

SANLORENZO



CONSOLIDATED NON-FINANCIAL STATEMENT 2022

ENVIRONMENTAL | SOCIAL | GOVERNANCE

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BACKGROUND



BACKGROUND

This is the third Consolidated Non-Financial Statement (hereinafter also referred to as the “NFS”) prepared by the Sanlorenzo Group (hereinafter also referred to as the “Group”), starting from the listing, in 2019, of the Sanlorenzo S.p.A. Parent Company (hereinafter also referred to as the “Company”, “Sanlorenzo” or the “Parent Company”) on the EuronextSTAR Milan segment of Borsa Italiana S.p.A.

The NFS is drafted pursuant to Legislative Decree 254/2016 (hereinafter also referred to as the “Decree”), implementing Directive 2014/95/EU, which requires public interest entities, as identified by the characteristics set out in Article 2, paragraph 1 of the aforementioned Decree, to draft and publish a report of a non-financial nature for each financial year.

In line with the provisions of Article 2, paragraph 2 of the Decree, the NFS is drawn up on a consolidated basis: the **reporting perimeter** therefore includes the Parent Company and Group subsidiaries (any exclusions are reported in the “*Methodological note*” section). 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.

The reporting period of the NFS includes the period running from **1 January 2022 to 31 December 2022**, consistent with the Group’s financial reporting time horizon. 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**.

In line with the requirements set out in Articles 4 and 5 of the Decree, the NFS focuses on the performance, 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 active and passive corruption issues. Qualitative and quantitative information is processed and reported in the document in compliance with the **GRI Standards** of the *Global Reporting Initiative*ⁱ.

Complying with the requirements of the GRI Standard 1 Foundation, the reporting provides adequate coverage of the key concepts of **impact** – explored in depth by examining the main risks and opportunities associated with the Group’s main topics of interest, **material topics** – on which this document is constructed (for more details see the “*Materiality and impacts*” and “*Methodological note*” sections) – **stakeholder interest** – namely the implementation of activities aimed at ensuring inclusiveness and listening to the requests of both internal and external stakeholders (see the “*Listening to stakeholders*” section) – and **due diligence**, with particular reference to the protection of fundamental human rights. Similarly, the contents of the document are inspired by the principles of **completeness** and **balance** of information – exploring both the positive and negative aspects –, **clarity, transparency** and **reliability** in the presentation and re-processing of the data collected and the calculation methodologies used.

It should be noted that this document also incorporates a first approach to the so-called “**double materiality**”, a method of analysing the relevance of the different aspects relating to the various dimensions of sustainability not yet made mandatory, but which will become so for the Sanlorenzo Group as of 2025 (relative to the 2024 financial year), in line with the provisions of the new **Directive (EU) 2022/2464** (Corporate Sustainability Reporting Directive - CSRD) and the **European Sustainability Reporting Standards** (ESRS). The “double materiality” analysis makes it possible to address, in a targeted manner, both the relevance of sustainability issues, as well as the relevance of the related positive (opportunities) and negative (risks) impacts, from the point of view of the effects generated on the external context (*inside-out* perspective) and on the Company (*outside-in* perspective).

However, to ensure compliance with the guidelines, the results of the impact materiality were considered. In addition, the **2030 Agenda for Sustainable Development**ⁱⁱ of the United Nations and the related **Sustainable Development Goals** (SDGs), to which the Group adheres and undertakes to contribute, directly and indirectly, as well as the **Ten Principles of the United Nations Global Compact**ⁱⁱⁱ constitute a fundamental external reference.

The SDGs, the Global Compact Principles and the GRI indicators to which reference is made are explicitly noted in the **technical fact sheets** at the end of each chapter, which also summarise the following aspects: the relevance of the topics covered by the chapter for the Group and its stakeholders; the impact of the topic along the value chain, with a clear explanation of the risks and opportunities involved; the policies, programmes and any certifications obtained in the social and environmental sphere.

Within the Annexes, as well as in the closing notes at the end of each chapter, the technical specifications of the topics covered within the main pages of the document are provided.

Finally, it should be noted that the NFS was subjected to a limited external review by BDO Italia S.p.A., in line with the criteria established by the ISAE 3000 Revised principle - “*International Standard on Assurance Engagement*”.

NOTES

ⁱ 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 Standards – of a universal and specific nature, in other words inherent to the various sustainability dimensions – are recognised worldwide as the main frame of reference in non-financial reporting. The application of the GRI Standards is voluntary. The Standards propose multiple indicators, enabling organisations to comply with national and international best practices in sustainability reporting. In 2021, the updated version of the Universal Standards – to which this document refers – was published. For the Topic Specific Standards, the most recent version dates back to 2016 (publication in Italian in 2018), with the exception of the GRI Standards 303 “Water and Effluents” and 403 “Occupational Health and Safety” updated in 2018, GRI Standard 207 “Taxes” published in 2019 and GRI Standard 306 “Waste” updated in 2020.

ⁱⁱ An in-depth analysis is presented in the “Materiality and impacts” section.

ⁱⁱⁱ 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,

Sanlorenzo's 2022 was a confirmation of our winning business model, with turnover up 26% and double-digit growth in all other key economic indicators.

This success – a source of pride for the entire Group – comes with an equally great sense of responsibility.

Our Company, given our current size and reach, looks to the future well aware of the radical change that the external context will have to undergo to cope with today's climate emergency and the need for social protection, of which we aim to be pioneers in our sector.

Our commitment to product sustainability remains a top priority.

Bluegame, brand belonging to the Sanlorenzo Group, has signed an agreement with the New York Yacht Club American Magic, challenger in the 37th America's Cup, to build the first hydrogen-powered chase boat. The boat will be tested in 2023 and will participate in the America's Cup in October 2024, meeting all the requirements of its strict protocol: a boat only 10 metres in length, which must reach a maximum speed of 50 knots and have a range of 180 miles. For the first time, the event regulations provide for the exclusive use of hydrogen propulsion combined with foils. We are extremely proud of this achievement, a true innovation in the yachting world and the highest expression of technology applied to sustainability, which can play the role of a pilot for further developments.

Moreover, we strongly believe in green methanol as the fuel of the future because, produced using electricity generated from renewable sources, it enables a real reduction in greenhouse gas emissions.

Following our exclusive agreement with Siemens Energy at an international level for methanol fuel cell systems with reformers to generate electricity on board, in spring 2024 we will be launching the first 50-metre Sanlorenzo steel yacht to be equipped with this technology. The project envisages the installation of this system which, producing 70 kW of electricity, will ensure the continuous operation of the yacht's main hotellerie services.

As part of our production processes, in 2023 we are further expanding the photovoltaic system installed in the Ameglia shipyard, already operating at full load for a total of 1,393 solar panels covering a total area of 2,400 square metres. The additional installations will provide self-produced renewable electricity for around 45% of the site's demand. Major investments in photovoltaic panels are also planned for the La Spezia and Viareggio sites.

Moreover, we are also fully committed to engaging and building loyalty within our supply chain. A supply chain agreement with two major Italian banks was initiated in 2020, through which credit lines were made available at an advantageous interest rate. We have recently introduced a dynamic discounting programme, which allows our suppliers to obtain advance payment of invoices on favourable terms.

2022 was also a year of strong growth for our people – the true architects of our success – who now stand at more than 750. Our commitment to enhance and develop our human capital resulted in the implementation of various listening initiatives, an almost doubling of training hours compared to the previous year (over 6,000 hours provided), and a significant increase in the performance bonus. Due to the increase in the cost of living in 2022, an additional monthly payment for employers who were mostly affected by the inflation scenario was paid out in October.

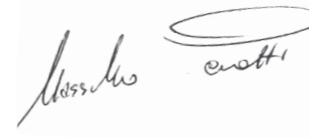
With regard to diversity in executive bodies, Sanlorenzo's new Board of Directors was elected, and the female presence is now 45%.

Through the Sanlorenzo Foundation and in partnership with the Cecilia Gilardi Foundation, we have also announced a competition for scholarships to be awarded to deserving projects concerning Italy's minor islands.

Among the social activities, we have also purchased a vehicle for the Sorriso Francese Foundation in La Spezia, used for taking children to schools.

And so I warmly invite you to read Sanlorenzo's 2022 Non-Financial Statement, hoping that the great passion for everything we do will emerge from the pages of this third account of our activities.

Massimo Perotti
President and Chief Executive Officer




OUTSIDE PERSPECTIVES

THE CONTEXT: CATALYSTS FOR CHANGE
SANLORENZO'S ANSWER



THE CONTEXT: CATALYSTS FOR CHANGEⁱ

The yachting or recreational boating industry is characterised by a heterogeneity of sub-sectors of activity, complementary to each other and fundamental for the construction, maintenance and use of boats. In particular, the following segments are relevant:

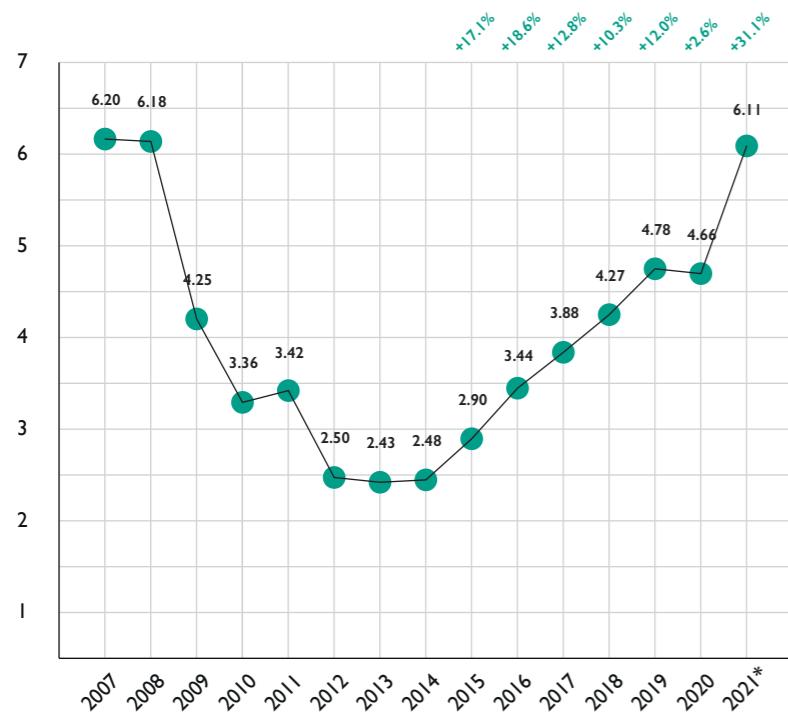
- **shipbuilding**, which includes the construction and import of new recreational boats – which in turn can be broken down on the basis of specific product categories –, as well as refittingⁱⁱ, repair and storage services;
- **accessories and components**;
- **engines**.

Shipbuilding for recreational yachting – and especially luxury yachting – is a strategic production sector for Italy, both in terms of the economic performance

achieved – particularly significant in 2021 (66.9% of the global turnover of the naval industry) – and in terms of employment (approximately 71% of industry employees – both employees and external workers – are employed in the shipbuilding sector), considering the country's vast craftsmanship heritage in the design, production and outfitting of yachts and superyachtsⁱⁱⁱ.

Precisely thanks to this high level of specialisation in the yacht and superyacht shipbuilding sector, Italy is recognised as a **world leader**, not only in terms of size, but also in relation to competitiveness on an international scale, in terms of exports and the positive balance achieved between exports and import.

FIGURE 1 - TREND OF THE GLOBAL TURNOVER OF THE ITALIAN YACHTING INDUSTRY (2007-2021)



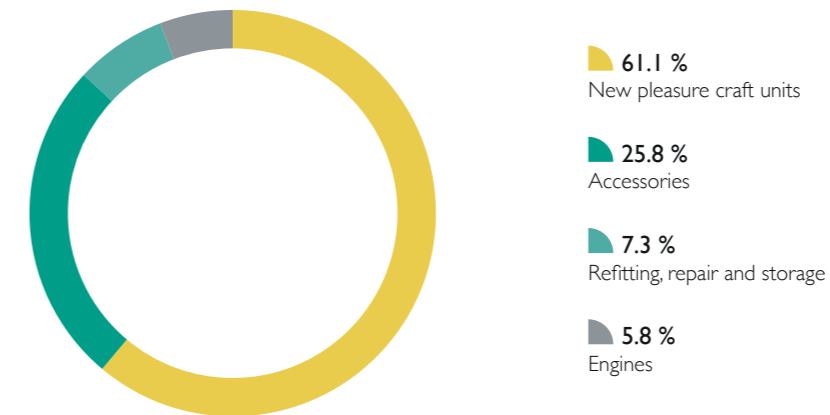
Source: Confindustria Nautica

In 2021, the sector in Italy recorded a more than positive economic trend, determined by an exponential growth of the overall turnover, which reached an all-time high during the year (since 2007/2008) exceeding **Euro 6 billion**. This increase, in particular, is driven by the strong driving force of **exports** – especially to the United States – of Italian shipbuilding production. **Recreational and sports boats** are among the most exported product classes in the last year: the incidence on Italian

manufacturing exports is in fact equal to 3.3% and the increase in the export value of recreational shipbuilding, compared to 2020, is equal to 40.4%.

The positive trend of orders of yachts and superyachts and the significant performance of the accessories and engines sectors have also contributed to the overall revenue growth.

FIGURE 2 - BREAKDOWN OF THE GLOBAL TURNOVER OF THE YACHTING INDUSTRY IN ITALY BY SECTOR



This trend therefore has allowed for a consolidation to be achieved in 2022, despite the prospects offered by the political and economic scenario of the last year, characterised by the continued crisis caused by the persistence of the Covid-19 pandemic and the outbreak of war in Ukraine (for more details see the “*Sanlorenzo Group performance in 2022*” section).

The growing awareness of the **environmental and social impacts generated by the nautical sector**, along the industry value chains and the entire product life cycle, both in the production phase of the boats and in the subsequent phases of use and end-of-life management, is leading to an important **evolution of regulations at the European and international level** in order to tackle, according to the implementation of a **precautionary approach**, the major ethical and environmental issues that urgently need to be dealt with.

Specifically, 2022 saw a focus on the following megatrends of environmental, social and economic sustainability particularly relevant for the sector, at the national and international level (see Figure 3), confirming the trends already been seen in the previous year. From an environmental point of view, primary attention is paid to the issues of **combating climate change** and the **protection of biodiversity** (for the nautical sector, the protection of marine ecosystems is central). These go hand in hand with the aspects of sustainable boat design – in other words the set of ecodesign solutions aimed at limiting the environmental impact of products, with a consequent reduction in atmospheric and marine pollution, connected to the production and use phases of the boats – and of moderation and innovation in the use of raw materials, particularly those of natural origin.

From a social point of view, in addition to ensuring a higher level of supervision with reference to the management and traceability of the supply chain, above all in order to guarantee greater protection of fundamental human rights, the theme of a **lack**

of a skilled workforce is central – both in terms of manpower and in terms of engineering –, in part also as a result of the crisis caused by the Covid-19 pandemic and the changes that this situation has brought about in working methods.

FIGURE 3 - THE MAIN SUSTAINABILITY MEGATRENDS IN 2022 FOR THE SECTOR

ENVIRONMENTAL,
SOCIAL AND ECONOMIC
MEGATRENDS FOR THE
YACHTING SECTOR
IN 2022

Procurement of raw materials

- a. Bottlenecks in global supply chains and consequent higher prices and difficulty in obtaining raw materials (particularly metals) for the construction of yachts
- b. Search for alternative raw materials with a lower environmental impact to be used for hulls, superstructures and furnishings (for example bamboo, linen or basalt)
- c. Ban on the import and use of teak from Myanmar
- d. Energy crisis

Sustainable design

- a. New regulations at the European level on product eco-design:
 - Definition of requirements for product eco-design
 - Digital product passport
- b. Project developments from an eco-design point of view:
 - Use of recycled and recovered materials
 - Gradual reduction in the use of styrene, formaldehyde and ammonia
 - Reduction of energy consumption and emissions generated during the production phases
 - On-board energy efficiency
 - Design for Disassembly and end of life management of the yacht

Climate change

- a. Tightening of European and international regulations (Paris Agreements 2015; European Green Deal 2020; IMO's Initial GHG Strategy; MARPOL - International Convention for the Prevention of Pollution from Ships)
- b. Design developments:
 - alternative propulsion (biofuels, hybrid, electric, hydrogen)
 - installation of specific fume treatment systems
 - energy efficiency processes in boats (for example, insulation systems and use of crystals)
- c. Sector partnerships to create homogeneous solutions able to demonstrate the contribution of the yachting sector to the fight against climate change
- d. Increase of plastic pollution

Marine biodiversity

- a. Tightening of European and international regulations (COM(2020)380, EU Biodiversity Strategy 2030)
- b. Loss of biodiversity, identified by the United Nations as an environmental threat on a par with climate change
- c. Elimination of water pollution inputs
- d. Biofouling and antifouling paints
- e. Attention to anchoring aspects (developments in terms of establishment of "no-go areas" and "no-anchoring areas")
- f. Global partnerships for the protection of marine ecosystems

Workforce

- a. Labour shortage for the sector (lack of availability of specialised operators)
- b. Need for greater integration and empowerment of the female component of the workforce in the nautical industry (employees and external workers)

Sustainable supply chain management

- a. Labour standards in the supply chain (protection of basic human rights)
- b. Traceability of the supply chain (identification and management of environmental impacts and guarantee of greater knowledge of information on production processes, up to the origin of the raw materials to be procured)
- c. Labour standards in the supply chain (protection of basic human rights)
- d. Traceability of the supply chain (identification and management of environmental impacts and guarantee of greater knowledge of information on production processes, up to the origin of the raw materials to be procured)



SANLORENZO'S ANSWER

Well-aware of the main sustainability issues characterising its operating context, the Group has laid the foundations for a structured supervision from both an environmental and social point of view, through the development and implementation of projects and initiatives that make it possible to offer a concrete answer to the challenges analysed.

