in total annual salary of the individual with the highest salary and the percentage increase of the median value of total annual remuneration of all employees	186%	-

GRI 102-39 PERCENTAGE INCREASE IN THE RATE OF TOTAL ANNUAL REMUNERATION - SLOTA (AMOUNT SHOWN IN USD)

	2021	2020	2019
Individual with the highest annual salary within the country of the specific significant business location	250,000	250,000	250,000
% Change in total annual earnings for the highest earning individual	0%	0%	-
Median values of total annual remuneration of all employees (excluding the individual with the highest salary) in the same country	65,000	77,000	50,000
% Change in total annual earnings for the highest earning individual	-16%	54%	-
Rate between the percentage increase in total annual salary of the individual with the highest salary and the percentage increase of the median value of total annual remuneration of all employees	0%	0%	0%

GRI 201-I DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED¹⁰

Euro/000	2021	2020	2019
Net revenues	668,045	527,468	506,244
Other income	5,488	5,728	3,445
Financial income	193	13	42
Economic value generated	673,726	533,209	509,731
Costs for the consumption of raw materials and consumables and finished products	247,780	219,798	217,882
Costs for outsourcing and services	230,987	203,946	196,122
Economic value distributed to suppliers	478,767	423,744	414,004
Labour costs	45,527	37,992	35,165
Economic value distributed to staff	45,527	37,992	35,165
Financial charges ¹¹	1,203	2,100	4,993
Dividends ¹²	10,331	0	3,800
Economic value distributed to lenders	11,534	2,100	8,793
Income taxes	18,767	16,010	11,806
Income taxes referring to the actuarial change in provisions for employee benefits	-6	-15	-6
Income taxes referring to changes in the cash flow hedge reserve	352	-108	50
Economic value distributed to the Public Administration	19,113	15,887	11,850
Investments for local communities	187	77	52
Economic value distributed to the local community	187	77	52
Economic value distributed	555,128	479,800	469,864
Economic value retained (Economic value generated - Economic value distributed)	118,598	53,409	39,867

GRI 203-I INFRASTRUCTURE INVESTMENTS AND FINANCED SERVICES

Euro/000	2021	2020	2019
Increase in production capacity	21,218	11,163	29,599
Sanlorenzo	20,993	10,995	28,844
Bluegame	225	168	755
Investments in product development	17,471	15,701	15,183
Sanlorenzo	13,328	12,627	13,191
Bluegame	4,143	3,074	1,992
Recurring industrial investments	2,500	2,155	2,463
Sanlorenzo	2,344	2,103	2,428
Bluegame	156	52	35
Other investments	2,304	1,575	3,439
Sanlorenzo	2,103	1,148	3,244
Bluegame	201	427	195
Total Investments	43,493	30,594	50,684

GRI 204-I PROPORTION OF SPENDING ON LOCAL SUPPLIERS

Spending on local suppliers	2021	2020	2019
Total expenditure for procurement	577,261,228	471,442,060	485,313,712
Sanlorenzo	536,675,185	442,133,889	466,316,869
Bluegame	40,586,043	29,308,171	18,996,843
Spending on local suppliers	205,186,736	162,202,453	164,119,006
Sanlorenzo	187,590,540	148,903,108	155,918,878
Bluegame	17,596,196	13,299,345	8,200,128



% spent on local suppliers	36%	34%	34%
Sanlorenzo	35%	34%	33%
Bluegame	43%	45%	43%

GRI 207-I APPROACH TO TAX;
GRI 207-2 TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT;
GRI 207-3 STAKEHOLDER ENGAGEMENT AND MANAGEMENT CONCERNS RELATED TO TAX

As explained in the Code of Ethics, the Parent Company acknowledges that the tax system must be based on a relationship of trust and collaboration between the citizen and the authority in charge, in a regime of **transparency, balance and effective reciprocity**.

The approach adopted is oriented towards compliance with all applicable laws and regulations by fulfilling tax return obligations while minimising tax risks, including by relying on tax relief regulations. In order to ensure compliance with the above values, the tax strategy of the Group is based on compliance with current tax legislation in implementing the business and sustainability strategy and performing corporate activities. Group companies are therefore required to respect the principle of legality by applying it in a timely manner to the tax laws of the countries where it operates, in accordance with the principles and the purpose laid down in the rule or order in this area, making use of advisors inside and, where necessary, outside the Group, should rules be unclear or ambiguous in their meaning.

It is noted moreover that the Group adheres to provisions concerning transfer pricing documentation, in accordance with the **Transfer Pricing Guidelines** drawn up by the Organisation for Economic Co-operation and Development (OECD). The Parent Company coordinates the Group's tax strategy, in particular, entrusting to the CFO, supported by the Administration, Finance and Control Department and IA Function, the task of ensuring compliance across all Group organisations. More specifically, tax management also falls within the scope of the ICRMS, with the following bodies and executives acting as key leaders:

- Board of Directors;
- Control, Risk and Sustainability Committee;
- CFO;
- Risk Manager.

In particular, through the Risk Control Matrix tool – periodically updated to ensure alignment with laws and regulations and related tax matters – Sanlorenzo constantly undertakes checks to ensure the Company's compliance with relevant tax legislation and monitors the various procedures and business areas in order to prevent the emergence of any elements of risk-taking, taking appropriate and prompt counter-measures. In the event of illegal or unethical conduct, the Compliance Programme (aka Model 231) and the Whistleblowing Procedure are in place, in Sanlorenzo and Bluegame, governing procedures for reporting critical issues, including those relating to tax matters. Finally, the Codes of Ethics of Sanlorenzo (also in force for PNVSY) and Bluegame outline the scope of “ethical protection” in which the aforementioned companies operate. The provisions regarding Code of Ethics breaches are in place to ensure effectiveness of the document itself and are extended to the contents of the tax strategy.

Sanlorenzo and Bluegame have also adopted procedures to ensure the proper conduct of its suppliers and subcontractors, also in the area of tax. Examples are the General Procurement Conditions, where explicit reference is made to tax matters. Special attention is also paid to anti-money laundering legislation, also with reference to relations with customers.

For foreign companies, however, the ethical conduct of the business is governed by the Code of Conduct, within which attention is also paid to anti-money laundering legislation.

GRI 207-4 REPORTING COUNTRY-BY-COUNTRY

Tax reporting of the Sanlorenzo Group (Italian tax jurisdiction)			
Main activities: Construction of pleasure and sports boats			
	2021	2020	2019
Number of employees	597	513	483
Revenues from sales to third parties (k €)	668,045	527,468	506,244
Revenues from intragroup transactions with other tax jurisdictions (k €)	71,131	41,308	16,759
Profit/loss before tax (k €)	71,006	46,888	37,877
Tangible assets other than cash and cash equivalents (k €)	134,988	112,491	102,598
Income taxes of companies paid on the basis of the cash criterion (k €) ¹³	17,622	15,900	8,924
Income taxes of companies accrued on profits/losses (k €)	19,655	12,480	11,059
The items that determine the difference between the income tax accrued on profits and the tax payable are represented by incentives linked to research and development activities ¹⁴ , from which the Company benefits as a result of the significant investments made in this area.			