The Group's interventions – completed or currently in progress – are summarised below (see Figure 4) and subsequently presented in greater detail in the various chapters of this NFS.

FIGURE 4 - THE INTERVENTIONS ADOPTED BY THE SANLORENZO GROUP IN RESPONSE TO GLOBAL AND SECTOR CHALLENGES

AREAS OF DEVELOPMENT OF THE SANLORENZO GROUP'S SUPERVISION

Procurement of raw materials

- Prevention of delays in the delivery of raw materials by suppliers through a continuous planning process – to anticipate the actual production needs – and verification of supplier operations, complemented by a supplier diversification strategy (see Chapter 4)
- Creation of inventories for materials characterised by a higher level of vulnerability (see Chapter 4)
- Internal presentation of alternatives to teak: for example, teak from other countries (Thailand, Indonesia), other types of wood, bamboo, laminate, synthetic (see Chapter 5)

Sustainable design

- Interventions on the use of eco-compatible materials, with a view to circularity of materials (see Chapter 5)
- Interventions for the recycling of materials and components – Design for Disassembly (see Chapter 5)
- On-board energy efficiency (see Chapter 5)
- Participation in the development of the Yacht Environmental Transparency Index (YETI) (see Chapter 5)
- Interventions to reduce energy consumption in the production phase (see Chapter 4)

Climate change

- Exclusive strategic partnership with Siemens Energy on methanol fuel cells (see Chapter 5)
- Study on the use of yachts by shipowners to maximise energy generation and storage according to use
- Lightness of construction, hull efficiency and propulsion efficiency (electric diesel on models > 50 m; Volvo IPS system; fuel cell/batteries; SCR system and selective catalyst; ZEM cruising mode) for the reduction of GHG emissions generated by the use of the yachts (see Chapter 5)
- Search for solutions for the abatement of particulate matter and unburned material (see Chapter 5)

Marine biodiversity

- Pilot applications of non-toxic antifouling paints and checks with respect to the occurrence of secondary risks (see Chapter 5)
- Membership Water Revolution Foundation and Blue Marine Foundation (see Chapter 3)

Sustainable supply chain management

- Further formalisation of the document verification processes of tenders, with separate management between Sanlorenzo and Bluegame (see Chapter 4)
- Launch of the supply chain mapping project (see Chapter 4)
- Implementation of the Confirming Programme (see Chapter 4)

Workforce

- Collaboration with local institutions (e.g. Confindustria La Spezia) for the promotion of local technical-craftsmanship know-how (see Chapter 4)
- Implementation of initiatives aimed at attracting new talent (see Chapter 4)
- Implementation of initiatives to support employee retention (see Chapter 4)
- Training on nautical trades through the Sanlorenzo Academy (see Chapter 4)



NOTES

- The information provided in the following section was sourced from the “La Nautica in Cifre. LOG. Analisi del mercato 2021” and “La Nautica in cifre. MONITOR. Trend di mercato 2021-2022” publications, published by Confindustria Nautica and the Edison Foundation. The data relating to the performance of the sector in 2021 is the most recent available to date.
- 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.
- 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.

PASSION FOR THE SEA

ANCHORED TO OUR HISTORY TO NAVIGATE TOWARDS THE FUTURE
BRAND IDENTITY
"YOUR VISION, OUR CRAFT"
SANLORENZO GROUP PERFORMANCE IN 2022



ANCHORED TO OUR HISTORY TO NAVIGATE TOWARDS THE FUTURE

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 Sanlorenzo 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, in other words 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.

The evolution of the Maison Sanlorenzo brand and of Bluegame yachts finds its natural continuation in the interventions aimed at integrating the principles of sustainability in the design of our boats. Remaining faithful to the traditional lines that characterise the Group's yachts and superyachts, 2022 marks another key milestone in the history of the Company, with the introduction of models with key characteristics resulting from a continuous stylistic and technological research, with reduced environmental impact, including a hybrid engine.

1958-1974



The early days

1958: The foundation of Sanlorenzo in Limite sull'Arno, near Florence. The first Sanlorenzo motor boats – just over 9 metres long – are built in Viareggio.

Late **1960s:** Expansion of Company production to 36-60 foot wooden yachts, which quickly sees great success with respect to the competition.

1972: Acquisition of the Company by Giovanni Jannetti, who establishes a site in Viareggio, and presentation of two models of boats in marine plywood: the Sanlorenzo 15.5 and the Sanlorenzo 20.

1974-2004



Creating the legend

1985: Presentation of the SL57, the Cantieri Sanlorenzo's first fiberglass model, which is immediately a great success. Launch of the Company's customisation services offer, allowing owners to customise the style and design of their yacht. With the launch of the first SL100 – following the SL70 and SL80 models – Sanlorenzo officially enters the superyachts world.

1995: With the launch of the first SL100 – following the SL70 and SL80 models – Sanlorenzo officially enters the superyachts world.

1999: The Company's headquarters are moved to Ameglia (in the province of La Spezia), inside the Montemarcello-Magra-Vara Natural Park.

2005-2021



A new phase of growth

2005: Acquisition of a majority stake in Cantieri Navali Sanlorenzo S.p.A. by Massimo Perotti. The company is renamed Sanlorenzo S.p.A.

2007: Opening of the facility in Viareggio with a second division for the production of new lines.

2007: With the launch of the first SD92, the new SD line of semi-displacement hull yachts is introduced, tied to a new concept of experience at sea, with attention to quality and the pleasure of reaching one's destination without haste.

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

2011: Sanlorenzo becomes the third biggest shipyard in the world in the production of yachts over 24 metres, reaching second place in **2014**.

2016: Opening of the facility dedicated to the production of metal superyachts in La Spezia.

2018: Bluegame S.r.l. joins the Sanlorenzo Group. Together with the Zuccon firm, the production of the first BG42 and BG62 models gets underway.

2019: Listing of Cantieri Sanlorenzo on the Euronext STAR Milan segment of Borsa Italiana, on December 10, marking a major milestone and a symbol of the Company's evolution.

2019: Introduction of the new BGX line, representing the combination of the typical elements of Bluegame yachts and the crossover concept, created by Sanlorenzo in its SX line, a revolutionary project in the superstructure and in the intertwining of use of spaces and functions.

2020: Launch of the first SX112, a boat in direct relationship with the marine context.

2021: Presentation of the new Bluegame project, the BGM range, revolutionary in its segment.

2021: Part of the Bluegame production – construction of the hull of the BG72 model and initial work necessary for the production of the new BGM75 – is internalised within the Ameglia shipyard.

2021: Part of the Bluegame production – construction of the hull of the BG72 model and initial work necessary for the production of the new BGM75 – is internalised within the Ameglia shipyard.

2021: Acquisition of a new site in Massa dedicated to semi-finished composite products.

2022-ON:



On a new course

2022: Launch of the first yacht of the SP – "Smart Performance" range, the SP110, an open coupé with which the Company enters the world of sports boats. A boat able to guarantee high performance with maximum energy efficiency.

2022: Launch of the entry-level model of the renewed SD line, the SD90, which focuses on transversal technological efficiency, both in terms of performance and research into materials.

2022: The keel of the first Sanlorenzo 72Steel is laid, marking the official recognition of the start of construction on the future flagship of the superyacht fleet. It will be one of the first yachts of the future to be fitted with a diesel-electric hybrid drive system.

2022: Agreement between Bluegame and the New York Yacht Club American Magic for the design and construction of the first "chase boat" featuring an exclusively hydrogen propulsion system and use of foils, built according to the strict requirements of the event protocol.

2022: Insourcing of part of Bluegame's production in the Ameglia shipyard.

2022: On July 20, 2022 Bluegame S.r.l. acquires a majority stake (60%) in I.C.Y. S.r.l.

2022: PNVSY S.r.l. is merged by incorporation into Sanlorenzo S.p.A. in September.

2022: On October 14, 2022 Sanlorenzo S.p.A. establishes a newco called Sanlorenzo Arbatax S.r.l. which will focus on the production of small/medium sized semi-finished composite products, increasing the production capacity of the Yacht and Bluegame Business Units.

2022: Following the acquisition of Mediterranea Real Estate and Tomei, the two companies are merged by incorporation into Sanlorenzo S.p.A. in December 2022.

2022: On December 19, 2022 Sanlorenzo S.p.A. acquires 100% of the shares of Equinox S.r.l.

2022: Sanlorenzo S.p.A. controls Polo Nautico, following the acquisition of a further stake in the company. Previously, Polo Nautico Viareggio

was an associated company of Sanlorenzo S.p.A. Polo Nautico Viareggio S.r.l. manages and offers its members a 7,000 square metre yard facing the sea, which includes docks for moorings and related equipment and services in Viareggio.

2022: In 2022, Sanlorenzo S.p.A. launches a strategy aimed at the verticalisation of strategic suppliers, purchasing minority shares in a number of companies. Acquisitions already completed include a 33% stake of Duerre S.r.l. and a 48% stake of Carpensalda Yacht Division S.r.l.

INSIGHT

Bluegame, established by combining sailing with motor boating

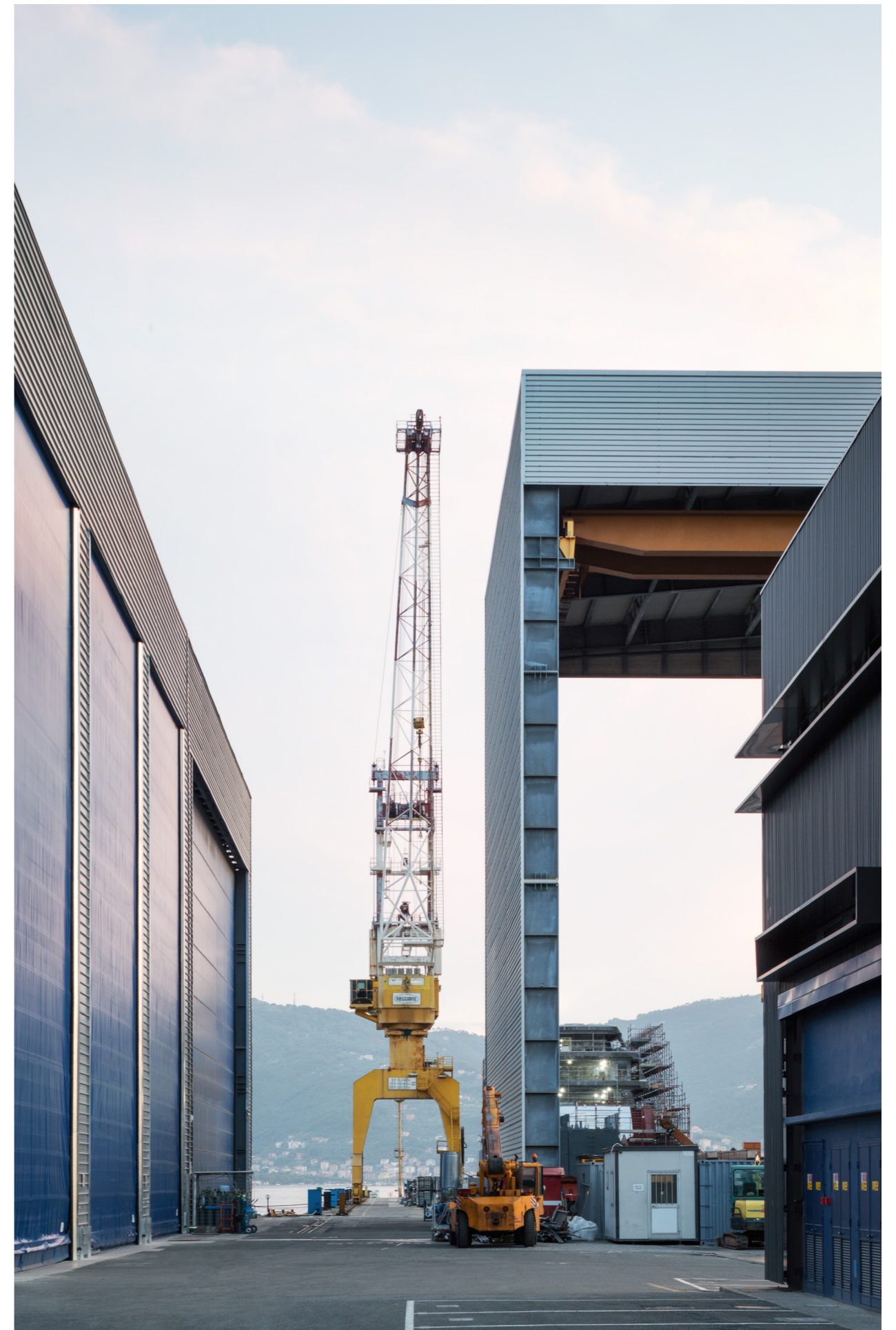
Operations at the Bluegame shipyard started between **2003** and **2004** thanks to the vision of Luca Santella, an architect and two times Olympic sailing champion. In 1999 Santella had started work on the design of an extremely innovative boat together with an owner with whom he engaged in racing. 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 Bluegame S.r.l. Company was established.**

As of 2021, the Sanlorenzo Group has gradually internalised the production of Bluegame within the Ameglia shipyard.



The Sanlorenzo Group today: an international player

The Group's business model provides for the organisation of production into **three Business Units**, diversified according to the product lines:

- the **Yacht** Business Unit (composite yachts 24 to 38 metres long, under the Sanlorenzo brand), whose production is carried out in the Ameglia – the Company's main headquarters –, Viareggio and Massa shipyards;



- the **Superyacht** Business Unit (aluminium and steel superyachts 40 to 73 metres long, under the Sanlorenzo brand) operating at the La Spezia shipyard and the new Viareggio shipyard, within the Polo Nautico complex;



- the **Bluegame** Business Unit (composite sport utility yachts between 13 and 23 metres in length, under the Bluegame brand), whose current production is carried out at the Ameglia shipyard and other shipyards located in the Lombard nautical district, in the area that extends around Lake Iseo.



In addition to the production divisions mentioned above, through the **High-End Services Business Unit**—created in 2020—the Group offers an exclusive range of services dedicated to Sanlorenzo and Bluegame customers, including training at the Sanlorenzo Academy for crew members assigned to Sanlorenzo yachts, maintenance, restyling and refitting for Sanlorenzo yachts (for more details see the “Sanlorenzo Timeless” section).

FIGURE 5 - PRODUCTION SITES

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

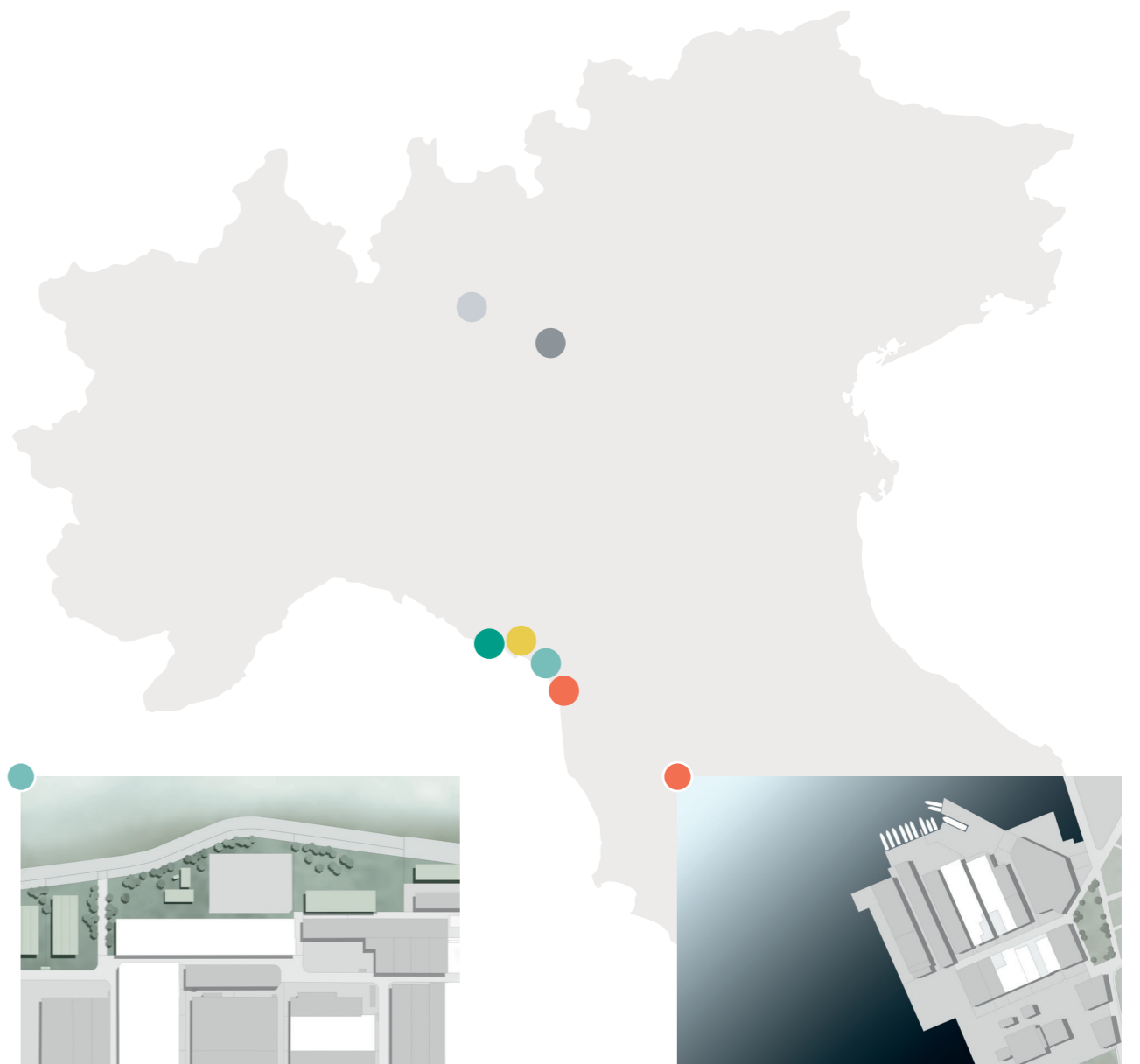
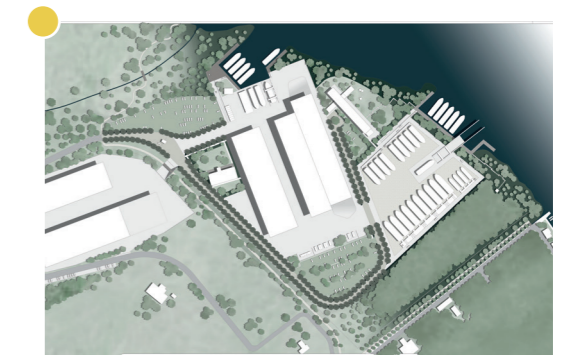


FIGURE 6 - THE SANLORENZO GROUP'S INTERNATIONAL PRESENCE

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 Figure 6), consisting of **23 Brand Representatives**, brand ambassadors worldwide and service points for the geographic areas in their province.

It also makes use of **11 Service Points**, namely independent shipyards able to directly manage any requests for technical intervention made by shipowners and to intervene on board in less than 72 hours from being notified. In addition, 13 Brand Representatives independently manage the Service and 4 partners have a Service Point contract in development (so-called "Privileged Partners").

- AMERICAS
- EMEA
- APAC

AMERICAS

- Sanlorenzo Fort Lauderdale
- Sanlorenzo Sag Harbor
- Sanlorenzo Montauk
- Sanlorenzo Messico
- Sanlorenzo Venezuela
- Sanlorenzo Colombia
- Sanlorenzo Panama
- Sanlorenzo Nicaragua
- Sanlorenzo Honduras
- Sanlorenzo Perù
- Sanlorenzo San Salvador

EMEA

- Atelier Sanlorenzo (Rapallo)
- Atelier Sanlorenzo (Lavagna)
- Sanlorenzo Adria
- Sanlorenzo Adriatic Coast (Riccione, Lignano Sabbiadoro)
- Sanlorenzo Tirreno
- Sanlorenzo France
- Sanlorenzo Monaco
- Sanlorenzo Germany & Benelux (Düsseldorf, Muiden, Knokke-B, Munchen)
- Sanlorenzo UK
- Sanlorenzo Spain (Mallorca, Portugal, Malaga)
- Sanlorenzo Greece
- Sanlorenzo Egypt (Il Cairo, El Gouna)
- Sanlorenzo Israel
- Sanlorenzo Bulgaria
- Sanlorenzo Poland
- Sanlorenzo Istanbul
- Sanlorenzo Cyprus
- Sanlorenzo Malta
- Sanlorenzo Russia
- Sanlorenzo Gulf (Dubai, Beirut, Kuwait, Saudi Arabia)

APAC

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



BRAND IDENTITY

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.

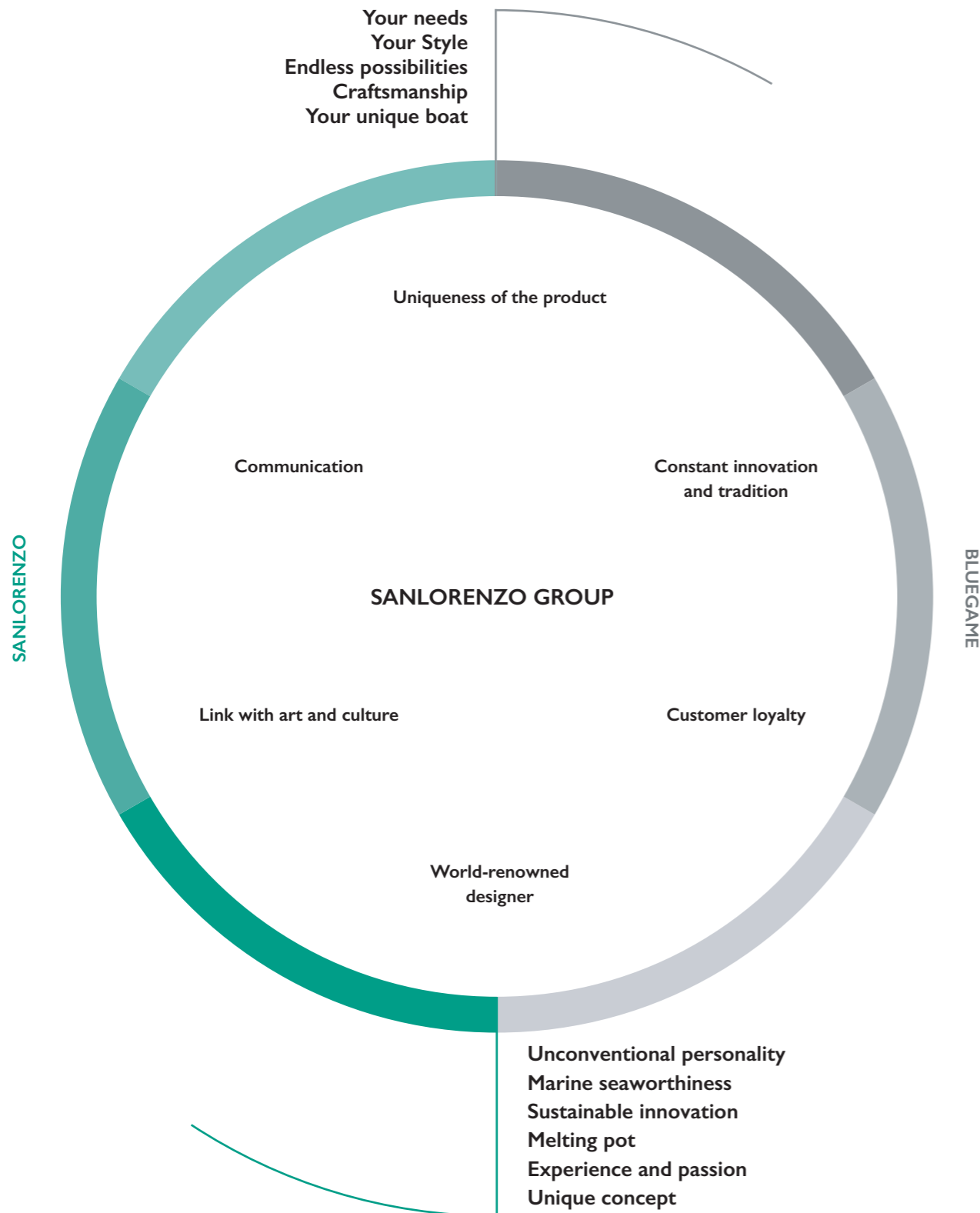
Today, the Sanlorenzo Group is the only luxury yacht player to compete in several segments under a **single brand**, producing custom-built yachts and superyachts, outfitted and customised according to the specific requests and desires of an **exclusive clientele** and characterised by a **distinctive** and **timeless** design. The **uniqueness of the product**, the **constant innovation** of design in **respect of tradition**, **customer loyalty**, collaborations with **world-renowned designers**,

communication and the **link with art and culture** are the key enablers underlying the Group's business model and the affirmation of its success in the luxury yachting sector; as a symbol of **Made in Italy excellence and exclusivity**.

The distinctive values of the two souls of the Group – Sanlorenzo and Bluegame (see Figure 7) – intersect around these common factors, as better described below.



FIGURE 7 - THE DISTINCTIVE FEATURES OF THE SANLORENZO GROUP



THE DISTINCTIVE FEATURES 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.

Endless 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 offer a **heritage 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 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 DISTINCTIVE FEATURES OF BLUEGAME

Unconventional personality

Personality is the unique and genuine outcome of a journey. It is not opposed to conventionality, as it is already 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. Uniqueness is not only visible to the eye, but also emerges from a thought, a construction, a distinctive path.

“YOUR VISION, OUR CRAFT”

The business model of the Sanlorenzo Group is based on the delivery of a limited number of boats per year: in 2022, 64 under the Sanlorenzo brand and 32 under the Bluegame brand.

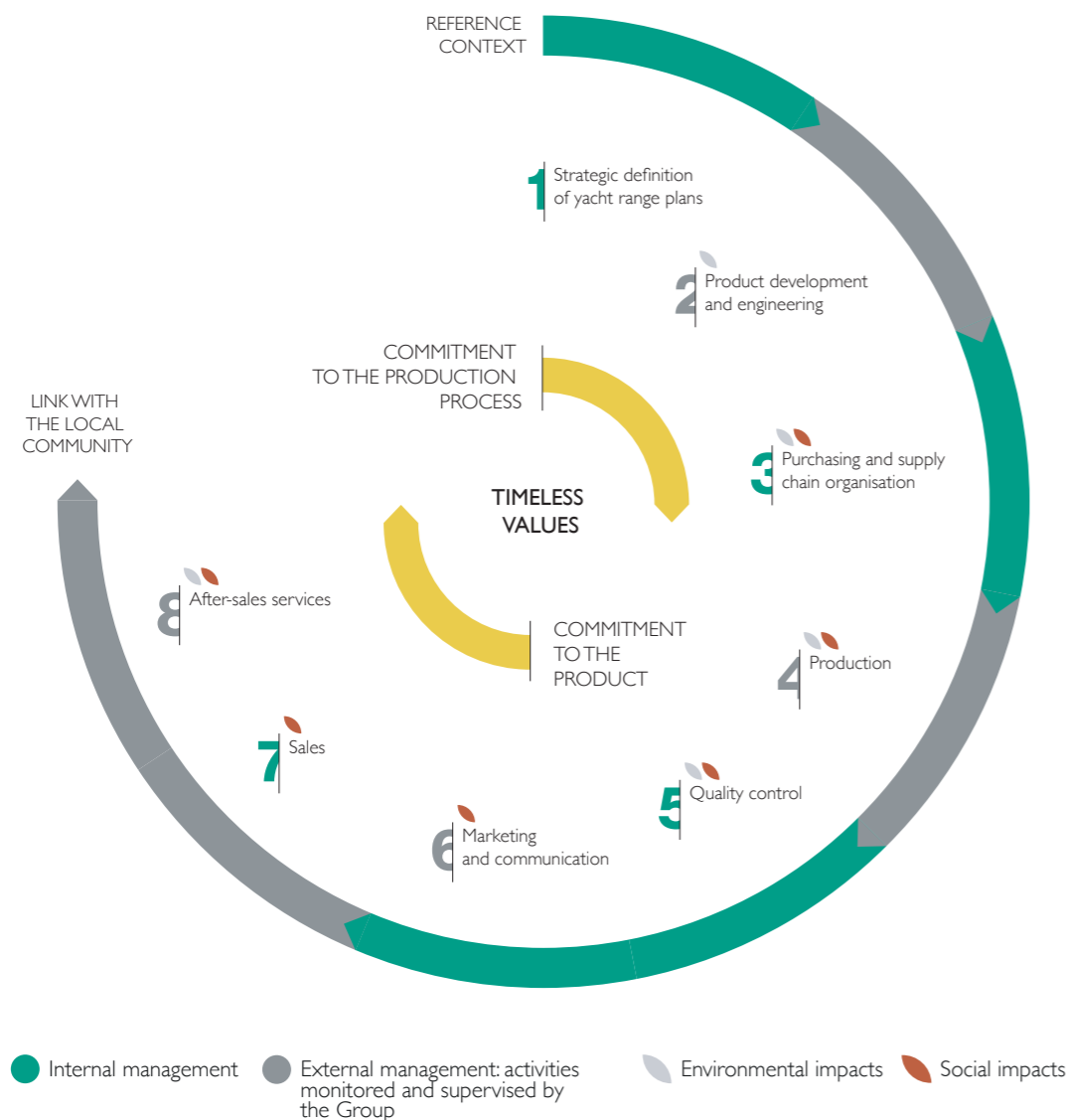
Their production – under contract within the Group’s shipyards and externally at the shipyards of the contractors on which Bluegame relies – is commissioned based on long-term relationships, to a **supply chain of over 1,500 highly qualified artisan companies**, largely located in the nautical district of the Upper Tyrrhenian Sea, between La Spezia and Viareggio, and of Lombardy, between Bergamo and Brescia.

The meticulous attention to every detail and the phases of the Group’s value chain linked to the definition of new innovative and sustainable products, quality control, enhancement of the two brands and direct interaction with the customer; on the other hand, are the responsibility of the Group.

Building a boat takes time and passion. The Group’s value chain, in fact, is articulated on the succession of eight phases (see Figure 8), of a strategic and operational nature, which are carried out in compliance with the two pillars of the Group’s action to achieve responsible development: commitment to the **production process** and commitment to the **product** (for more details see the “*Responsible development management*” section).

In line with the values that shape the work of Sanlorenzo and Bluegame, the Group’s business model is oriented towards **creating value for all its stakeholders** and **minimising the environmental and social impacts generated directly and indirectly**. Moreover, the business model is fully integrated with the reference context in which the Group operates relying, in particular, on the close link with the local area and with local communities, aspect that plays a key role in the overall creation value.

FIGURE 8 - THE SANLORENZO GROUP VALUE CHAIN



The first stage consists in the **1|strategic definition of range plans**, in other words the identification of the lines and the model of boat to be produced in relation to the specific historical and commercial context and the evolution of customer needs. Collaboration with the R&D Function is fundamental from the dual point of view of carrying out R&D activities on potential new application fields and the implementation of innovative technical solutions for the new models that will be developed (for more details see “*The engine of innovation*” section).

The next stage involves the **2|design of the identified models**, 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 studio for the creation of the external lines, with the goal of ensuring uniformity and making the distinctive features of Sanlorenzo and Bluegame visible in each boat that is built (for more details see the “*Maison Sanlorenzo*” and “*For Bluegamers only*” sections).

Procurement management and **3|supply chain** organisation are the direct responsibility of the procurement offices of the individual Business Units and generally follow the formula of the order based on production plans with visibility up to about 36 months (for more details see the “*Strengthening of the supply chain*” section).

This is how the **4|production** phase of each individual yacht begins. With regard to the Yacht and Superyacht Business Units, the production is carried out by contractors mainly operating at the Sanlorenzo shipyards. In the case of Bluegame, the production of fiberglass is entrusted to subcontractor shipyards, while – as of 2022 – assembly and outfitting are carried out in the Ameglia shipyard, within the area managed directly by Bluegame.