THE ADOPTION OF EUROPEAN TAXONOMY BY SAN LORENZO (2021)

Taxonomy Indicator	Value 2021 from Consolidated Financial Statements	Share (%) 2021 attributable to economic activities that contribute substantially to mitigation and adaptation to changes climatic
Revenues (Net New)	585,901,510	0.2%
OPEX	59,743,042	0.2%
CAPEX	49,212,928	7.7%

SOCIAL SUSTAINABILITY INDICATORS

Chapter 3
Section “Promoting an ethical and sustainable supply chain”
Access to Sanlorenzo shipyards: documentation contractors are required to produce

Access to the sites will be granted only subject to submission – within two days of the beginning of works – of all the documentation required and prescribed under the general procurement terms and conditions. More specifically, contractors must – on a monthly basis – deliver to Sanlorenzo a self-certification signed by their workers employed as part of the contract, confirming payment of the salary as set out in the payroll of each worker. In addition to this document, contractors are also required to provide the following information, by way of illustration and not limitation: a copy of the notice of employment of each employee assigned to the contract; a copy of the staff leasing, collaboration and/or consultancy contracts executed; a list of the names of the staff present at the site showing the task carried out, the relative personal data, place of residence and the details of the identity document; a declaration certifying the National

Collective Agreement applied to the employees and any supplementary agreements; the statement certifying compliance with welfare contribution obligations (locally known as DURC – Documento Unico di Regolarità Contributiva), to be submitted on a quarterly basis; a copy of the residence permit, if applicable. Sanlorenzo also requires specific and additional documentation to be provided in addition to the documents referred to above regarding the prevention of accidents at work and occupational hygiene. With regard to workers of contracting companies on which Bluegame relies for the part of production carried out at the Ameglia site, the same documents required of Sanlorenzo contractors will also be required to be submitted in order to gain access to the Ameglia site.



GRI 102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

	2021					2020				2019		
	Sanlorenzo	Bluegame	PNVSY	SLOTA ¹⁵	Total	Sanlorenzo	Bluegame	SLOTA	Total	Sanlorenzo	SLOTA	Total
Employees, by type of contract and gender												
Permanent contract	523	36	6	0	566	453	26	0	479	393	0	393
Men	393	19	2	0	415	352	13	0	365	305	0	305
Women	130	17	4	0	151	101	13	0	114	88	0	88
Fixed-term contract	16	2	0	11	29	23	0	10	33	63	11	74
Men	11	2	0	5	18	15	0	5	20	50	7	57
Women	5	0	0	6	11	8	0	5	13	13	4	17
Total	539	38	6	11	594*	476	26	10	512	456	11	467
Employees, by type of job and gender												
Full-time	529	37	6	11	584	468	25	10	503	449	11	460
Men	403	21	2	5	432	367	13	5	385	355	7	362
Women	126	16	4	6	152	101	12	5	118	94	4	98
Part-time	10	1	0	0	11	8	1	0	9	7	0	7
Men	1	0	0	0	1	0	0	0	0	0	0	0
Women	9	1	0	0	10	8	1	0	9	7	0	7
Total	539	38	6	11	594	476	26	10	512	456	11	467
Total employees (men)	404	21	2	5	432	367	13	5	385	355	7	362
Total employees (women)	135	17	4	6	162	109	13	5	127	101	4	105

* in the tables, Sanlorenzo Balear employees weren’t considered for 2019, 2020, and 2021, and Bluegame employees weren’t considered for 2019.

GRI 102-41 COLLECTIVE BARGAINING AGREEMENTS

	2021				2020			2019	
Employees covered by collective bargaining agreements, by professional category	Sanlorenzo	Bluegame	PNVSY	Total	Sanlorenzo	Bluegame	Total	Sanlorenzo	Total
Executives and middle managers (number)	85	4	0	90	79		79	70	70
Executives and middle managers (% of total)	100%	100%	100%	97%	100%	100%	98%	100%	96%
White collars (number)	366	34	6	406	310		310	293	293
White collars (% of total)	100%	100%	100%	99%	100%	100%	98%	100%	98%
Blue collars (number)	88	0	0	88	87		87	93	93
Blue collars (% of total)	100%	/	/	98%	100%	100%	98%	100%	98%
Total (number)	539	38	6	583	476		476	456	456
Total (% of total)	100%	100%	100%	98%	100%	100%	93%	100%	98%

GRI 202-1 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

	2021											
Ratios of a standard entry level wage by gender to the local minimum wage ¹⁶	Sanlorenzo			Bluegame			PNVSY			SLOTA		
	Media salario minimo	Media salario neoassunti	Rapporto	Media salario minimo	Media salario neoassunti	Rapporto	Media salario minimo	Media salario neoassunti	Rapporto	Media salario minimo	Media salario neoassunti	Rapporto
CCNL rubber and plastic												
Men	1,777.12	1,882	106%	1,777.12	1,612.27	91%	1,420	1,420	100%	/	/	/
Women	1,777.12	1,835.48	103%	1,777.12	1,840.09	104%	1,420	1,420	100%	/	/	/
US minimum wage ¹⁷	/	/	/	/	/	/	/	/	/	/	/	/
Men	/	/	/	/	/	/	/	/	/	1,530	3,826	250%
Women	/	/	/	/	/	/	/	/	/	1,530	3,367	220%

GRI 202-2 PROPORTION OF SENIOR MANAGERS HIRED FROM THE LOCAL COMMUNITY

	2021				2020			2019		
Percentage of senior managers hired from the local community	Sanlorenzo	Bluegame	PNVSY	SLOTA	Sanlorenzo	Bluegame	SLOTA	Sanlorenzo	Bluegame	SLOTA
Executives and Middle Managers ¹⁸ (%)	60	0	100	100	46		100	38		66

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	2021					2020				2019			
New employee hires by age and gender	Sanlorenzo	Bluegame	PNVSY	SLOTA	Total	Sanlorenzo	Bluegame	SLOTA	Total	Sanlorenzo	Bluegame	SLOTA	Total
< 30 Years	51	7	0	0	58	11	6	0	17	30	0	0	30
Men	31	5	0	0	36	7	3	0	10	21		0	21
Women	20	2	0	0	22	4	3	0	7	9		0	9
30 ≤ x ≤ 50 Years	48	7	0	1	56	18	5	2	25	19	0	3	22
Men	29	4	0	0	33	15	3	2	20	15		2	17
Women	19	3	0	1	23	3	2	0	5	4		1	5
> 50 Years	19	2	0	2	23	6	0	1	7	7	0	2	9
Men	18	2	0	2	22	6	0	1	7	6		1	7
Women	1	0	0	0	1	0	0	0	0	1		1	2
Total	118	16	0	3	137	35	11	3	49	56	0	5	61
Total hires (women)	40	5	0	1	46	7	5	0	12	14	0	2	16
Total hires (men)	78	11	0	2	91	28	6	3	37	42	0	3	45
Incoming turnover	25%	62%	0%	30%	27%	8%	0	27%	10%	15%	/	/	/

	2021					2020				2019			
Terminations by age and gender	Sanlorenzo	Bluegame	PNVSY	SLOTA	Total	Sanlorenzo	Bluegame	SLOTA	Total	Sanlorenzo	Bluegame	SLOTA	Total
< 30 Years	8	2	0	0	10	2	0	0	2	4	0	0	4
Men	6	2	0	0	8	1	0	0	1	3		0	3
Women	2	0	0	0	2	1	0	0	1	1		0	1
30 ≤ x ≤ 50 Years	28	0	0	2	30	9	0	2	11	19	0	3	22
Men	19	0	0	2	21	8	0	2	10	16		2	18
Women	9	0	0	0	9	1	0	0	1	3		1	4
> 50 Years	20	2	1	0	23	8	0	1	9	11	0	2	13
Men	17	1	1	0	19	8	0	1	9	10		1	11
Women	3	1	0	0	4	0	0	0	0	1		1	2
Total	56	4	1	2	63	19	0	3	22	34	0	5	39
Total terminations (women)	14	1	0	0	15	2	0	0	2	5	0	2	7
Total terminations (men)	42	3	1	2	48	17	0	3	20	29	0	3	32
Turnover on exit	12%	15%	0%	20%	12%	4%	0%	27%	5%	9%	/	/	/