The companies with which the Group has partnered are local artisanal businesses of excellence. Moreover, thanks to this industrial structure – which has no equal in the yachting sector – the Group is able to offer the flexibility of execution necessary to maintain the promise of “*made to measure, handmade and done well*” for each of its yachts (for more details see the “*Commitment to the production process*” section).

Both in the case of Sanlorenzo and Bluegame, the production activity is frequently interspersed with **5|quality controls**, which are subsequently also carried

out before delivery of the final product. This phase is essential to ensure full compliance with the quality and technical standards defined by the Group and the Italian Naval Register (RINA). In addition, the production progress is checked on a daily basis by Bluegame’s technical staff, including on site at the subcontractors’ facilities. Additional tests can also be conducted at the owner’s request, as deemed necessary, during the control phases carried out by the latter’s *surveyor* (for more details see the “*Sanlorenzo Timeless*” section).

The **6|marketing and communication** activities – carried out using traditional communication tools, participation in industry and non-industry trade fairs, the organisation of sector events and participation in external events – are aimed at identifying market needs and promoting the Group’s product 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 the shipowner.

The **7|commercial** activities – mainly carried out in spring and autumn – consist of sales-related activities through which the Companies acquire the orders and conclude with the direct delivery, or indirectly through Brand Representatives, of the vessel to the owner. In the case of Bluegame, sales take place exclusively through the network of Brand Representatives.

Moreover, it should also be noted that the Sanlorenzo business model also provides for the trade-in of used yachts (Sanlorenzo boats and other brands) including from its own customers, which the Company refurbishes through a specific maintenance programme entrusted to the expert hands of a specialised technical team (for more details see the “*Sanlorenzo Timeless*” section).

The relationship with the shipowner does not end with the delivery of the vessel. The Group, in fact, guarantees its customers a series of **8|after-sales services** which include technical assistance, in-port hospitality services, yacht maintenance and restyling services (both Sanlorenzo and other brands) and training services for captains, crew members and service technicians. Bluegame relies on the after-sales services offered by dealers and maintains a constant dialogue with trusted service points, to be able to respond to customer assistance needs even during navigation. In the event of structural problems, Bluegame intervenes directly (for more details see the “*Sanlorenzo Timeless*” section).

The high complexity of the value chain requires numerous and specific skills. Some key figures are:

THE MAIN PROFESSIONAL FIGURES INVOLVED ALONG THE VALUE CHAIN

CAPTAIN OR SKIPPER	ON-BOARD QUALITY MANAGER	SALES TEAM	PROJECT MANAGER	PROJECT ENGINEER
Coordinator of the workers – mainly contractors – on board the yacht in production.	Responsible for the quality control phase of the various on-board processes and pre-delivery checks.	Coordinates the contractual and financial part of the order beginning from initial client contact.	Supervises the yacht configuration phase; deals with the technical side of sales and, together with the sales team, interfaces with the client throughout the production process.	Provides/coordinates technical expertise in the specific type of model; coordinates the executive design and planning of customisation and modification of the product range.

SANLORENZO GROUP PERFORMANCE IN 2022

2022 was a year of recovery for the Italian manufacturing sector; a trend evident above all in the results of the yachting or recreational boating sector, which has confirmed itself as the leading representative of Made in Italy abroad.

The year that just ended was, nevertheless, still characterised by significant challenges from an economic, political and social point of view. Some of the key challenges included the difficulties in the procurement of components, price fluctuations and the lower availability of raw materials, the shortage of manpower and the energy, economic and humanitarian crises following the outbreak of the Russian-Ukrainian war. With reference to the interruptions experienced by the global supply chains, however, the effectiveness of the Italian manufacturing model, articulated in many niche productions that create a “custom-made” production instead of a mass production as typically occurs in the large productions of other countries, can certainly be affirmed.

The strength inherent in the product, the high level of customer loyalty and the implementation of an efficient management model based on a flexible cost structure, while ensuring manufacturing excellence, are the key factors that drive **sustainable growth** and the **capacity for constant resilience** that have distinguished the Sanlorenzo Group from day one.

These elements, together with a large percentage of direct sales to end customers, with a limited “sell-in / sell-out” risk by resellers and a more favourable cash-in profile, allow the Group to register a higher growth rate than the market.

In particular, 128 boats over 24 metres were built in 2022 (117 in 2021), corresponding to a total length of 4,577 metres (4,159 in 2021)².

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 to order directly from the end customer: the net consolidated backlog³ as at 31 December 2022, after deducting the Net New Revenues⁴ generated during the year, amounts to Euro 1,069.62 million, up 17% on the previous year.

The Value of Production for the year was equal to Euro 762,526 thousand (the 16% increase compared to 2021 is mainly attributable to higher Gross Revenues). Net New Revenues amount to Euro 740,679 thousand. In particular, on new yachts, 62.7% of revenues are attributable to the Yacht Business Unit, followed by the Superyacht with 27% and finally the Bluegame Business Unit, whose share is equal to 10.3% of the total. With reference to the sales made in the various geographical areas, it can be noted that the largest share of the Group's New Net Revenues pertains to Europe, followed by the American market.

FIGURE 9 – NET NEW REVENUES IN 2022 BY BUSINESS UNIT



BY GEOGRAPHICAL AREA



Adjusted EBITDA amounted to Euro 130 million, up 36% compared to 2021, with a margin of 17.6% of Net New Revenues. The profit generated during the year amounts to Euro 74.7 million.

The steady increase in operating profitability is linked, in particular, to the change in the product mix in favour of larger yachts in each Business Unit and to the increase in average selling prices over the last year.

INSIGHT

The influence of the Russia/Ukraine war on business

The conflict between Russia and Ukraine began on February 24, 2022, following the previous latent tensions which had already highlighted, in the second half of 2021, the so-called “gas war”. The drama experienced from a humanitarian point of view has also been accompanied by a major economic crisis generated by the sudden increase in the cost of raw materials – primarily energy and agricultural materials – and the consequent rise in inflation. The direct impacts on the Group deriving from the outbreak of war in Ukraine are more or less limited. In particular, the exposure to customers of Russian nationality is marginal and spread over three years. It should be noted that these are subjects not affected by international sanctions on an individual level (so-called “Specially Designated Nationals”) and that, to date, no

orders have been cancelled by customers. The probability of the risk of order cancellation occurring is very low, if taking into consideration the advances received from customers on yachts under construction and the retention of ownership of the same by the shipyard, to which we also add the numerous requests from potential new customers. The Group constantly monitors the situation and the latest updates on international sanctions, in line with our rigorous **Know Your Customer** policy and with the **Sanctions Compliance Programme**, adopted by all Group companies (for more details see the “*Responsibility, integrity and transparency*” section). Finally, it should be noted that the Group does not use suppliers located in Russia and in areas affected by the war.

In 2022, the Group's investment plan (referring entirely to Sanlorenzo S.p.A. and Bluegame S.r.l.) – of a total value of Euro 46.62 million – mainly consisted of activities to increase production capacity to support growth (48.1% of the total investments made), as made evident by the acquisitions made during the year. In addition to this allocation of investments, during the year the Group allocated 41.9% of the resources envisaged for the year to R&D, product development and the creation of models and moulds, 5.5% to recurring industrial investments for equipment and systems and, finally, 4.5% to other investments.

In particular, the investments dedicated to research and development activities are aligned with the expansion of the various product ranges, which in 2022 saw the launch of 3 new lines characterised by unprecedented and transversal features for the various market segments and inspired by sustainability criteria. The expansion of existing lines also continued, in particular in the Bluegame Business Unit.

FIGURE 10 - INVESTMENTS MADE IN THE 2020-2022 THREE-YEAR PERIOD, BY AREA (SANLORENZO)

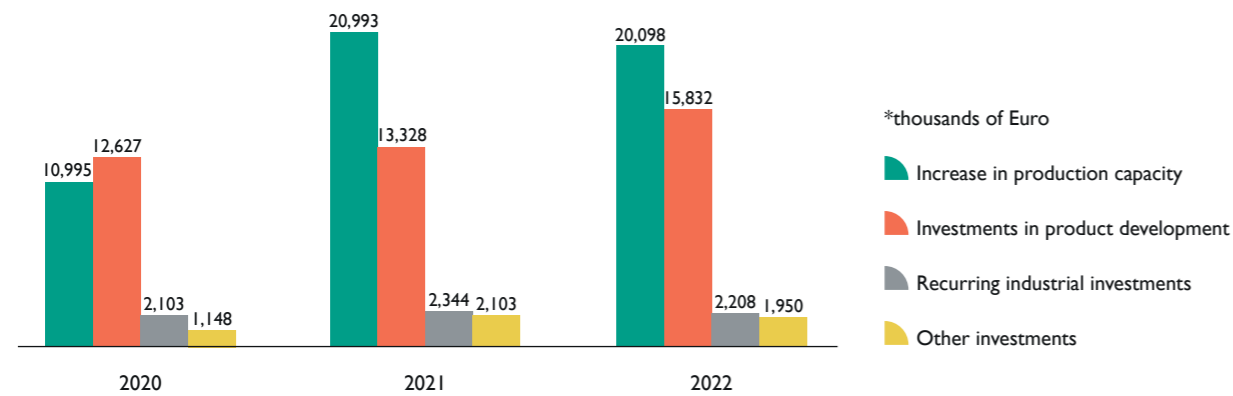
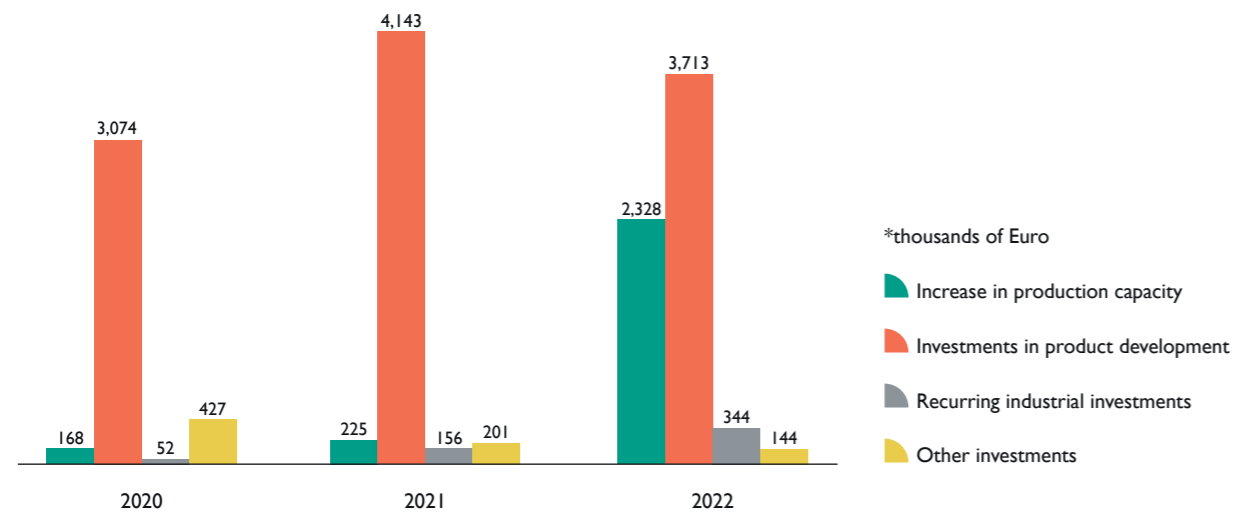


FIGURE 11 - INVESTMENTS MADE IN THE 2020-2022 THREE-YEAR PERIOD, BY AREA (BLUEGAME)

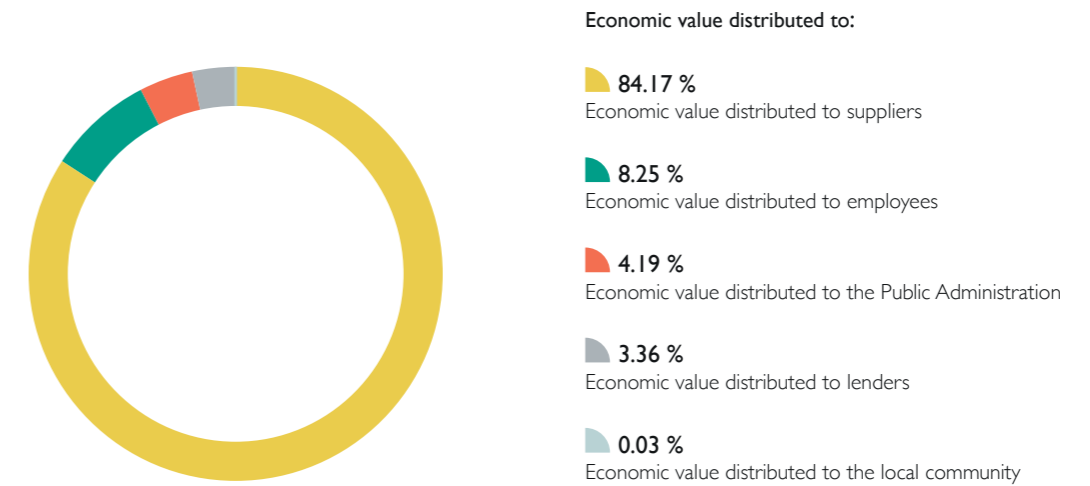


For Sanlorenzo, pursuing sustainable growth also means sharing the **creation of value with its own stakeholders**. Of the total economic value generated in 2022, equal to approximately Euro 759 million (around +13% compared to 2021), 85% was distributed among the

various categories of Group stakeholders, as shown in the graph below⁵. The difference between the two values represents the economic value retained within the Group, equal to approximately Euro 113 million (-5% compared to 2021).



FIGURE 12 - ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS BY THE GROUP IN 2022

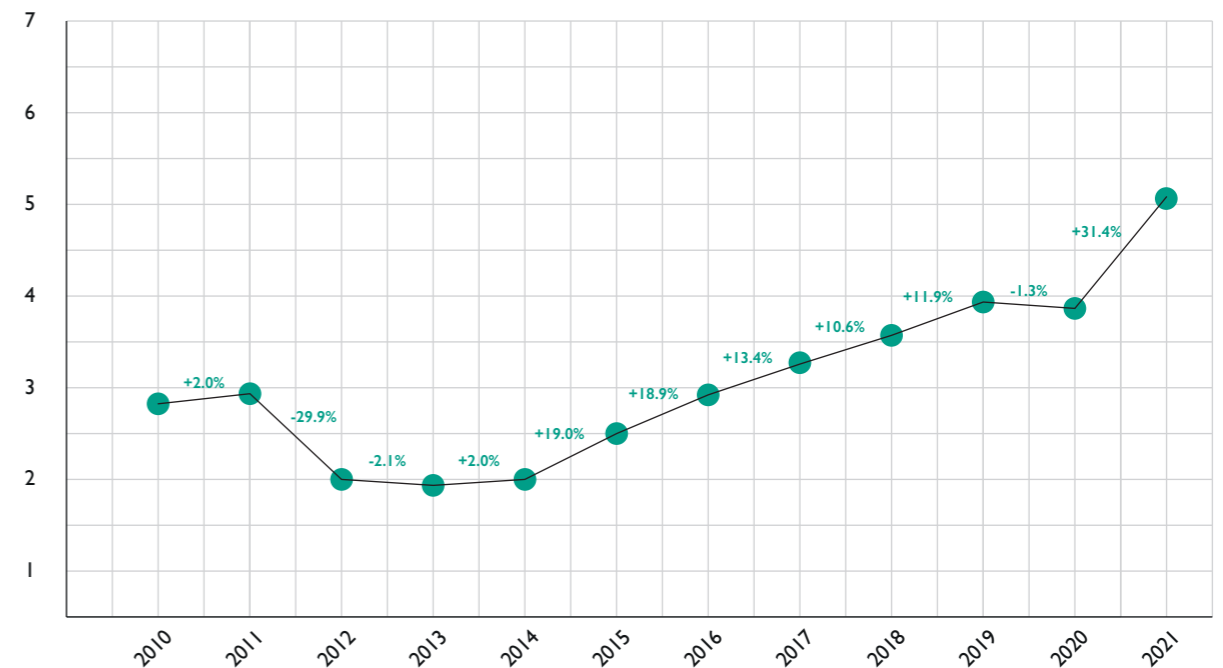


The impact of the value generated by the Sanlorenzo Group on the Italian context

In 2021, the contribution of the yachting sector to the national GDP⁶ stood at around Euro 5.14 billion, up by 31.4% on 2020. The GDP of the yachting sector therefore has a weight equal to 2.89% compared to the Italian GDP.

The largest share of this value (59.5%) is determined by the intermediate costs of the sub-sectors⁷ – with an implicit assessment of the amount of related activities upstream of the sector –, followed by the component (28.5%) deriving from added value and, finally, the remaining share (12%) associated with intermediation margins⁸ for shipbuilding⁹.

FIGURE 13 - ANNUAL PERCENTAGE CHANGE IN THE CONTRIBUTION OF THE YACHTING INDUSTRY TO THE NATIONAL GDP (2010-2021).

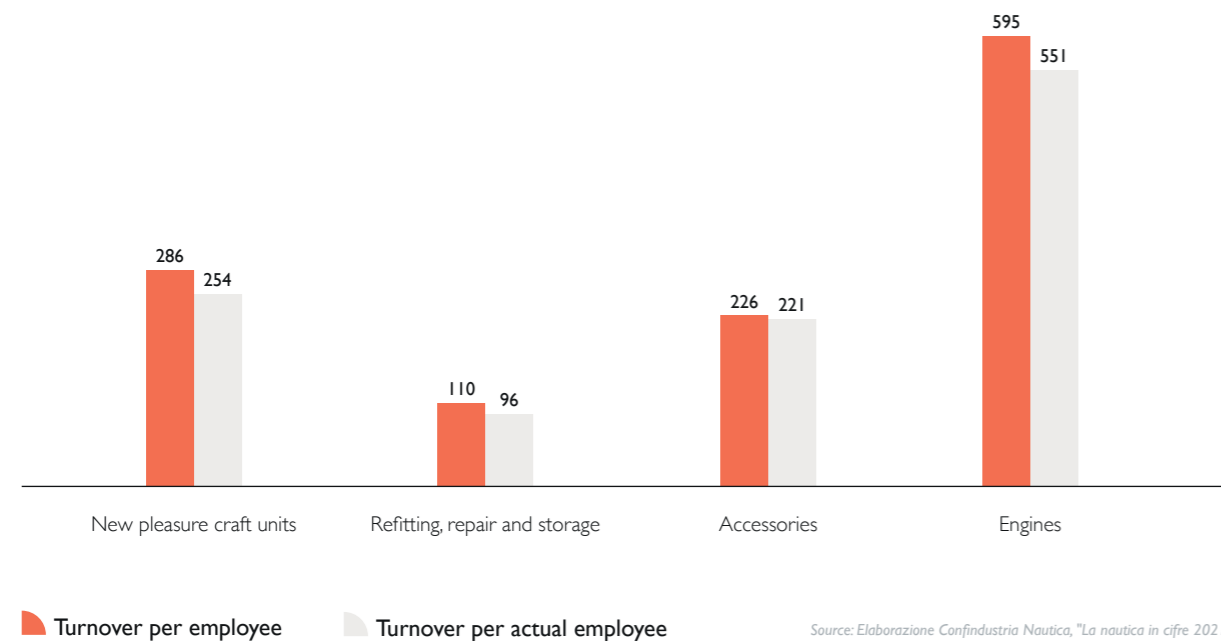


Source: Elaborazione Confindustria Nautica, "La nautica in cifre 2021"

In particular, the “production hub of the Upper Mediterranean¹⁰⁾ – an area where Sanlorenzo Group’s activities are also located – ranks first in terms of turnover generated in Italy in 2021.

Moreover, in terms of the sector’s impact on the labour market, in 2021 the Italian yachting sector employed **24,000 employees** (22,000 in 2020) and **3,190 external workers** (2,350 if calculated as “full-time equivalent workers”¹¹⁾). Most of the employees and external workers are employed in the shipbuilding sector (production and importation of new units). The Italian province that recorded the highest number of workers working in the pleasure shipbuilding sector in 2021 is Lucca.

FIGURE 14 - TURNOVER PER CAPITA 2021 (EURO/000)



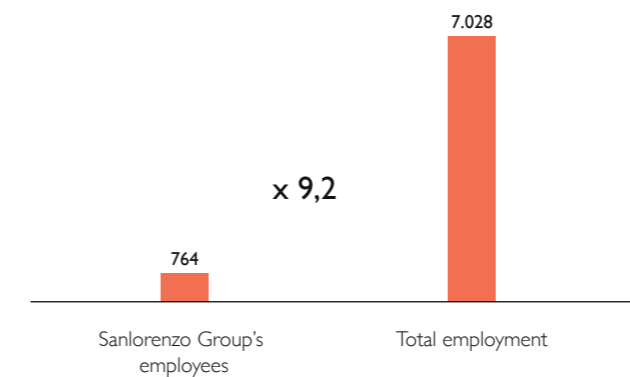
The Sanlorenzo Group also wanted to calculate – as of 2021 – its impact in terms of contribution to the **generation of induced employment in Italy**, through the employment of its direct employees but also, indirectly, through the suppliers and contractors working for the Group.

The objective of the induced employment indicator created by the Sanlorenzo Group is to determine the total number of jobs attributable, directly and indirectly, to the Sanlorenzo Group in Italy.

Based on the productivity indicator identified in the value of turnover per employee¹²⁾, it can be noted that in 2021 the most significant share is associated – both with reference to employees and actual employees – to the engine sector. It is specified that this indicator is representative of the type of activity carried out by each sector, which can be more or less people-intensive. In the case of the engines sub-sector, in fact, the number of employees is lower than that characterising the other sectors and, therefore, the per capita turnover is higher¹³⁾.

Shipbuilding industry is extremely complex and an extended contextual analysis is therefore required to encompass all the activities involved in the production, maintenance and usage of pleasure craft units. The Italian shipbuilding sector is constantly growing, second worldwide (after United States) and leading superyacht segment sales. It is one of the sectors with the highest occupational multiplier, which resulted to be 9.2 (Symbola, 2022).

FIGURE 15 – THE INDUCED EMPLOYMENT GENERATED BY THE SANLORENZO GROUP



Finally, the Group’s contribution to the **generation of economic and social value for the areas in which it operates** is also expressed through the correct management of taxation and the payment of taxes, carried out in accordance with the values of **honesty** and **integrity** and, in line with the Company’s sustainability strategy.

Tax compliance therefore contributes to ensuring the ethical and responsible management of the Company.

In 2022, the Group’s income taxes paid on the basis of the cash criterion amounted to € 27.3 million (+55% compared to 2021); taxes accrued on profits, on the other hand, amounted to € 27.5 million (+40% compared to 2021). Please refer to the “*Technical insights*” section for more detailed information.

NOTES

¹ Area D1 of the Ameglia shipyard dedicated to the assembly and outfitting of Bluegame yachts and to the production (fibreglass) of the future BGM75.

² 2023 Global Order Book - Top shipyards by length. BOAT International, December 2022.

³ 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.

⁴ Net New Revenues are calculated as the sum of revenues deriving from contracts with customers relating to the sale of new and used yachts, net of the related marketing expenses pertaining to commissions and the costs of collection and management of used yachts traded-in.

⁵ More details are provided in the Annexes at the end of the document (“*Technical insights*” section).

⁶ Calculated as the value of production at market prices.

⁷ Calculated net of purchases by each sub-sector from other areas.

⁸ Namely intermediation margins for placing production on the market.

⁹ The data is presented starting from the “*La Nautica in Cifre. LOG. Analisi del mercato 2021*” publication, published by Confindustria Nautica and the Edison Foundation. The data relating to the performance of the sector in 2021 is the most recent available to date. The calculation of the impact of the sector on GDP has been carried out according to the “input-output matrix” methodology.

¹⁰ Referring to the provinces of Genoa, La Spezia, Massa Carrara, Lucca, Pisa and Livorno.

¹¹ The number of “*full-time equivalent workers*” is obtained by converting the volumes of work performed by external workers (number of workers and duration in months of the relative contracts); on average, a duration of 9 months is estimated in full-time jobs.

¹² In other words the human factor performance. The value is obtained from the ratio between the Company’s production value and the number of effective employees and workers.

¹³ The data was produced starting from the “*La Nautica in Cifre. LOG. Analisi del mercato 2021*” publication, published by Confindustria Nautica and the Edison Foundation.

CHAPTER OVERVIEW: TECHNICAL DETAILS

REFERENCE GRIS:

2-1; 2-6; 2-29; 3-3; 201-1; 203-1; 207-1; 207-2; 207-3

REFERENCE SDGS:



TARGET: 8.1; 8.2

DESCRIPTION AND RELEVANCE OF THE “BRAND IDENTITY” TOPIC

The Sanlorenzo brand is recognised throughout the world as a representation of an authentic and quality Made in Italy. The promotion of the brand in Italy and abroad also involves the promotion of the fundamental values that guide the Group's operations in its day-to-day activities and in the definition of short, medium and long term strategies.

A central part of the brand's identity is the attention paid to satisfying customer needs and to the relationship – often of a multi-year nature – created on the basis of the promise of a design which, in addition to being characterised by high quality, also assumes an approach that is faithful to the “*made to measure*” concept.

IMPACTS ALONG THE VALUE CHAIN

1. Inside-out perspective (impact on the external context)

- **Risk:** Compromise of the value of Made in Italy and of the areas in which the Group operates, due to conduct that is not in line with the founding values of the Group and the expectations of stakeholders;
- **Opportunity:** Strengthening of the value of Made in Italy through the promotion of Italian culture and art;
- **Opportunity:** Promotion of Made in Italy, through the knowledge and reputation of the Sanlorenzo and Bluegame brands in the world.

2. Outside-in perspective (impacts on Group cash flows)

- **Risk:** Reputational with consequences in terms of increased costs for the Group, due to events or conduct not in line with the brand's founding values;
- **Opportunity:** Increase in the level of profitability (application of a *premium price*) thanks to the enhancement of the brand identity and the strengthening of the brand's positioning within the luxury market segment.

KEY STAKEHOLDER:

Customers
Shareholders and investors
Local communities
Public Administration and Regulatory Bodies
Contractors

ROAD TO 2030

THE STRATEGIC GUIDELINES OF THE GROUP
RESPONSIBLE DEVELOPMENT MANAGEMENT
MATERIALITY AND IMPACTS



THE STRATEGIC GUIDELINES OF THE GROUP

“Road to 2030” is the path that the Sanlorenzo Group is preparing to embark on throughout this decade. The **strategic drivers** form the foundation on which a **ten-year programme** has been developed, to create sustainable products and processes which entail the achievement of ambitious targets in advance of current regulations, in particular in terms of greenhouse gas emissions during use of the product. The Group’s ability to interpret the context and to anticipate changes is crucial in allowing it to constantly adapt its corporate strategies to the evolution of the

context within which it is positioned. Design, art and innovation in tradition have been the three key pillars on which Maison Sanlorenzo’s – and subsequently Bluegame’s – strategy has been built over the last decade. Strengthened and supported by the leadership acquired thanks to this clear vision, the Group has therefore chosen to enrich its strategy with additional drivers: **sustainability** and **technology, services** and **supply chain** are the key themes on which the growth path to 2030 will focus.

FIGURE 16 - THE EVOLUTION OF THE GROUP’S STRATEGIC GUIDELINES



The first strategic driver – **sustainability and technology** – translates into the introduction of innovations and technological solutions aimed at reducing the environmental impact of yachts, a key activity for the Group’s R&D Department, whose high level of expertise and experience has facilitated the signing of strategic agreements with the largest global players in power generation and energy management (for more details see “*The engine of innovation*” section). This is followed by the strengthening of the **high-end services** offer dedicated to customers, in line with the Group’s philosophy of pursuing the highest levels of excellence and with the brand’s “*made to measure*” positioning. A sartorial approach in which manufacturing excellence, high quality, innovation and design are accompanied by the exclusivity of the relationship with the customer (for more details see the “*Sanlorenzo Timeless*” section).

Finally, the additional priority driver embedded in the Group’s short and long term strategy concerns the **strengthening of the supply chain**. Craftsmanship is at the very heart of the Group’s business model, which seeks to establish increasingly closer partnerships with its suppliers and strategic contractors through initiatives to support them. These include extending the Group’s sustainability path, sharing best practices, the ability to employ specialised staff trained through the Sanlorenzo Academy and structured financial support (for more details see the “*Strengthening the supply chain*” section).

The new strategic guidelines therefore find direct and natural application within the approach to responsible development followed and implemented by the Group, of which a detailed description is presented in the next section, highlighting the increasingly **important link between sustainability and business strategy**.

RESPONSIBLE DEVELOPMENT MANAGEMENT

For the Group, sustainability implies **responsible development** and the constant search for a **balance between the need to be economically efficient and a sense of social and environmental responsibility** in its pursuit of corporate objectives. The Group is committed to mitigating the negative impacts of its business operations, through the definition of objectives and the availability of financial, technological, human and relational resources, while at the same time increasing the positive impacts, for the benefit of all its stakeholders.

In particular, the Group’s approach to responsible development (see Figure 17) and the related activities and initiatives – carried out or planned – are divided into **two key impact areas**: the production process and the product. These are underpinned by a **solid governance structure** with a specific focus on the strategic and operational management of sustainability activities, attention to the implementation of a **continuous and transparent dialogue with stakeholders** and the implementation of **partnerships with external actors** to contribute to a positive change in the yachting sector.

FIGURE 17 - THE SANLORENZO GROUP’S APPROACH TO RESPONSIBLE DEVELOPMENT



The impact areas identified represent a natural categorisation of the Group’s commitment to sustainability since its foundation. This, in particular, is evident thanks to the **constant focus placed on the collaboration with contractors and suppliers** that are part of an ecosystem of local artisanal businesses (for more details see the “*Strengthening the supply chain*” section). Moreover, with the acquisition of the Ameglia production facilities, mostly located within the Montemarcello-Magra-Vara natural park, the Company undertook to develop and extend to the other sites the obtainment of **certifications supporting environmentally friendly production processes** (for more details see the “*Focus on the environment in production processes*”) section. Following the acquisition of the Company by Massimo Perotti, the attention and

concrete commitment towards sustainability issues has been consolidated and further strengthened, extending sustainability criteria to the sphere of the product, in the search for a **constant technological innovation inspired by the principles of responsible development** (for more details see “*The engine of innovation*” section). An objective that becomes even more apparent within the drafting of the Group’s new strategic guidelines (for more details see “*The strategic guidelines of the Group*” section). The approach followed by the Group is thus clearly representative of the desire to **promote a culture of sustainable development** in the yachting sector; promoting continuous improvement and awareness **along the entire value chain**.

MATERIALITY AND IMPACTS

The identification of the material topics – in other words the sustainability topics on which the Group has the greatest impact in social and environmental terms – represents one of the key concepts underlying sustainability reporting, but also a critical input for the Sanlorenzo Group, with a view to the strategic integration of the aspects relating to sustainability in conducting business. The Company has, in fact, already taken steps to prepare a Sustainability Roadmap which will be completed by 2023, closely aligned with the material – and therefore strategic – topics for the Group. In line with what has already been defined by the **Sustainability Information Reporting Procedure** – adopted by the Board of Directors in February 2022 and subsequently updated in December – in 2022 **the materiality analysis** was updated (previously conducted in 2020, with the drafting of the first edition of the NFS) based on a **more formalised, structured and extensive approach**, also thanks to the **direct involvement of a sample of priority stakeholders** (for more details see the “Listening to stakeholders” section). Moreover, the Sanlorenzo Group’s intent was to begin integrating in its reporting the obligations that in the future would be envisaged for companies falling within the scope of application of the Corporate Sustainability Reporting Directive (CSRD), and the related European Sustainability Reporting Standards (ESRS), with reference to the aspect of “double materiality”.

The Group has therefore implemented an initial approach to “double materiality” – for this first year, in a simplified manner for the stakeholders involved –, taking into consideration the dual perspective of **impact materiality** (inside-out perspective) and **financial materiality** (outside-in perspective). Additional details are provided in the Methodological Note. The analysis is based on carrying out a **broad context analysis**, starting from national and international sources, aimed at contextualising the potentially relevant topics into a framework of sustainability megatrends with a direct impact on the yachting sector. This activity led to the identification of fifteen potentially relevant topics. The execution of this analysis subsequently saw the participation of the Group’s Top Management¹ (**24 managers**) and selected stakeholders – employees, suppliers and contractors, associations, regulatory bodies, certification bodies, local Public Administration, for a total of **109 subjects involved** – through specific **questionnaires** that make it possible to listen to their point of view on the relevance and impact of the sustainability topics proposed. The response rate to the questionnaire by Top Management and the stakeholders involved was respectively 58% and 64%. The table below summarises the Group’s material topics with the corresponding description.