GRI 401-3 PARENTAL LEAVE

	2021				2020			2019		
Parental leave by gender ¹⁹	Sanlorenzo	Bluegame	PNVSY	Total	Sanlorenzo	Bluegame	Total	Sanlorenzo	Bluegame	Total
Employees who were entitled to parental leave	539	38	7	584	476	0	476	656	0	656
Men	404	21	3	428	367		367	355		355
Women	135	17	4	156	109		109	301		301
Employees who took parental leave	25	2	0	27	3	0	3	5	0	5
Men	15	1	0	15	0		0	0		0
Women	10	1	0	12	3		3	5		5
Employees who returned to work during the reporting period after taking parental leave	21	1	/	22	1	0	1	3	0	3
Men	15	0	/	15	0		0	0		0
Women	6	1	/	7	1		1	3		3



Employees who returned to work after taking parental leave and who are still employees of the organisation for 12 months after returning	1	0	/	1	3	0	3	0	0	0
Men	0	/	/	0	0		0			0
Women	1 ²⁰	/	/	1	3		3			0
Employees who should have returned to work after taking parental leave	21	2	/	23	5	0	5	5	0	5
Men	15	1	/	15	0		0	0		0
Women	6 ²¹	1	/	8	5		5	5		5
Return to work rate	100%	50%	/	96%	20%	0%	20%	60%	0%	60%
Return to work rate (men)	100%	0%	/	100%	/	0%	0%	/	0%	0%
Return to work rate (women)	100%	100%	/	88%	20%	0%	20%	60%	0%	60%
Retention rate in the company of employees who took parental leave	100%	0	0	100%	100%	0	100%	/	/	/
Retention rate (men)	0	0	0	0	0	0	0	/	/	/
Retention rate (women)	100%	0	0	100%	100%	0	100%	/	/	/

GRI 403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Sanlorenzo and Bluegame's employees and interns covered by an occupational health and safety management system	2021	2020	2019
Total number of employees ²²	615	561	576
Number of employees covered by such a system	615	561	576
Percentage of employees covered by such a system	100%	100%	100%
Number of employees covered by such an <u>internal audited system</u>	28	55	45
Percentage of employees covered by such a system being internally audited	5%	9.80%	7.81%
Number of employees covered by such a system <u>audited by independent third parties</u>	28	3	3
Percentage of employees covered by such a system audited by independent third parties	5%	0.53%	0.52%

Workers of Sanlorenzo contractors covered by an occupational health and safety management system	2021	2020	2019
Total number of external workers	2,155	1,950	1,950
Number of employees covered by such a system	2,155	1,950	1,950
Percentage of employees covered by such a system	100%	100%	100%
Number of employees covered by such an <u>internal audited system</u>	8	10	10
Percentage of employees covered by such a system being internally audited	0.37%	0.51%	0.51%
<u>Number of employees covered by such a system audited by independent third parties</u>	5	5	4
Percentage of employees covered by such a system audited by independent third parties	0.235%	0.26%	0.21%

GRI 403-9 WORK-RELATED INJURIES

	2021			2020	2019
Work-related injuries - employees	Sanlorenzo	Bluegame	Total	Sanlorenzo	Sanlorenzo
Number of hours worked estimated values	954,912	59,347	1,014,259	812,103	772,445
Number of recordable occupational injuries	8	1	9	15	21
of which in progress (only if transport was organised by the organisation)	0	0	0	3	4
Recordable work-related injury rate (including deaths)	8.38	16.85	8.87	18.47	27.19
Number of accidents at work with serious consequences (excluding deaths)	0	0	0	0	0
Rate of serious work-related injuries (excluding deaths)	0	0	0	0	0
Number of deaths resulting from accidents at work	0	0	0	0	0
Rate of deaths resulting from accidents at work	0	0	0	0	0

GRI 403-9 WORK-RELATED INJURIES

Work-related injuries - workers of the Sanlorenzo contractors	2021	2020	2019
Number of hours worked (estimated value)	6,435,000	6,435,000	6,435,000
Number of recordable occupational injuries	38	28	29
of which in progress (only the transport was organised by the organisation)	0	0	0
Recordable work-related injury rate (including deaths)	5.9	4.35	4.51
Number of accidents at work with serious consequences (excluding deaths)	0	0	0
Rate of serious injuries at work (excluding deaths)	0	0	0
Number of deaths resulting from accidents at work	0	0	0
Rate of deaths resulting from accidents at work	0	0	0

Work-related injuries - workers of Bluegame contractors	2021
Number of hours worked (estimated value)	53,391
Number of recordable occupational injuries	2
of which in progress (only the transport was organised by the organisation)	0
Recordable work-related injury rate (including deaths)	37.46
Number of accidents at work with serious consequences (excluding deaths)	0
Rate of serious injuries at work (excluding deaths)	0
Number of deaths resulting from accidents at work	0
Rate of deaths resulting from accidents at work	0

GRI 404-1 TOTAL HOURS AND AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE²³

	2021			2020			2019		
Hours of training for employees by gender and professional category	Sanlorenzo	Bluegame	Total	Sanlorenzo	Bluegame	Total	Sanlorenzo	Bluegame	Total
Executives and middle managers	432	4	436	99.5	0	99.5	493	0	493
Men	384	4	388	67.5		67.5	401		401
Women	48	0	48	32		32	92		92
Employees	2,100	88	2,188	868	0	868	2,168	0	2,168
Men	1,286	40	1,326	771		771	1,473		1,473
Women	814	48	862	97		97	695		695
Workers	187	/	187	56	0	56	31	0	31
Men	187	/	187	56		56	31		31
Women	0	/	0	0		0	0		0
Total training hours	2,719	92	2,811	1,023.5	0	1,023.5	2,692	0	2,692
Total training hours (women)	862	48	910	129	0	129	787	0	787
Total training hours (men)	1,857	44	1,901	894.5	0	894.5	1,905	0	1,905
Average hours of training per year (total employees)	5.08	2.42	4.90	2.15	0.00	2.00	5.90	0.00	5.76
Average hours of training (women) ²⁴	6.43	2.82	6.03	1.18	0.00	1.02	7.79	0.00	7.50
Average hours of training (men)	4.63	2.10	4.50	2.44	0.00	2.32	5.37	0.00	5.26



In particular, below are some examples of technical and soft skill training courses that were held in 2021:

- Antitrust compliance
- Compliance Programme (Model 231) training
- Stress management
- Management of collaborators
- Personnel selection
- The antifragile beyond resilience

- Corporate welfare
- Effective communication and negotiation
- Production programming
- From technician to manager
- Growth of the manager
- International exchanges: VAT news and INTRASTAT models
- Customs legislation

GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS²⁵

	2021		2020		2019	
Employees who received a performance review by professional category and gender (%)	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame
Executives and middle managers	88	100	98		97	
Men	87	100	98		98	
Women	93	100	100		91	
Employees ²⁶	35	18	39		32	
Men	41	28	48		35	
Women	21	6	17		24	
Workers	18	/	0	/	0	/
Men	19	/	0	/	0	/
Women	0	/	0	/	0	/
Governance bodies (BoD)	100	100	100		100	
Men	100	100	100		100	
Women	100	100	100		100	

GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	2021					2020			2019		
	Sanlorenzo	Bluegame	PN VSY	SLOTA	Total	Sanlorenzo	SLOTA	Total	Sanlorenzo	SLOTA	Total
Employees by professional category											
Executives and middle managers	85	4	0	3	93	79	2	81	70	3	73
< 30 Years	0	0	0	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0	0	0	0
Women	0	0	0	0	0	0	0	0	0	0	0
30 ≤ x ≤ 50 Years	41	2	0	0	43	45	0	45	36	1	37
Men	31	1	0	0	32	37	0	37	30	1	31
Women	10	1	0	0	11	8	0	8	6	0	6
> 50 Years	44	2	0	3	50	34	2	36	34	2	36
Men	39	2	0	2	44	29	1	30	29	2	31
Women	5	0	0	1	6	5	1	6	5	0	5
Employees	366	34	6	6	412	310	6	316	293	6	299
< 30 Years	94	11	0	0	105	90	0	90	66	0	66
Men	59	5	0	0	64	60	0	60	44	0	44
Women	35	6	0	0	41	30	0	30	22	0	22
30 ≤ x ≤ 50 Years	226	20	3	4	253	179	5	184	183	4	187
Men	152	11	0	0	163	125	2	127	129	1	130
Women	74	9	3	4	90	54	3	57	54	3	57
> 50 Years	46	3	3	2	54	41	1	42	44	2	46
Men	36	2	2	1	41	30	0	30	32	0	32
Women	10	1	1	1	13	11	1	12	12	2	14

Workers	88	0	0	2	90	87	0	2	89	93	0	2	95
< 30 Years	7	0	0	0	7	9	0	0	9	11	0	0	11
Men	7	0	0	0	7	9		0	9	11		0	11
Women	0	0	0	0	0	0		0	0	0		0	0
30 ≤ x ≤ 50 Years	35	0	0	2	37	35	0	2	37	34	0	2	36
Men	35	0	0	2	37	35		2	37	34		2	36
Women	0	0	0	0	0	0		0	0	0		0	0
> 50 Years	46	0	0	0	46	43	0	0	43	48	0	0	48
Men	45	0	0	0	45	42		0	42	46		0	46
Women	1	0	0	0	1	1		0	1	2		0	2
Total	539	38	6	11	564	476	0	10	486	456	0	11	467

	2021	2020	2019
Vulnerable categories by professional type and gender	Sanlorenzo	Sanlorenzo	Sanlorenzo
Executives and middle managers	1	1	1
Men	1	1	1
Women	0	0	0
Employees	8	8	8
Men	3	4	4
Women	5	4	4
Workers	6	6	6
Men	6	6	6
Women	0	0	0
Total	15	15	15

GRI 417-1 REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELLING

At the time of delivery, the following documents are shared with shipowners:

- **Commercial documents**, such as the Construction Certificate and the Delivery and Acceptance Protocol;
 - **Regulatory documents**, such as the Classification Certificate issued by the classification society for the hull and machinery, the permanent or provisional Certificates for the yacht's compliance with the Class and Flag requirements, the Certificate of Compliance with the Code REG (Declaration of conformity), the Certificate of conformity with the essential safety requirements under Directive 2013/53/EU²⁷, or the Certificate of application of the MARPOL rules and regulations, where applicable;
- **Technical documents**, such as all manuals, drawings, instructions and other documents relating to the characteristics (in terms of plant engineering, propulsion, instrumentation, equipment and layout), operation (in particular, speed, consumption , autonomy and silence) and maintenance of the yacht, certificates relating to lifesaving equipment, anchor and chains, nautical instruments and firefighting equipment, the inventory of equipment and spare parts, and the list of minor non-conformities (which includes the painting report).



ENVIRONMENTAL SUSTAINABILITY INDICATORS

GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME

YACHT DIVISION			
	2021	2020	2019
Units delivered	54	51*	34
Renewable materials used (in kg)	868,548	754,402	483,861
Plywood for subdivision	175,115	147,795	95,224
Wood for furniture / furnishings	597,046	513,162	327,669
Teak	96,387	93,445	60,968
Non-renewable materials used (in kg)	3,821,402	3,625,477	2,268,328
Gelcoat	85,284	79,258	50,534
Laminating resin	850,421	786,302	509,260
Glass fibre for lamination	649,165	611,793	401,371
Carbon fibre for lamination	80,332	79,355	42,751
PU / PVC for lamination	90,436	83,295	51,692
Catalysts	16,884	16,247	10,617
Stucco	14,816	13,197	7,787
Paints	28,687	27,011	17,783
Adhesives	75,023	65,043	44,354
Ferrous materials	809,852	839,890	478,456
Aluminium alloys	103,597	96,240	64,593
Stainless steel	322,203	285,289	175,077
Copper	183,182	182,622	114,350
Technopolymer pipes	61,534	55,793	35,762
Batteries	82,257	70,593	45,474
Crystals	93,752	74,449	52,508
Insulation materials	141,079	136,655	86,683
Marble and Stones	64,093	57,609	36,460
Fabrics / upholstery / carpeting	55,005	51,786	34,116
Lubricating oils	13,800	13,050	8,700
Total	4,689,950	4,379,879	2,752,189
% of renewable materials out of the total of materials used	19%	17%	18%
Kg/GT (Total)	597.26	581.90	619.55

* Units delivered in 2020: the value includes now a unit delivered by Sanlorenzo of the Americas LLC.

SUPERYACHT DIVISION			
	2021	2020	2019
Units delivered	7	4	3
Renewable materials used (in kg)	470,490	232,790	234,790
Plywood for subdivision	250,790	130,790	114,790
Wood for furniture / furnishings	185,100	87,200	104,700
Teak	34,600	14,800	15,300
Non-renewable materials used (in kg)	2,523,270	1,204,570	1,442,990
Ferrous materials	1,282,900	575,600	896,000
Stainless steel	120,300	63,300	47,510
Aluminium alloys	462,300	265,800	147,600
Copper	124,850	55,900	72,600
Insulation materials	143,000	56,500	91,250
Technopolymer pipes	46,350	24,400	14,100
Fabrics/upholstery/carpeting/upholstery	14,550	5,750	7,100
Marble and Stones	42,150	13,000	36,600
Stucco	149,700	77,800	63,200
Paints	34,100	15,150	18,550
Adhesives	12,460	6,660	5,310
Lamination resin (stabilizer fins)	5,160	3,360	4,120
Crystals	64,000	31,500	30,200
Batteries	12,800	6,000	4,400
Lubricating oils	8,650	3,850	4,450
Total	2,993,760	1,437,360	1,677,780
% of renewable materials out of the total of materials used	16%	16%	14%
Kg/GT (Total)	709.09	732.97	699.66



BLUEGAME DIVISION			
	2021	2020	2019
Units delivered	22	14	13
Renewable materials used (in kg)	94,510	64,570	32,750
Plywood for subdivision	15,250	10,420	5,190
Wood for furniture / furnishings	65,900	45,250	23,150
Teak	13,360	8,900	4,410
Non-renewable materials used (in kg)	525,940	360,280	183,960
Gelcoat	10,440	7,180	3,580
Laminating resin	108,220	73,940	37,290
Glass fibre for lamination	69,730	47,460	23,260
Carbon fibre for lamination	2,520	1,840	1,090
PU / PVC for lamination	18,220	12,410	6,210
Catalysts	1,440	980	460
Stucco	1,570	1,070	530
Paints	2,730	1,800	830
Adhesives	12,570	8,650	4,490
Ferrous materials	147,400	101,200	52,800
Crystals	24,200	16,600	8,500
Stainless steel	28,480	19,670	10,290
Aluminium alloys	16,300	11,150	5,750
Copper	25,420	17,430	8,860
Insulation materials	13,430	9,260	4,760
Technopolymer pipes	8,560	5,900	3,110
Fabrics/upholstery/carpeting/upholstery	9,700	6,700	3,400
Marble and Stones	7,630	5,240	2,700
Batteries	14,850	10,100	5,200
Lubricating oils	2,530	1,700	850
Total	620,450	424,850	216,710
% of renewable materials out of the total of materials used	15%	15%	15%
Kg/GT (Total)	597.61	977.90	726.75

GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)*

YACHT DIVISION ²⁸			
	2021	2020	2019
Purchased electricity (non-renewable)	17,218.45	13,817.98 [10,307.39] *	13,786.98 [10,334.57]
Purchased electricity (renewable) ²⁹	3,221.98	3,804.51 [7,315.10]	3,881.98 [7,334.38]
Total purchased electricity	20,440.43	17,622.49 [17,622.49]	17,668.96 [17,668.95]
Self-produced and consumed electricity (renewable from photovoltaics)	1,580.57	1,652.58	0
Self-produced and inserted-in-the-market electricity	2,182.04	-	-
Methane gas	7,467.35	3,353.40	3,447.84
Diesel fuel ³⁰	30,771.71	29,659.55 [23,216.19]	19,962.55 [13,351.90]
For sea trials ³¹	24,244.91	24,269.69 [23,139.99]	13,056.68
For site heating (Ameglia)	111.63	265.83 [-]	534.46 [-]
For automotive	263.46	76.56 [76.20]	296.17 [295.22]
For company cars	6,151.71	5,047.46 [-]	6,075.25 [-]
Total energy consumed	60,260.05	52,288.02 [45,844.65]	41,079.35 [34,468.70]
of which renewable	9%	10 % [-]	9% [-]

SUPERYACHT DIVISION			
	2021	2020	2019
Purchased electricity (non-renewable)	16,157.49	13,588.03 [10,428.61]	13,996.14 [10,938.46]
Purchased electricity (renewable)	5,043.78	4,241.69 [7,401.12]	4,705.28 [7,762.96]
Purchased electricity (renewable)	21,201.27	17,829.72 [17,829.73]	18,701.42 [18,701.42]
Methane gas	3,499.77	1,663.78	2,963.78
Diesel fuel	6,859.15	4,721.62 [2,637.26]	4,919.09 [2,862.13]
For sea trials	3,841.46	2,649.91 [2,637.26]	2,503.21 [2,495.23]
For automotive	699.55	0.00	352.69 [366.90]
For company cars	2,318.13	2,071.70 [-]	2,063.20 [-]
Total energy consumed	31,560.20	24,215.12 [22,130.76]	26,584.30 [21,563.55]
of which renewable	16%	18%	18%

* Estimated values. The values in square brackets refer to the data reported in DNF 2020. In this NFS, having been revised the calculation methodology, there is a more accurate value.



GRI 302-3 ENERGY INTENSITY**

YACHT DIVISION			
GJ/GT	2021	2020	2019
Total energy consumption	60,260.05	52,288.02 [45,844.65]	41,079.35 [34,468.70]
Total GT	7,852.40	7,260.80 [6,094.40]	4,442.25
Energy intensity	7.67	6.95 [7.52]	9.25 [7.76]

SUPERYACHT DIVISION			
GJ/GT	2021	2020	2019
Total energy consumption	31,560.20	24,215.12 [22,130.76]	26,584.30 [21,563.55]
Total GT	4,222.00	1,961.00 [1,472.00]	2,398.00
Energy intensity	7.48	12.35 [15.03]	11.09

** The values in square brackets refer to the data reported in DNF 2020. In this NFS, having been revised the calculation methodology, there is a more accurate value.

GRI 303-3 WATER WITHDRAWALS (ML)**

YACHT DIVISION			
	2021	2020	2019
Water withdrawal (freshwater) from water stressed areas	41.83	45.42	43.6
Water withdrawals from groundwater (well)	3.93	2.98	3.03
Water withdrawals from third-party water resources (aqueduct)	37.91	42.44	40.57

SUPERYACHT DIVISION			
	2021	2020	2019
Water withdrawal (freshwater) from water stressed areas	22	20	32
Water withdrawals from third-party water resources (aqueducts)	22	20	32

*** Estimated values

GRI 303-5 WATER CONSUMPTION (WATER STORAGE)

in megalitres	2021	2020	2019
Ameglia (Fire-fighting water reserve)			
Total water storage at the end of the year	0.24	0.24	0.24
Total water storage at the beginning of the year	0.24	0.24	0.24
Change in water storage	0	0	0
Viareggio (Fire-fighting water reserve)			
Total water storage at the end of the year	0.14	0.14	0.14
Total water storage at the beginning of the year	0.14	0.14	0.14
Change in water storage	0	0	0

GRI 304-4 IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS (MONTEMARCELLO-MAGRA-VARA REGIONAL PARK³²)

		2021
Birds (Directive 147/EC/2009)		53
Critically Endangered		0
In danger		2
Vulnerable		1
Almost threatened		4
Of less concern		46
Other vertebrates (Directive 92/43/EEC)		
Critically Endangered		2
In danger		0
Vulnerable		6
Almost threatened		1
Of less concern		12
Total species in the IUCN Red List		74

GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)*
GRI 305-2 INDIRECT GHG EMISSIONS (SCOPE 2)*

YACHT DIVISION			
in tonCO2eq	2021	2020	2019
Direct emissions (Scope 1)	2,543.92	2,253.43 [1,795.67]	1,576.96 [1,092.24]
Natural gas	378.16	170.94	175.80
Diesel fuel	2,166	2,082 [1,624.73]	1,401 [916.44]
Indirect emissions (Scope 2)	3,811.74	2,929.91 [-]	3,119.57 [-]
Purchased electricity (location-based)	1,205.59	1,141.25 [667.52]	1,254.50 [733.75]
Purchased electricity (market-based)	2,606.15	1,788.66 [1,334.23]	1,865.07 [1,398.04]
Total Scope 1 and Scope 2 Emissions (location-based)	3,749.51	3,394.68 [2,463.18]	2,831.46 [1,825.99]
Total Scope 1 and Scope 2 emissions (market-based)	5,150.07	4,042.09 [3,129.90]	3,442.03 [2,490.28]



SUPERYACHT DIVISION			
in tonCO2eq	2021	2020	2019
Direct emissions (Scope 1)	659.99	416.33 [270.87]	496.38 [326.81]
Natural gas	177.24	84.81	151.12
Diesel fuel	483	332 [186.06]	345 [145.50]
Indirect emissions (Scope 2)	3,953.62	2,913.57 [-]	2,473.46 [-]
Purchased electricity (location-based)	1,250.46	1,154.67 [675.37]	993.73 [776.63]
Purchased electricity (market-based)	2,703.16	1,758.90 [1,349.93]	1,479.73
Total Scope 1 and Scope 2 Emissions (location-based)	1,910.46	1,571.00 [946.24]	1,490.11 [1,103.45]
Total Scope 1 and Scope 2 emissions (market-based)	3,363.15	2,175.22 [1,620.79]	1,976.12 [1,806.55]

* The values in square brackets refer to the data reported in DNF 2020. In this NFS, having been revised the calculation methodology, there is a more accurate value.