TABLE I - THE NFS 2022 TOPICS

MATERIAL TOPICS	DESCRIPTION
Environmental topics	
Sustainable vessel design	Optimal management of the end of life of boats through sustainable design methodologies (Ecodesign) which, by assessing characteristics such as shape, size, functionality, modularity and materials, are able to develop industrial products that can be easily disassembled (Design for Disassembly) in order to reduce the environmental impact of the boats, including by using renewable and recyclable materials



Social topics	
Health and safety	Implementation of initiatives aimed at protecting the health and safety of employees and workers of the contractor companies with which the Group collaborates and guaranteeing a healthy workplace
Diversity and inclusion	Ensure an inclusive working environment that encourages respect, promotion and fair treatment of the diversity present in the Company
Protection of fundamental human rights and of the worker	Promote, respect and protect fundamental human and workers' rights (prohibition of discrimination, equal pay for personnel, trade union activity, etc.)
Attraction, retention, and development of talent	Strategy and methods for the management of the entire Employee Life-Cycle, paying attention to all the phases that make it up, from the attraction and selection of talent, to their retention, ensuring a satisfactory and incentive working climate, offering training courses in relation to soft and hard skills, enhancing the professional experience of the person thanks to specific development paths and promoting the well-being of the individual with the implementation of appropriate welfare plans
Economic and governance topics	
Sustainable supply chain management	Ensure sustainable management of the supply chain, basing relations with suppliers on mutual growth and the creation of value, through performance improvement, in terms of risk mitigation, management process innovation, increased operational efficiency and promotion of responsible governance procedures
Research and development	Investments in research, development and innovation aimed at guaranteeing more efficient production processes and applications and solutions inspired by sustainability and eco-compatibility criteria, able to guarantee a lower environmental impact associated with the use phase of the boat
Brand identity	Promotion of the brand's founding values, including the enhancement of Made In Italy, attention to customer needs and the development of a “made to measure” design, to help increase the positive perception of stakeholders towards the Group's activities and performance and therefore increase their trust in the brand

The assessment carried out by stakeholders brought to light additional topics to those submitted to their attention, suggested as aspects requiring attention and of strategic importance for the Group. The categories of stakeholders involved mentioned – with different levels of frequency – various topics relating to the environmental, economic/governance and

social dimensions, focusing in particular on the issue of respect for diversity and gender equality. These assessments made it possible to provide additional food for thought for **sharing the results of the materiality analysis** with Company Management and with the **Control, Risk and Sustainability Committee**.

In fact, in addition to validating the results of the materiality analysis that emerged from the analysis carried out, taking into consideration the strategic relevance for the Sanlorenzo Group, as well as the various activities/projects that have been launched and/or implemented over the last two years, Top Management expressed the desire to also integrate within the 2022 materiality matrix the two topics detailed below, which had not been identified as relevant from the overall assessment of the scores assigned by the stakeholders involved and by Top Management. Specifically, it was decided to proceed with the inclusion of the **“Diversity and inclusion”** topic, considering the high importance conferred by stakeholders who, in particular, stressed the aspects relating to respect for diversity, gender equality, female empowerment – especially in top corporate positions – and the gender pay gap. In addition, the desire to integrate the **“Attracting, retaining and developing talent”** topic within the 2022 materiality matrix was dictated by the attention and by the oversight that the Group – through the Human Resources function – is dedicating to this aspect, with particular emphasis on increasing the retention of Sanlorenzo and Bluegame personnel. The significant impacts that the topic can have both from the point of view of the inside-out perspective (i.e. direct impacts on people) and from the point of view of the outside-in perspective (i.e. impacts on the Group and its cash flows, and consequently to an increase in company turnover, with particular reference to the most strategic figures and functions) should also be noted.

For additional information on the supervision initiated by the Group with reference to the issues identified, 13 **semi-structured interviews** were conducted with Top Management representatives from Sanlorenzo and

Bluegame. The study consisted of the following phases:

- with reference to the **“materiality of impact”**, following the analysis described above, Top Management was asked to assess the relevance of the impacts² – positive (opportunities) and negative (risks), current and potential – connected to sustainability issues from the point of view of the inside-out perspective, in other words the Group’s generation – direct or indirect, current or potential – of impacts on the external context (environment, people and economy). In sharing their opinion, both through the questionnaire and during the interviews, Top Management representatives also took into account the point of view of the stakeholders with whom they primarily interface³. The details concerning the level of significance of each risk and the opportunity associated with the topics covered by this NFS are provided in the **“Technical insights”** section of the Annexes;
- with regard to the **“financial materiality”**, the sample of investors invited to participate in the materiality questionnaire was asked to evaluate the financial impact of the issues brought to their attention. This assessment was subsequently integrated with the result of the direct discussion with the Company’s Investor Relator, making it possible to identify the financial relevance of the issues that emerged as material from the other phases of the analysis described above⁴. Among these, the **“Sustainable vessel design”**, **“Sustainable management of the supply chain”**, **“Research and development”** and **“Brand identity”** topics are understood to have a greater financial impact – albeit of average importance. The material topics identified are described below, with details of the relative impact from an inside-out and outside-in point of view.



TABLE 2 - THE IMPACTS OF MATERIAL TOPICS

MATERIAL TOPICS	INSIDE-OUT IMPACT	OUTSIDE-IN IMPACT
Environmental topics		
Sustainable vessel design	●●	●●●
Social topics		
Health and safety	●●	●
Diversity and inclusion	●●	●
Protection of fundamental human rights and of the worker	●●	●
Attraction, retention and development of talent	●●	●●
Economic and governance topics		
Sustainable supply chain management	●●	●●
Research and development	●●	●●
Brand identity	●●●	●●●

Legenda Significant impact Critical impact ●● Low financial impact ●●● Medium financial impact ● High financial impact ●●●

In addition to the topics that are material for the Group, the following aspects are appropriately dealt with in the NFS, in alignment with the requirements set out in the Decree: “Energy consumption”; “Waste management”; “Emissions into the air”; “Governance”; and “Fight against corruption”.

The correct management of the impacts associated with material topics, as well as the supervision that the Group has initiated and will continue to implement in these areas in the near future, make it possible to determine the Group’s contribution to achieving the Sustainable Development Goals (SDGs) of the 2030 Agenda of the United Nations.

In particular, the Group can actively and concretely contribute to the following SDGs:

- 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) – Reduced inequalities;
- 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, justice and strong institutions.

Moreover, clarifying its actions and the development of business relationships along the value chain, the Group can also have an indirect impact on the achievement of SDGs #3 – Good health and well-being and #7 – Affordable and clean energy.

FIGURE 18 - CONTRIBUTION TO THE SDGS



CHAPTER OVERVIEW: TECHNICAL DETAILS

REFERENCE GRIS:

GRI 2-12; 2-13; 2-14; 2-16; 2-23; 2-24; 2-29; 3-1; 3-2

REFERENCE SDGS :

TARGET: 16.5; 16.7; 16.b

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Principle 1 - Promotion and respect for universally recognised human rights

KEY STAKEHOLDER

All Group stakeholders

ADOPTED POLICIES, PROGRAMMES AND CERTIFICATIONS :

- Stakeholder Engagement Policy
- Policy for managing dialogue with shareholders
- Sustainability Information Reporting Procedure

NOTE

- ¹ Top Management from Sanlorenzo, Bluegame, Sanlorenzo Baleari and Sanlorenzo of the Americas were involved.
- ² How to identify and evaluate the impacts according to the inside-out perspective is described in the Methodological Note, to which reference is made.
- ³ This simplification was chosen, instead of asking to the stakeholders to directly comment on the defined impacts, considering the complexity of the evaluation. The Group is committed to expand the analysis in the next update of the document.
- ⁴ It is specified that the evaluation performed by the Investor Relator does not include the opinion on the topics "Diversity and inclusion" and "Attracting, retaining and developing talent", added in the materiality matrix as a result of a following meeting with Top Management.

TRANSPARENT GOVERNANCE AND COLLABORATION

ACCOUNTABILITY, INTEGRITY AND TRANSPARENCY
SUSTAINABILITY GOVERNANCE
THE LINK WITH THE LOCAL COMMUNITY
PARTNERSHIPS AND COLLABORATIONS

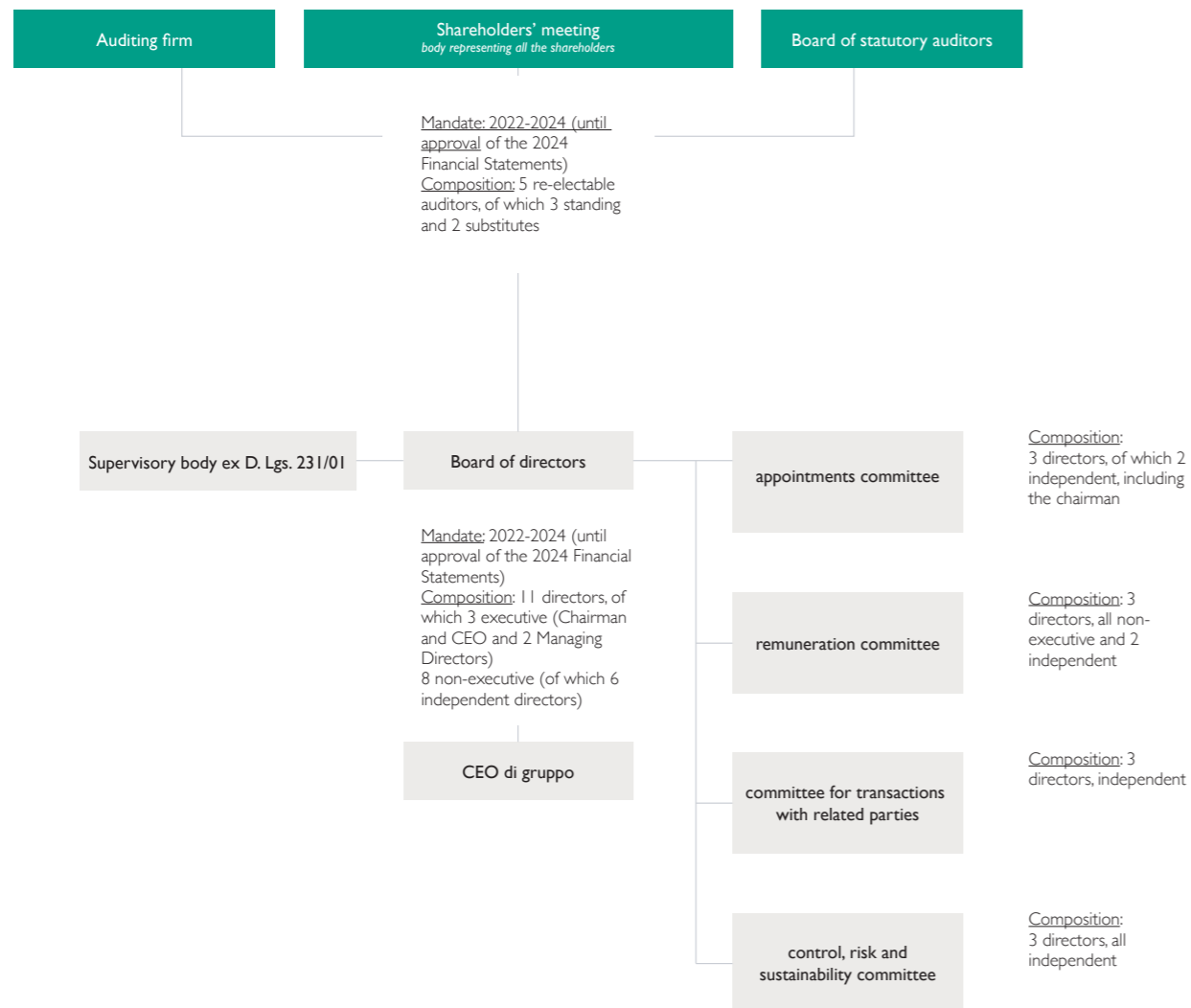


ACCOUNTABILITY, INTEGRITY AND TRANSPARENCY

The principles that inspire the Company's governance are responsibility, integrity and transparency. Sanlorenzo S.p.A.'s 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 the Borsa

Italiana, to which Sanlorenzo adheres. The Board of Directors (BoD) and the Board of Statutory Auditors are regularly established and the statutory audit of the accounts is entrusted to an auditing firm. The main corporate, administrative and control bodies and the related functions are illustrated in Figure 19 below:

FIGURE 19 - CORPORATE GOVERNANCE STRUCTURE OF THE PARENT COMPANY



* For more details see the "Report on Corporate Governance" document.

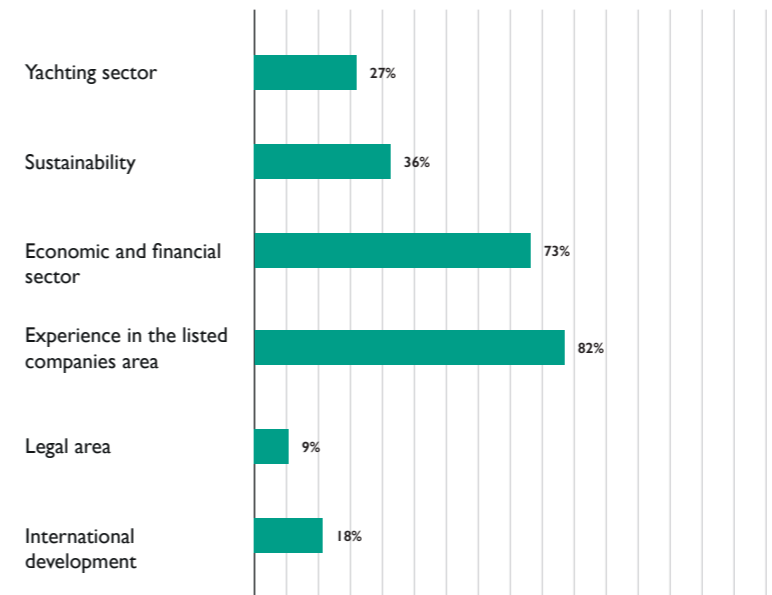


It should be noted that a new **BoD** was appointed in 2022, currently made up of 11 re-electable board members². For the first time, the appointment took place on the basis of lists of candidates presented by the shareholders (**list voting mechanism**). The new BoD will be in office until the Shareholders' Meeting which will be called to approve the Financial Statements as at 31 December 2024³. The following committees are set up within the Board of Directors to conduct audits, make recommendations and provide advice: Appointments Committee; Remuneration Committee; Committee for Transactions with Related Parties; Control, Risk and Sustainability Committee (for more details see the "Sustainability

governance" and "Risk management" sections). Details concerning the composition of the Board of Directors and the related Committees are provided in the Annexes (see the "Technical details" section).

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. The Board of Directors consists of managers of Sanlorenzo S.p.A. who have been working in the luxury yachting sector⁴ for several years, as well as independent directors⁵ with experience in the listed companies area (see Figure 20).

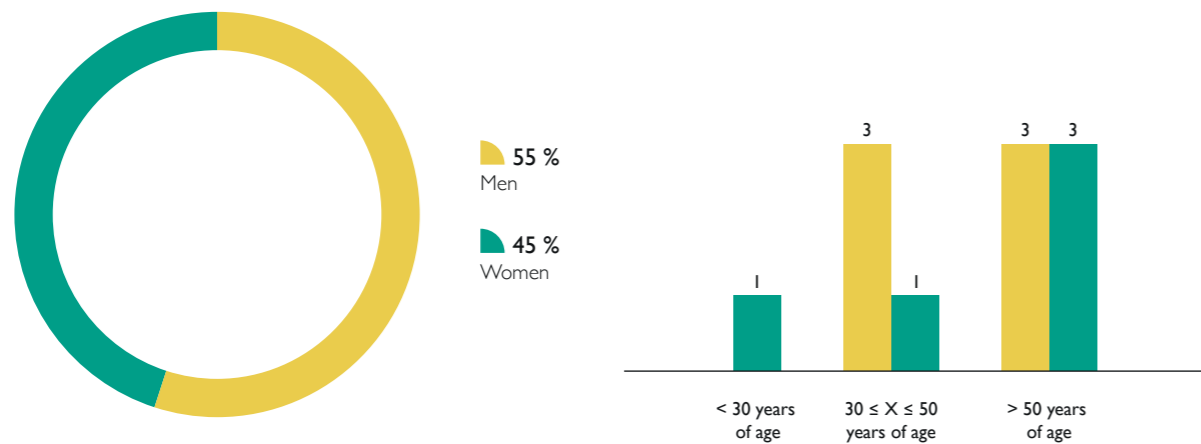
FIGURE 20 - BOARD MEMBERS' SUSTAINABILITY EXPERTISE



During the summer, an induction session was held for the new members of the BoD, to share the values and identity of the brand and the main aspects characterising the business model of Sanlorenzo and of other Group companies, together with interviews with Top Management and the organisation of shipyard visits.

The Directors discharge duties pertaining to the ordinary and extraordinary administration of the Company. Massimo Perotti holds the position of President and CEO (Chief Executive Officer) of the Group⁶.