GRI 305-4 EMISSION INTENSITY*

YACHT DIVISION			
tonCO2eq / h of operation of the construction sites	2021	2020	2019
Total hours of operation of the construction sites	3300	3300	3300
Scope 1 emissions intensity	0.77	0.68 [0.54]	0.48 [0.33]
Scope 2 emissions intensity (location based)	0.37	0.35 [0.20]	0.38 [0.22]
Scope 2 emissions intensity (market based)	0.79	0.54 [0.40]	0.57 [0.42]
Total emission intensity Scope 1 + Scope 2 (location based)	1.14	1.03 [0.75]	0.86 [0.55]
Total emission intensity Scope 1 + Scope 2 (market based)	1.56	1.22 [0.95]	1.04 [0.75]

SUPERYACHT DIVISION			
tonCO2eq / h of operation of the construction sites	2021	2020	2019
Total hours of operation of the construction sites	3300	3300	3300
Scope 1 emissions intensity	0.20	0.13 [0.08]	0.15 [0.10]
Scope 2 emissions intensity (location based)	0.38	0.35 [0.20]	0.30 [0.24]
Scope 2 emissions intensity (market based)	0.82	0.53 [0.41]	0.45
Total emission intensity Scope 1 + Scope 2 (location based)	0.58	0.48 [0.29]	0.45 [0.33]
Total emission intensity Scope 1 + Scope 2 (market based)	1.02	0.66 [0.49]	0.60 [0.55]

* The values in square brackets refer to the data reported in DNF 2020. In this NFS, having been revised the calculation methodology, there is a more accurate value.

GRI 306-3 WASTE GENERATED

DIVISIONEYACHT			
Composition of the waste produced (tons)	2021	2020	2019
Activated carbon exhausted	61	45	22
Of which destined for disposal	6.82	3.20	4.52
Of which not intended for disposal	54.00	41.92	17.47
Other halogenated organic solvents, washing solutions and mother liquors	44	42	57
Of which destined for disposal	43.62	41.90	56.73
Of which not intended for disposal	0.00	0.00	0.00
Waste dust from coatings	0	5	18
Of which destined for disposal	0.00	4.90	17.76
Of which not intended for disposal	0.00	0.00	0.00
Out of print toner	0.01	0	0.17
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.01	0.00	0.17
Waste adhesives and sealants containing organic solvents or other hazardous substances	0	0.35	3.10
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.35	3.10
Plastic filings and shavings	0	9.03	4.02
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	9.03	4.02
Abrasive waste material containing hazardous substances	0	7.20	0.40
Of which destined for disposal	0.00	7.20	0.40
Of which not intended for disposal	0.00	0.00	0.00
Spent grinding bodies and grinding materials containing dangerous substances	0	1.95	2.80
Of which destined for disposal	0.00	1.95	2.80
Of which not intended for disposal	0.00	0.00	0.00
Other engine, gear and lubrication oils	0	0.41	0
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.41	0.00
Non-chlorinated emulsions	0.95	1.16	5.00
Of which destined for disposal	0.00	1.16	5.00
Of which not intended for disposal	0.95	0.00	0.00
Other emulsions	2.66	0	2
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	2.66	0.00	1.69



Packaging in paper and cardboard	0	0.51	0.90
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.51	0.90
Plastic packaging	0	0	3.68
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	3.68
Wooden packaging	452	378	407
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	451.68	378.33	406.60
mixed material packaging	951	650	1,090
Of which destined for disposal	0.00	121.91	145.11
Of which not intended for disposal	951.32	528.11	944.69
packaging containing residues of dangerous substances or contaminated by such substances	48	37	43
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	48.42	37.19	42.51
metallic packaging containing dangerous solid porous matrices	0.07	0	25
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.07	0.08	25.00
Absorbents, filtering materials, rags and protective gear contaminated by haz. substances	0.95	1	8
Of which destined for disposal	0.00	0.00	0.36
Of which not intended for disposal	0.95	1.39	7.39
Absorbents, filtering materials, rags and protective gear contaminated by haz. substances other than as stated above	0.28	0.12	1.23
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.28	0.12	1.23
discarded electrical equipment containing chlorofluorocarbons	0.02	0.04	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.02	0.04	0.00
Discarded equipment containing hazardous components	0.06	0.03	0.02
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.06	0.03	0.02
Discarded equipment other than as stated above	1.39	1.72	1.08
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	1.39	1.72	1.08

lead-acid batteries	2	2	1
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	1.91	2.45	1.16
glass	3	0	5
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.07	0.30	5.46
plastic	105	26	33
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	105.26	25.84	33.49
aluminium	0	0	3
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	2.72
iron and steel	96.32	96.38	61.16
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	96.32	96.38	61.16
mixed metals	3.83	0.32	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.83	0.32	0.00
other insulating materials containing or consisting of dangerous substances	14.62	10.39	15.30
Of which destined for disposal	14.62	8.77	15.30
Of which not intended for disposal	0.00	1.62	0.00
Insulating materials other than as stated above	9	9	4
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	9.23	9.33	4.48
mixed construction and demolition waste	3	127	26
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.04	127.22	26.11
fluorescent tubes	0.04	0.00	0.01
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.04	0.004	0.008
plastic waste (fiberglass)	92.79	20.62	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	92.79	20.620	0.00
Sawdust, shavings, cutting residues, etc. containing dangerous substances	21.55	8.30	6.65
Segatura, trucioli, residui di taglio, etc. contenenti sostanze pericolose	21,55	8,30	6,65

Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	21.55	8.302	6.65
Sawdust, shavings, cutting residues, etc. other than as stated above	14.76	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	14.76	0.00	0.00
Other bottoms and reaction residues (muddy shovel; liquid; solid)	12.35	52.55	80.45
Of which destined for disposal	3.97	2.66	8.03
Of which not intended for disposal	8.38	49.884	72.42
Waste paints and varnishes containing organic solvents or other dangerous substances (solid; liquid)	63.00	47.21	22.47
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	63.00	47.210	22.47
aqueous waste solutions containing dangerous substances	0.00	9.00	21.00
Of which destined for disposal	0.00	9.00	21.00
Of which not intended for disposal	0.00	0.00	0.00
Aqueous waste solutions other than as stated above	0.00	13.44	27.43
Of which destined for disposal	24.07	13.44	27.43
Of which not intended for disposal	0.00	0.00	0.00
Wood	0.40	15.66	76.66
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.40	15.660	76.660
Copper; bronze, brass	0.00	0.00	0.36
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.36
Biodegradable waste	3.14	15.46	6.32
Of which destined for disposal	0.00	14.26	0.00
Of which not intended for disposal	3.14	1.200	6.32
Septic tank sludge	0.00	8.28	14.80
Of which destined for disposal	38.43	8.00	14.80
Of which not intended for disposal	0.00	0.28	0.00
Bulky waste	3.26	0.00	50.84
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.26	0.00	50.84
Unusable tyres	0.96	0.00	0.86
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.96	0.00	0.86



tool bodies (abrasive belts)	1.88	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	1.88	0.00	0.00
inorganic waste (aluminium panels with rubber)	0.00	0.00	0.00
Of which destined for disposal	6.46	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
organic waste (dust)	0.00	0.00	0.00
Of which destined for disposal	17.06	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
Organic waste containing dangerous substances	0.00	0.00	0.00
Of which destined for disposal	0.74	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
Organic waste other than those mentioned in I 60305	110.98	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	110.98	0.00	0.00
aqueous suspensions containing paints and varnishes containing organic solvents or other dangerous substances	0.00	0.00	0.00
Of which destined for disposal	1.27	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
mineral, non-chlorinated engine, gear and lubricating oils	3.00	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.00	0.00	0.00
other solvents and solvent mixtures	0.08	0.00	0.00
Of which destined for disposal	0.13	0.00	0.00
Of which not intended for disposal	0.08	0.00	0.00
mixed metals	3.83	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.83	0.00	0.00
discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	0.04	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.04	0.00	0.00
dangerous components other than those mentioned in I 6 01 07 to I 6 01 11, I 6 01 13 and I 6 01 14	0.00	0.00	0.00
Of which destined for disposal	0.40	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
components not otherwise specified	0.59	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00