FIGURE 21 - BOARD MEMBERS BY GENDER AND AGE GROUP



With regard to the remuneration of Board members, it should be noted that in accordance with the **Remuneration Policy**⁷ 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.

The composition of the Board reflects compliance with age, educational professional background and gender diversity criteria. The Board is made up of 6 men and 5 women – including Carla Demaria, who holds the position of Chief Executive Officer, with an executive role – between the ages of 29 and 63.

Executive directors may be among the beneficiaries of the **Stock Option Plan** established for the current year or, alternatively, of **variable ad personam remuneration** linked to annual, pre-defined and measurable performance objectives. It is further specified that in 2022 the MBO plan for 2023 was approved, and it will include ESG criteria at a Group level, differently from the current year in which they only have been considered at an individual level.

SUSTAINABILITY GOVERNANCE

With the stronger and stronger integration of sustainability within corporate strategy and operations, responsible development is increasingly considered a central aspect in the day-to-day activities of various corporate figures, functions and bodies.

The organisational structure – shown in Figure 22 – in fact highlights the transversal nature of sustainability within the Group.

FIGURE 22 - ORGANISATIONAL STRUCTURE AND SUSTAINABILITY GOVERNANCE



At the executive level, the ultimate responsibility for the strategic decisions and guidance relating to sustainability, including sustainability reporting, are the responsibility of the Company's **Board of Directors**. During 2022, the BoD was regularly updated on the progress in the sustainability field, the reporting and the developing of the materiality analysis. These responsibilities are then delegated to the **Control, Risk and Sustainability Committee**. More specifically, with reference to sustainability aspects, the Committee assists the BoD in 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. Moreover, given its nature and its sphere of competence, the Committee assesses the risks and opportunities associated with the material topics. At an operational level, the **Sustainability Function**, responsible for managing sustainability activities and led by the Sustainability Officer, operationally coordinates

sustainability initiatives and developments. This Function was established in 2022 by reorganising the R&D Sustainability Function to more effectively structure the vision of sustainability within the corporate organisation and the business. The Function is also in charge of the management and execution of the NFS reporting activities. The managers of the various **corporate functions**, of the Parent Company and of the subsidiaries, are involved in the reporting process of the NFS based on the opinion and considerations of the Sustainability Function. The corporate functions are also responsible for the day-to-day implementation of the activities aimed at ensuring ongoing monitoring of the various areas of sustainability. Finally, the Group encourages the involvement of all its **People** in contributing to corporate responsibility for sustainable development, organising training activities on the subject (as was the case in 2021) and sharing the NFS, also included in the Welcome Kit for new hires.

Risk management

Through the Internal Control and Risk Management System **ICRM**, the Group implements its supervision with respect to the identification and management of the following corporate 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.
- From the point of view of the responsibility system defined in accordance with the Internal Control and Risk Management System (ICRMS), it should be noted that the Control, Risk and Sustainability Committee performs the following functions:
- defines the guidelines of the ICRMS, ensuring that the main risks relating to the Company and its subsidiaries are correctly identified, measured, managed and monitored. In addition, it assists the BoD in defining the compatibility criteria associated with these risks with a corporate management 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.
- Regarding the process of analysis and prioritisation of the main risks⁹ conducted by the Risk Manager, the latter has as its output the corporate **Risk Control Matrix** – approved by the Control, Risk and Sustainability Committee and updated periodically – which, in its latest processing, has identified the

Ethics and fair behaviour

The Group's business management is inspired by fundamental principles such as **legality** – in other words compliance with applicable national and international law, in every activity carried out –, **fairness** and **impartiality** – with particular reference to the duties of diligence and expertise –, **transparency** and **integrity**, lying at basis of the guarantee of correctness, accuracy, completeness, uniformity and timeliness in the management and communication of corporate information and relations with stakeholders.

following three critical areas for the Company: Finance; Information and Communication Technology (ICT); Certifications, Compliance, Safety and Environment. During 2022, the Internal Audit function (IA) carried out the related auditing activities on the Parent Company, on Bluegame and on Sanlorenzo of the Americas LLC. A further expansion of the sphere of action of the function is envisaged, gradually, to the other companies of the Group. The 2023-2024-2025 Three-Year Audit Plan, in fact, provides for the progressive auditing of the process of periodic, quarterly and annual accounting closures, for all the Italian and foreign subsidiaries.

The Company sets itself the objective of gradually integrating the assessment of risks associated to sustainability within the corporate risk assessment system. In particular, during the year, although full integration has not yet been achieved from the point of view of the Control and Risk Management System, a specific analysis was carried out – within the impact materiality and financial materiality processes (for more details see the “*Materiality and impacts*” and “*Methodological note*” sections) – aimed at identifying and quantitatively assessing the relevance (for more details see the “*Methodological note*” section) of risks and opportunities associated with priority areas of sustainability for the Group. These impacts – according to the dual “inside-out” and “outside-in” perspective – are detailed in the in-depth technical fact sheets at the end of each chapter.

The management approach to the potential **risk of corruption**, of an active and passive nature, as well as of **unfair competition**, takes the form of multiple tools – summarised in Figure 23 –, which the Company has developed and shared with its employees, other Group companies and related collaborators, as well as with its main external stakeholders.



FIGURE 23 - THE TOOLS FOR AN ETHICAL AND CORRECT BUSINESS MANAGEMENT



1 Model pursuant to Legislative Decree 231/01:

The Organisation, Management and Control Model pursuant to Legislative Decree 231/01 (hereinafter referred to as "Model 231") defines specific rules of conduct, suitable for avoiding the commission of the crimes envisaged by the aforementioned Decree and identifies the most sensitive areas of activity and therefore potentially exposed to greater risk. At present, the following "sensitive areas" are included:

relations with the Public Administration; activities relating to workplace health and safety; activities relating to the environment; relations between private individuals; IT transactions; the employment of irregular migrant workers; market behaviour; tax-related activities and smuggling activities. Model 231 also represents the tool through which the Group condemns any form of unlawful conduct.

2 Code of Ethics:

The Code of Ethics constitutes a reference ethical framework in the application of the provisions set out in Model 231, of which it is an essential part. It defines the ethical principles, commitments and responsibilities

that guide the conduct of business and corporate activities and are aimed at the numerous corporate stakeholders.

3 Whistleblowing procedure pursuant to Legislative Decree 165/01:

All Group employees can disclose to their line manager or to the Internal Audit/Compliance function any actual or potential act that they consider to be suspicious of violation of the law or any other internal regulation. All information acquired is treated in such a way as to guarantee maximum confidentiality and protection to

the reporting individual. All recipients of the 231 Model can report any incorrect conduct to the SB, including by sending an email to odv@sanlorenzoyacht.com. Access to the mailbox is restricted to members of the Supervisory Body.

4 Anti-corruption policy:

Presented within a section of the Code of Ethics, the Anti-corruption policy further regulates the cases attributable to the crime of corruption and discourages all those who are included among the recipients of the same from carrying out any action or behaviour

deemed unlawful. In particular, attention is placed on the prohibition, by all recipients, to exploit private knowledge or relationships with public entities to obtain favours for the Company.

5 Code of Conduct:

Approved by the Board of Directors in August 2020, unlike the Code of Ethics, the Code of Conduct applies to all Group companies, including those abroad, with

the aim of protecting the interests of both internal and external stakeholders, guaranteeing unambiguous guidelines in terms of conduct.



6 Antitrust Compliance Programme:

Adopted in May 2020, the Antitrust Compliance Programme is designed to prevent the risk of incurring anti-competitive conduct, in alignment with the national and European rules and regulations in force on the matter. The application, monitoring and updating of the

Programme, as well as the assessment of any eventual anti-competitive conduct, are monitored by the Head of Antitrust Compliance, elected by the BoD in March 2020, vested with the necessary autonomy and adequate resources.

7 OFAC (Office of Foreign Assets Control) compliance policy:

Adopted by the Parent Company and its subsidiaries in 2019, it is the tool with which the Group undertakes to comply with the OFAC policies and the related sanctions. An ad hoc Sanctions Compliance Programme (SCP) was also launched and an SCP Unit was set up, tasked with overseeing and ensuring the adaptation

of internal processes to the objectives defined and the prohibitions imposed by the OFAC. In 2022, in particular, it focused on regulating the relationship with Russian shipowners after the sanctions imposed at an international level.

8 Related Party Transaction Procedure:

Documentary procedure that governs transactions with related parties, concluded by both the Parent Company and by subsidiaries. The last update dates back to 2022.

9 Procedure for the Management of significant and privileged information:

The Procedure is defined in line with Article 17 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council relating to market abuse and applies to all Group companies, their general

managers, executives and employees and external parties registered in the registers of persons who have access to Relevant and Privileged Information. The document was latest updated in 2021.

In order to ensure the **maximum dissemination and internal as well as external knowledge** (towards its partners) of the latest provisions governing the fight against corruption and the adoption of fair competitive behaviour, the Group publishes some of the documents identified above online – in particular the 231 Model and the Code of Ethics –, ensures that all internal and external stakeholders are aware of the existence and functioning of the mechanisms for reporting to the SB (pursuant to Legislative Decree 165/01) and provides for the organisation of **dedicated training programmes**

LISTENING TO AND INVOLVING STAKEHOLDERS

Establishing and maintaining a **constant and open dialogue with all the stakeholders** who interact with the various Group companies is considered a key and strategic factor, rooted in the corporate culture and able to support and ensure responsible and transformational business development for the creation of sustainable value in the long term. Through corporate functions and dedicated channels, Group companies pursue a proactive approach towards the numerous stakeholders with whom they interact.

The Group's structured monitoring of engagement opportunities with its stakeholders is also a clear expression of **responsibility, transparency and reliability** in relation to the broader social, environmental and economic context in which the Group fits and with which it interacts.

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

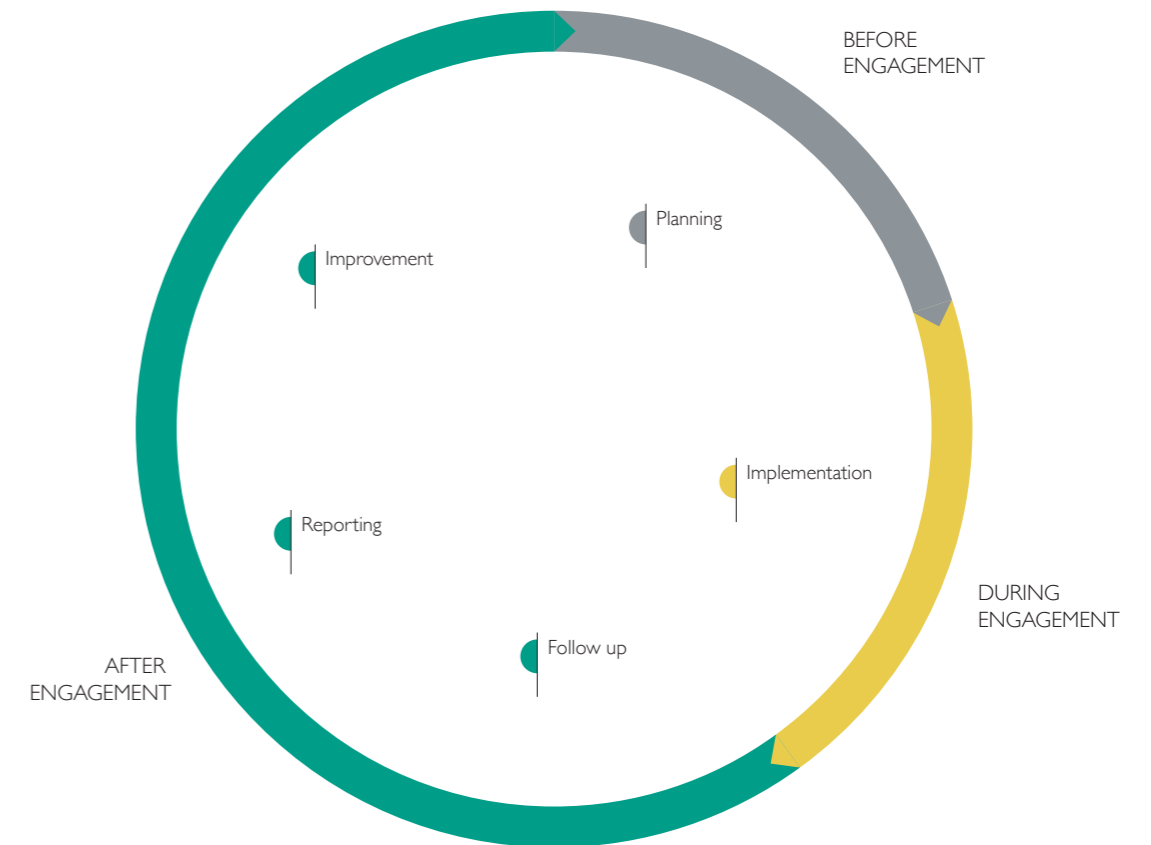
- every exchange with stakeholders allows **meaningful insights to be gained with regard to their point of view** and their specific **interests**, as they provide crucial feedback for the pursuit of corporate objectives;
- insofar as possible, it is important to create opportunities for **collaboration 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;

for its employees, both when joining the company and for subsequent periodic updates. In particular, in 2022 the Group organised a training programme (recorded and provided via an e-learning platform) for Sanlorenzo and Bluegame employees, relating to the provisions contained in the Code of Ethics and in the 231 Model, with users also being able to test themselves on the topics learned.

- the involvement of stakeholders must ensure a **constant increase in the satisfaction** of the same stakeholders, in order to increase their **trust** in the Group. These principles assume a management of dialogue and stakeholder engagement that is always guided by compliance with the following conditions: **inclusiveness** of the interests represented, **relevance** of the topics covered in alignment with stakeholder expectations, **completeness** and **transparency** of information, and adequate **responsiveness** to the needs expressed by stakeholders.

To help formalise the processes and methods of dialogue and discussion with the Group's stakeholders, in March 2023 the Company's Board of Directors approved the Group's **Stakeholder Engagement Policy**. This Policy complements other documents and procedures published by the Group, including in particular the **Code of Ethics** (for more details see the "Responsible development management" section), which constitutes the ethical and value framework underpinning the Group's business model and activities. The Policy also defines an **action framework** (see Figure 24) outlining the various phases of the **stakeholder engagement cycle** – before, during and after the interaction – aimed at ensuring not only correct planning of the opportunities for dialogue, but also their management in line with the identified principles and the guarantee of an adequate feedback following the interaction.

FIGURE 24 - THE ACTION FRAMEWORK FOR STAKEHOLDER ENGAGEMENT



It should also be noted that the **Policy for the management of dialogue with all Shareholders** – approved by the Company's Board of Directors in March 2021 – is a detailed document, with reference to the category of shareholder stakeholders, with respect to what has already been covered in the Stakeholder Engagement Policy. Specifically, the Policy details and institutionalises the key principles and guidelines – identified on the basis of the stakeholders' influence and dependence on and from the company – on which engagement opportunities are based, identifies internal responsibilities with reference to the management of each category of stakeholder and the related requests made, and defines the main channels of dialogue activated.

The Group's ultimate goal is that of ensuring **continuous development and improvement** to maximise the value generated by dialogue. Thanks to this approach, the engagement of internal and external stakeholders can be fully integrated into corporate activities, contributing to **decision-making processes** with specific inputs representing the

requests of the numerous stakeholders, thus ensuring maximum inclusiveness of the different points of view and interests represented, seizing opportunities and anticipating potential risks.

As envisaged by the Policy, the Sustainability Function has the task of collecting – on a six-monthly basis – the main results of the opportunities for dialogue and stakeholder engagement performed by the reference functions, subsequently sharing them with the Control, Risk and Sustainability Committee – which in turn updates the Board of Directors – as an input for informed decision-making and within a holistic and multi-stakeholder perspective. In particular, as far as any **negative feedback** is concerned, in addition to the ordinary channels that have been set up, the functions involved can organise dedicated meetings in order to: investigate the critical issue that has emerged, provide feedback to the stakeholder and define a *remediation 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 has identified the **relevant stakeholder categories** based on the stakeholder's **influence and dependence** on and from the Group, in line with what is defined by the relevant international standards, in particular the AA1000 Stakeholder Engagement Standard (2015).

This mapping is a key aspect for subsequently defining the engagement guidelines which, on the basis of specific interaction characteristics, guide the dialogue with the various categories of stakeholders in order to implement effective and targeted activities.

The Group's priority stakeholder categories are identified below (see Figure 25), highlighting the main dialogue channels used, the guidelines that guide the engagement with each category and the requests made by the stakeholders during the opportunities for dialogue.