Of which not intended for disposal	0.59	0.00	0.00
discarded equipment, containing chlorofluorocarbons, HCFCs, HFCs	0.19	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.19	0.00	0.00
gases in pressure containers (including halons), containing dangerous substances	0.80	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.80	0.00	0.00
Cement	3.50	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	3.50	0.00	0.00
spent activated carbon used for the treatment of fumes	52.70	27.94	72.60
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	52.70	27.94	72.60

SUPERYACHT DIVISION

Composition of the waste produced (tons)	2021	2020	2019
Sawdust, shavings, cutting residues, etc. other than those referred to in the previous item	5.48	3.55	6.98
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	5.48	3.55	6.98
Waste from composite materials	0.00	0.00	3.69
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	3.69
Activated carbon exhausted	8.59	5.21	8.80
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	8.59	5.21	8.80
Waste paints and varnishes containing organic solvents or other dangerous substances (liquid; solid)	0.14	0.07	0.49
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.14	0.07	0.49
Residues of paints or paint strippers	0.00	0.09	0.53
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.09	0.53
aqueous sludge	1.20	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	1.20	0.00	0.00
Out of print toner	0.00	0.02	0.00

Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.02	0.00
Dust and particulate from ferrous materials	0.00	0.00	0.28
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.28
sandblasting	15.06	0.00	0.00
Of which destined for disposal	15.06	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
Abrasive waste material	45.62	18.08	1.88
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	45.62	18.08	1.88
Aqueous washing solutions	0.00	5.30	1.00
Of which destined for disposal	0.00	5.30	1.00
Of which not intended for disposal	0.00	0.00	0.00
Other bilge oils from navigation	13.30	10.65	17.25
Of which destined for disposal	13.30	10.65	17.25
Of which not intended for disposal	0.00	0.00	0.00
Fuel oil and diesel fuel	0.00	2.20	2.20
Of which destined for disposal	0.00	2.20	2.20
Of which not intended for disposal	0.00	0.00	0.00
Other emulsions	45.31	47.10	7.39
Of which destined for disposal	45.00	47.10	7.39
Of which not intended for disposal	0.00	0.00	0.00
Other solvents	0.15	0.00	0.00
Of which destined for disposal	0.15	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
Packaging in paper and cardboard	0.00	0.00	6.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	6.00
Wooden packaging	152.43	118.39	186.03
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	152.43	118.39	186.03
Packaging in composite materials	0.00	1.47	0.00
Of which destined for disposal	0.00	1.47	0.00
Of which not intended for disposal	0.00	0.00	0.00
Mixed material packaging	373.30	284.41	401.44
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	373.30	284.41	401.44

Packaging containing residues of dangerous substances or contaminated by such substances	8.20	14.83	11.79
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	8.20	14.83	11.79
Absorbents, filtering materials, rags and protective gear contaminated by haz. substances	3.75	4.27	4.55
Of which destined for disposal	3.75	4.27	4.55
Of which not intended for disposal	0.00	0.00	0.00
Absorbents, filtering materials, rags and protective gear other than as stated above	0.00	0.27	0.00
Of which destined for disposal	1.98	0.27	0.00
Of which not intended for disposal	0.00	0.00	0.00
antifreeze liquids	0.50	0.00	0.00
Of which destined for disposal	0.50	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.00
Discarded equipment containing chlorofluorocarbons	0.00	0.35	0.31
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.35	0.31
Discarded equipment containing hazardous components	2.90	0.00	0.13
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	2.90	0.00	0.13
Discarded equipment other than as stated above	9.16	0.40	1.11
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	9.16	0.40	1.11
Discarded equipment	0.49	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.49	0.00	0.00
Inorganic waste	0.00	0.00	2.82
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	2.82
Lead acid batteries	0.00	0.82	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.82	0.00
Batteries containing mercury	0.00	0.00	0.54
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.00	0.54
Alkaline batteries	0.00	0.08	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.08	0.00
aqueous liquid waste	0.00	0.00	0.00
Of which destined for disposal	0.30	0.00	0.00



Of which not intended for disposal	0.00	0.00	0.00
Aqueous waste solutions other than as stated above	362.20	45.90	21.40
Of which destined for disposal	362.20	45.90	21.40
Of which not intended for disposal	0.00	0.00	0.00
Cement	7.52	66.94	71.24
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	7.52	66.94	71.24
Bricks	4.10	0.00	44.26
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	4.10	0.00	44.26
Wood	0.00	2.28	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	2.28	0.00
Glass	0.00	1.10	4.90
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	1.10	4.90
Plastic	0.00	0.94	1.78
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	0.94	1,78
bituminous mixtures	20.60	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	20.60	0.00	0.00
Copper; bronze; brass	0.15	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.15	0.00	0.00
Aluminium	20.17	4.52	18.20
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	20.17	4.52	18.20
Iron and steel	105.65	91.83	117.28
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	105.65	91.83	117.28
mixed metals	0.12	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.12	0.00	0.00
impregnated cables	0.15	0.00	0.00
Of which destined for disposal	0.00	0.00	0.00

Of which not intended for disposal	0.15	0.00	0.00
Cables	9.38	3.50	3.76
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	9.38	3.50	3.76
Earth and rocks	0.00	129.30	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	129.30	0.00
Other insulating materials containing or consisting of dangerous substances	0.88	1.00	3.78
Of which destined for disposal	0.88	1.00	3.78
Of which not intended for disposal	0.00	0.00	0.00
Insulating materials other than as stated above	0.00	0.00	1.51
Of which destined for disposal	0.03	0.00	1.51
Of which not intended for disposal	0.00	0.00	0.00
Gypsum-based construction materials other than those mentioned in 17 08 01	0.56	1.30	1.94
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.56	1.30	1.94
Mixed waste from construction and demolition activities	4.74	0.23	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	4.74	0.23	0.00
Fluorescent tubes	0.13	0.00	0.07
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.13	0.00	0.07
Biodegradable waste	0.70	4.32	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.70	4.32	0.00
Septic tank sludge (solid; liquid)	47.74	56.87	10.00
Of which destined for disposal	47.74	56.87	10.00
Of which not intended for disposal	0.00	0.00	0.00
Waste from sewer cleaning	0.00	3.50	0.00
Of which destined for disposal	0.00	3.50	0.00
Of which not intended for disposal	0.00	0.00	0.00
Bulky waste	0.00	1.32	0.00
Of which destined for disposal	0.00	0.00	0.00
Of which not intended for disposal	0.00	1.32	0.00



BLUEGAME DIVISION	
Composition of the waste produced (tons)	2021
Wooden packaging	22
Of which destined for disposal	0.00
Of which not intended for disposal	21.72
Mixed material packaging	24
Of which destined for disposal	0.00
Of which not intended for disposal	23.51

GRI 306-4 WASTE NOT SENT FOR DISPOSAL
GRI 306-5 WASTE SENT FOR DISPOSAL

YACHT DIVISION			
tons	2021	2020	2019
Non-hazardous waste	1,924.80	1,697.68	1,891.90
Of which sent for recovery	1,855.84	1,563.61	1,688.37
Recycling / recovery of other inorganic substances (R5)	0	0	0
Recovery of products used to reduce pollution (R7)	0	0	0
Exchange (R12)	123.44	0	0
Reserve (R13)	1,728.91	1,563.61	1,688.37
Of which disposed of	69	134.07	203.53
Biological treatment (D8)	38.43	22.26	7.4
Physico-chemical treatment (D9)	20.33	4.9	25.16
Preliminary grouping (D13)	6.46	0	0
Preliminary filing (D15)	3.74	106.91	170.97
Hazardous waste	363.38	287.66	349
Of which sent for recovery	260.66	211.76	234.14
Recycling / recovery of other inorganic substances (R5)	0	0	0
Recovery of products used to reduce pollution (R7)	54	41.92	75.77
Exchange (R12)	7.14	0	0
Reserve (R13)	199.52	170	158
Of which disposed of	102.72	75.9	114.86
Biological treatment (D8)	0	0	0
Physico-chemical treatment (D9)	0	9	26
Preliminary grouping (D13)	56.26	10.4	4.924
Preliminary filing (D15)	46.47	56.5	83.94
Total waste produced	2,288.19	1,985.34	2,240.90
Waste/GT	0.29	0.26	0.50



SUPERYACHT DIVISION			
	2021	2020	2019
Non-hazardous waste	1166.571	840.51	924.79
Of which sent for recycling	739.57	732.5	873.58
Recycling / recovery of other inorganic substances (R5)	53.14	214.32	73.12
Recovery of products used to reduce pollution (R7)	0	0	0
Exchange (R12)	9.65	0.4	1.11
Reserve (R13)	676.78	517.78	799.36
Of which disposed of	427.01	108.01	51.21
Biological treatment (D8)	47.74	60.37	28.3
Physico-chemical treatment (D9)	362.2	45.9	21.4
Preliminary grouping (D13)	15.06	0	0
Preliminary filing (D15)	2.01	1.74	1.51
Hazardous waste	105.797	91.87	58.84
Of which sent for recovery	41.91	21.35	22.67
Recycling / recovery of other inorganic substances (R5)	0	0	0
Recovery of products used to reduce pollution (R7)	0	0	0
Exchange (R12)	2.90	0.35	0.45
Reserve (R13)	39.01	21.01	22.23
Of which disposed of	63.89	70.52	36.17
Biological treatment (D8)	0	0	0
Physico-chemical treatment (D9)	58.60	65.25	27.835
Preliminary grouping (D13)	0	0	0
Preliminary filing (D15)	5.29	5.266	8.333
Total waste produced	1,272.37	932.38	983.63
Waste/GT	0.30	0.63	0.41

BLUEGAME DIVISION	
	2021
Non-hazardous waste	45.23
Of which sent for recycling	45.23
Reserve (R13)	45.23
Of which disposed of	-
Hazardous waste	0
Total waste produced	45.23
Waste/GT	0.04

FOOTNOTES

- ¹ It should be noted that the 2022 NFS of the Sanlorenzo Group will be aligned with the updated edition (published in October 2021) of the GRI “Universal Standards”.

² It should be noted that reference to Sanlorenzo S.p.A. in the internal impact boundary of the topic will be deemed to include all four of the Company’s sites, i.e. La Spezia, Ameglia, Massa and Viareggio.

³ The damage caused by this type of accident does not allow workers to fully recover – returning to their health condition prior to the accident – within a period of six months.

⁴ With regard to the powers and duties granted exclusively on the CEO, reference should be made to provisions in place for the employer and the client pursuant to Legislative Decree 81/2008, and for the legal representative concerning environmental matters.

⁵ That is, until the date of approval of the financial statements for the year ended 31 December 2021.

⁶ Information about the application of the Policy with respect to managers and employees is provided in Chapter 3, “Talent and experience”.

⁷ It should be noted that during the meeting held on 16 March 2021, the Board of Directors of Sanlorenzo S.p.A. approved the 2021-2023 Three-Year Audit Plan, previously reviewed by the Audit, Risk and Sustainability Committee.

⁸ <https://www.sanlorenzoyacht.com/uploads/files/sanlorenzo-codice-etico-it.pdf?01>

⁹ The Policy is published on the Company’s corporate website under “Documents and Procedures”. More information can be found at the following link <https://www.sanlorenzoyacht.com/it/corporate-governance/documenti-e-procedure.asp>

¹⁰ With respect to the 2020 NFS, figures were restated based on the Consolidated Balance Sheet values as at 31 December of the three years being reported.

¹¹ The value shown corresponds to the Income Statement item referring to “financial expenses”, from which the balance between foreign exchange gains and losses was deducted.

¹² The amount relating to the 2019 financial year refers to the partial distribution of the extraordinary reserve to shareholders. The amount relating to the 2020 financial year was paid in 2021 after approval of the financial statements by the shareholders. The 2021 amount will be distributed in the course of 2022 after approval by the shareholders’ meeting. The dividend value will be equal to € 0.60 per share held.

¹³ Tax returns and regional tax on business concerns (IRAP).

¹⁴ Reference is made to the ‘Patent Box’ and Research and Development Credit.

¹⁵ It should be noted that SLOTA also relies on self-employed workers who discharge maintenance duties on boats in stock or are employed during boat shows. About 20 such workers were employed in 2021.

¹⁶ In Italy, wage set forth in the National Collective Labour Agreement. H and F level apprentices were considered as new hires.

¹⁷ Reference is made to the minimum wage in Florida, equal to \$ 10 / hour.
- ¹⁸ As to Sanlorenzo S.p.A. and Bluegame S.r.l., senior managers hired from the local community included Executives and Middle Managers born or who have the legal right to reside indefinitely in the regions in which the Company operates, i.e. Liguria and Tuscany. As to PN VSY S.r.l., Executives and Middle Managers born or resident in the Tuscany region were considered, with reference to the location of the company’s headquarters in Viareggio. Finally, as to Sanlorenzo of the Americas LLC, reference was made to the CEO, CFO and CSO born or indefinitely resident in Florida, where the company is based.

¹⁹ The institution of parental leave does not apply to employees of Sanlorenzo of the Americas LLC.

²⁰ Reference is made to an employee who had returned from parental leave in 2020 and was still employed by the Company in the 12 months following her return. Employees who took parental leave during 2021 and returned to work in the same year were not included in the calculation as 12 months had not yet passed since their return.

²¹ The 4 employees who took and used parental leave in 2021 and the two employees who had taken parental leave in 2020 should have returned to work, with the period deadline being set for 2021.

²² Data include both employees and trainees of Sanlorenzo S.p.A. and Bluegame S.r.l.

²³ PN VSY S.r.l. and Sanlorenzo of the Americas LLC did not undergo training in the three years being reported.

²⁴ Calculated as the ratio of total hours by gender to the total number of employees by gender.

²⁵ PN VSY S.r.l. and Sanlorenzo of the Americas LLC employees are not subject to any performance reviews.

²⁶ With regard to the professional category of white-collar workers, performance reviews are conducted only for those who have received MBOs.

²⁷ Rules for the EC Certification of Pleasure Boats and related Components, personal watercraft, noise emissions and exhaust emissions from propulsion engines. More specifically, the main requirements for which compliance is required include: general requirements (for example, the main data of the boat or the owner’s manual); integrity and structural requirements (such as stability and buoyancy); handling characteristics; engines and spaces for engines; power supply system; electric system; piloting system; gas systems; fire protection; navigation lights, shapes and sound signals; prevention of discharges; exhaust emissions; noise emissions.

²⁸ Consumption relating to the Ameglia shipyard also includes the portion pertaining to Bluegame’ work on the BG72 hull.

²⁹ The share of electricity purchased from renewable sources was calculated using the specific percentage of the energy mix of the supplier(s) supplying the Sanlorenzo yards. 2020 and 2019 figures were restated accordingly.

³⁰ Figures also include consumption relating to Bluegame and consumption of diesel oil for heating at the Ameglia site (1 diesel boiler). 2020 and 2019 figures were restated accordingly.

³¹ The diesel fuel for sea trials includes the entire quantity purchased by Sanlorenzo and Bluegame, including the share of diesel not used directly by the companies for this purpose and therefore kept inside the boats and subsequently used by the shipowner.

³² The table shows the species included in the standard form of the SAC IT1343502 Parco della Magra - Vara.



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Technical-methodological support
Message

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