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

FIGURE 25 - STAKEHOLDERS, DIALOGUE CHANNELS AND REQUESTS MADE



CATEGORY OF STAKEHOLDERS	ENGAGEMENT GUIDELINES	CHANNELS OF DIALOGUE	INVOLVEMENT FOR MATERIALITY ANALYSIS PURPOSES	REQUESTS MADE AND MAIN TOPICS OF INTEREST
Human resources	Inform Consult Collaborate	<ul style="list-style-type: none"> Corporate meetings to provide updates on business performance Intranet Climate analysis Feedback and feedforward meetings Sanlorenzo Academy and other training courses HR Service Social assistance and psychological support programme 	Yes	<ul style="list-style-type: none"> Gender equality and reduction of the gender pay gap Work-life balance Protection of workers' rights Strengthening of occupational safety practices Strengthening of the culture of feedback in the company People training Partnerships for responsible development (greater synergy) Raising awareness within the company on sustainability issues
Customers	Inform Consult Collaborate	<ul style="list-style-type: none"> Elite Days/Weekends Boat shows Exclusive evenings to discover art and Made in Italy products Days dedicated to visiting design showrooms Site visits and meetings Direct dialogue with shipowners (including through online meetings) Value- and experience related communications (e.g. storytelling) Harbour hospitality services Support services On board services Sanlorenzo Timeless (Service activity) 	No	<ul style="list-style-type: none"> Greenwashing Reduction of emissions from product use (hybrid powertrains) Building processes Sustainability of raw materials used on board Technological and product innovations

Suppliers and contractors	Inform Consult Collaborate	<ul style="list-style-type: none"> • Visits to the supplier's contractor's sites • Focus trade shows • Dialogue by phone/email • Production and order progress control meetings • Conventions /conferences/webinars 	Yes (suppliers)	<ul style="list-style-type: none"> • Durability and modularity of production • Product innovations (eco-sustainable technologies) • Vessel end-of-life management • Use of recyclable materials • Recycling of production waste • Sustainability of the supply chain (verification of the level of environmental, social and economic/ governance maturity) • Greater information flows to suppliers on sustainability issues • Wage inequality • Respect for diversity • Ethics and fight against corruption • Cybersecurity • Risk management • Involvement of universities and technicians • Implementation of supply chain actions for sustainability management
Shareholders and investors	Inform Consult	<ul style="list-style-type: none"> • 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 • Institutional website • Filling of questionnaires aimed at evaluating the Group's sustainability strategy and performance 	Yes	<ul style="list-style-type: none"> • Management of emissions into water • Protection of marine ecosystems • Programmes 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



Credit institutions	Inform	<ul style="list-style-type: none"> • 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 • Institutional website 	No	/
Trade union organisations	Inform Consult	<ul style="list-style-type: none"> • Dialogue by phone email • Ad hoc meetings 	No	• People management
Public Administration and Regulatory Bodies	Inform Consult	<ul style="list-style-type: none"> • Meetings with representatives • Dialogue by phone email • Focus trade shows • Conventions conferences/webinars 	Yes	<ul style="list-style-type: none"> • General focus on sustainability issues • Programmes on ESG issues, with special reference to environmental and social issues • Reducing emissions from vessels
Certification bodies	Inform Consult	<ul style="list-style-type: none"> • Meetings with representatives • Dialogue by phone email • Focus trade shows Conventions/ conferences/webinars 	Yes	
Industry/trade associations, NGOs, associations committed to sustainability	Inform Consult Include Collaborate	<ul style="list-style-type: none"> • Dialogue by phone email • Collaborations and partnerships • Participation in working groups • Focus trade shows • Conventions conferences/webinars • Meetings with representatives • Planning and carrying out activities taking into account the environmental impact that may result from them • Information and training programmes for internal staff on environmental protection issues 	Yes (trade associations)	<ul style="list-style-type: none"> • Development of innovative solutions • Regulatory developments

Media	Inform Collaborate	<ul style="list-style-type: none"> • Interviews • Press releases • Dialogue by phone email 	No	<ul style="list-style-type: none"> • Product innovations related to sustainability • Focus on the environment (especially on emissions) • Production related issues
Local communities	Inform	<ul style="list-style-type: none"> • Organisation of events focusing on local area enhancement • Dedicated investments • Collaborations and partnerships 	No	<ul style="list-style-type: none"> • Attention to the reference area
Schools and universities	Inform Collaborate	<ul style="list-style-type: none"> • Apprenticeship programmes • Work-related learning programmes • University thesis projects • University career guidance days (Career Day, in-class testimonials) • Partnerships for the rollout of projects/ development of product-related innovative solutions 	No	<ul style="list-style-type: none"> • Attention to the environment • Attention to the reference area

The Group undertakes to also increasingly integrate into the opportunities for dialogue the **discussion of aspects relating to environmental, social and governance sustainability**, in the manner and to the extent best suited for each category of stakeholder,

allowing stakeholders to carry out and share the necessary assessments, which represent an important stimulus for the Group to achieve its responsible development objectives.

INSIGHT

The direct engagement of stakeholders on sustainability

During 2022, the Group carried out – for the first time – direct engagement activities with stakeholders aimed at listening to their point of view on sustainability. In particular, a first representative sample of the Group's priority stakeholders was engaged, including the following categories: Sanlorenzo and Bluegame employees; shareholders and investors; associations; regulatory bodies; certification bodies; local Public Administration. The selected sample was asked – through a specially developed survey – to express their opinion and their judgment with regard to the relevance of the following aspects:

- compliance with the quality and content principles of the Sanlorenzo Group's **2021 NFS**;
- **materiality of the sustainability aspects** proposed to them (the answers were used for the purposes of carrying out the Group's materiality analysis);
- **satisfaction with the Group's supervision** (in terms of strategies and objectives defined, management methods, actions, projects and initiatives implemented or in progress) in the various areas of sustainability.

With reference to the latter element, the analysis of the stakeholders' answers made it possible to obtain an overall assessment of how the Sanlorenzo Group's approach, strategies and actions to achieve responsible development are perceived internally and externally. In particular, according to the stakeholders involved, the Group carries out a good level of supervision in the economic/governance sustainability spheres and a sufficient level with reference to the environmental and social dimensions of sustainability. The stakeholders involved shared some aspects through which the Group could better meet the interests of stakeholders and therefore increase their satisfaction. In particular, from the point of view of the environmental dimension, stakeholders brought to the Group's attention the need to develop and implement KPIs that make it possible to measure performance in this area, taking into account the specific characteristics of the business sector in which it operates.

Similarly, stakeholders believe it is important to also raise awareness within the company on these issues and recognise that the most significant effort must be made in relation to the sustainable design aspects of boats, in order to be able to reduce their impact on the environment.

Moreover, from a social point of view, while acknowledging the supervision already adopted by the Group, stakeholders believe that it is necessary to further strengthen the actions already implemented with respect to the protection of workers' rights, with particular reference to contractors and occupational health and safety. The other aspect requiring a greater level of intervention is the reduction of the gender gap within the Group.

Finally, from an economic and governance point of view, particular importance is given to the issue of continuous monitoring of the impacts and sustainability performance of the supply chain, as well as to the Group's ability to strengthen its brand identity in its external communication, highlighting the attention and continuous updating on the impact of sustainability issues in the sector.

Based on the results obtained, the Group has become aware of the level of satisfaction expressed by its main stakeholders and undertakes to continue the efforts already undertaken, as well as to constantly monitor the needs and expectations of stakeholders, aligning its corporate supervision with respect to the same as far as possible.

THE LINK WITH THE LOCAL COMMUNITY

Strongly driven by the context in which it was founded and it has grown, over the years Sanlorenzo has become a strategic partner of the area and of the community in which it operates, continuously seeking an open and synergistic dialogue with its stakeholders and committing itself, through concrete support, to initiatives, cultural associations and local redevelopment actions.

In 2022, the Group has once again confirmed the deep relationship that ties it to the local territory, consolidating the important collaborations established so far. In particular, the Company is the promoter and sponsor of notable cultural and artistic events such as the **Lerici Pea Golfo dei Poeti** Award, of which it has been a partner since 2019, together with the Municipality of Lerici.

INSIGHT

The Lerici Pea Golfo dei Poeti Award

In 2022, the prestigious Award took on a new artistic guise with respect to previous years. From July 8 to 10, 2022 the first edition of the Italian Poetry Festival dedicated to Under 35s was held, called "**ARIEL-LericiPea Giovani**" and aimed at encouraging and promoting young talent. The initiative was conceived on the occasion of the bicentenary of Shelley's death, as a reminder that the poet – not yet 30 years of age – chose the town of Lerici to compose his works. Sanlorenzo has supported the LericiPea Prize and the Municipality of Lerici in this innovative project, playing a prominent role in the promotion of the event.

Moreover, in conjunction with the presentation of the aforementioned Festival, the monographic exhibition entitled "**A gentle look, photographs by Marisa Rastellini**" was inaugurated, dedicated to the Roman artist and housed in the evocative spaces of the Circolo della Vela Erix in Lerici. Thanks to meticulous research, portraits of Pier Paolo Pasolini, Elsa Morante, Federico Fellini and Marcello Mastroianni were found in the archives of the Mondadori Portfolio.

Moreover, in 2022 boat shows again saw the active participation of Sanlorenzo and Bluegame, events of great importance for the area and for the recognition of the Sanlorenzo Group as a key promoter of Made in Italy abroad.

First of all, the Group took part, for the first time, in the **Salone Nautico di Venezia (Venice Boat Show)**, now in its third edition and held from May 28 to June 5, 2022.

INSIGHT

Venice Boat Show

The Show is one of the main international trade fairs in the sector, where the excellence of international pleasure boating is presented. Sanlorenzo's debut at the Venice Boat Show thus adds a new dimension, this time more closely linked to the nature of the shipyard and the evolution envisaged for the next decade. During the trade show, the Group's transversal growth path through the yachting, design and art sectors clearly emerged, as

it sought new and creative ways to narrate itself and its concept of experiencing the sea, distinguishing itself in every sector thanks to a vision oriented towards the future, innovation and a contamination between different artistic languages. In particular, Sanlorenzo's participation in the 2022 event featured 3 major models of its yacht fleet: the **SX88**, the **SX76** and the **SL78**.





The Group also took part in the **62nd Salone Nautico di Genova (Genoa Boat Show)**, held from September 22 to 27. During the event, the Group presented a vast fleet, among which the two new SD90 and SPI 10 models focused on a perfect mix of tradition, innovation and sustainability stood out (for more details see the “*Maison Sanlorenzo*” and “*The engine*

of innovation” sections). The models had already been presented at the **Cannes Yachting Festival**, during which a press conference was held where the Group presented Sanlorenzo’s new strategic directions for 2030 (for more details see Section 2, “*Road to 2030*”).

Another event worth mentioning is the **talk given by the head of the Group’s R&D Function** in the Auditorium of the Eastern Ligurian Sea Port System Authority in La Spezia, during the “**Ecological transition and green hydrogen. An opportunity for La Spezia?**” convention focused on the future of the city. Events of this nature underline the role that Sanlorenzo wants to play for companies in the sector; paying close attention and providing support to the area where it operates and raising awareness of the actions that must be taken in the field of sustainability.

The Group is also active through philanthropic initiatives. Among these, it is particularly worth mentioning the Company’s participation in the **Confindustria La Spezia** initiative, through which a

donation was made to support and provide aid to the Ukrainian population.

The activity of the **Sanlorenzo Foundation**¹⁰ – established by the Perotti family and the Sanlorenzo S.p.A. company in 2021 – developed during the year; in particular through support for Italy’s minor islands and their communities, through the financing of projects to contribute to the development of these areas and, in parallel, by supporting the study path of deserving youth. In line with both objectives, the Foundation – together with the Cecilia Gilardi Foundation – has launched a **call for scholarships** for theses or projects relating to the Italian Minor Islands, open in 2022 with the deadline in early 2023.

INSIGHT

The activities of the Sanlorenzo Foundation: the call for scholarships

The Sanlorenzo Foundation and the Cecilia Gilardi Foundation have launched a partnership competition for the award of **scholarships**, in relation to deserving projects concerning Italy’s minor islands. Both Bachelor’s and Master’s Degree theses, as well as innovative and significant university projects are included. The partnership with the Cecilia Gilardi Foundation is motivated by the common values shared by the two

organisations. In fact, the latter supports highly deserving individuals during their education and entry into the world of work. The call, which includes a specific list of minor islands that can be considered as such in the various Italian archipelagos, meticulously and consistently promotes the importance of both local and community support. In particular, in 2022, **a scholarship was awarded.**

In 2022, Sanlorenzo became a co-founder of the Venice Sustainability Foundation (Fondazione Venezia Capitale Mondiale della Sostenibilità). Specifically, the Foundation was founded with the aim of creating an integrated sustainable development model – with reference to all dimensions of sustainability – for the City of Venice and its metropolitan area. Through the initiatives that the Foundation will undertake, it will thus be possible to revitalise local social and economic development, while ensuring the protection and conservation of

the environmental, historical and cultural heritage of the area and the strengthening and cohesion of the communities who live there. The Foundation’s key areas of action include hydrogen propulsion; energy transition and the environment; Venice campus city; residency; sustainable tourism; VeniSIA (Venice Sustainability Innovation Accelerator); social inclusion; cultural productions and innovations; and the sustainability biennial.

PARTNERSHIP AND COLLABORATIONS

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 been collaborating with designers representing Italian excellence in the luxury interior design sector.

In time, collaborations with contemporary artists and galleries have grown, which have contributed to realising the Group's vision of bringing art on board its boats.

It is with this spirit that over the years Sanlorenzo has taken part in **important international artistic events**, including: **Art Basel**, with which a global partnership has been consolidated since 2018; the Venice **Art Biennale**; the **FuoriSalone del Mobile in Milan**; the **Peggy Guggenheim Collection in Venice** of which the Company became an Institutional Patron in 2019.

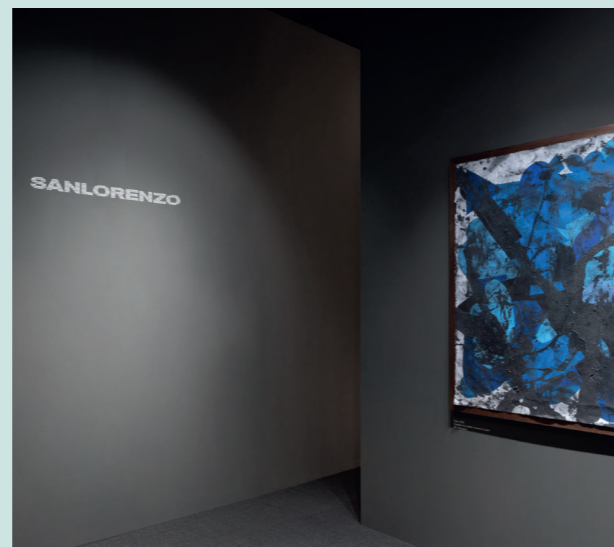
INSIGHT

Art Basel 2022

2022 was an important year for the partnership between Sanlorenzo and Art Basel, which saw the Group participate in three international exhibitions. First of all in **Basel**, with the "**Tempo piegato**" work by Arcangelo Sassolino, one of the contemporary Italian artists who represented Malta at the 59th International Art Exhibition-La Biennale di Venezia 2022. The work, a sheet of glass caught in the palpitation that precedes the imminent destruction of the material, representing fragility and beauty, was conceived specifically for Sanlorenzo and curated by Flash Art, the most important European contemporary art magazine. Subsequently, the Company participated in **Paris+ par Art Basel**, from October 20 to 23, 2022 at the Grand Palais. The work showcased was "**The Lady Vanishes**" by Anna Franceschini, produced by Sanlorenzo Arts (the Company's platform dedicated to art) and curated by Flash Art. The work consists of a pair of hand-shaped kinetic sculptures, which move continuously making different gestures, representing the complexity of femininity. Finally, from December 1 to 3, Sanlorenzo was in **Miami Beach** for the last appointment of the year with Art Basel, presenting the work entitled "**Sky Dark Bright Black &**", by the American artist Tony Lewis.

The project, produced by Sanlorenzo Arts, consists of three separate works in graphite and mastic on paper, depicting drawing as an abstract means of communication.

This triple commitment is yet another example of how **Sanlorenzo Arts** continues to consolidate itself as a tool to explore new points of view on issues concerning sustainability, the sea, nature and technology expressed through art.



Another of the main events of the year saw the Group as **the main sponsor** of the **Italian Pavilion** at the **2022 Art Biennale** in Venice, during the **59th International Art Exhibition**. This unique and extraordinary goal was possible following years of artistic contamination, commitment and fascination on the Company's part concerning the close connection between art and the yachting industry and, above all, a fresh starting point for Sanlorenzo, from which to explore new ways of relating with the world of contemporary art, increasingly consolidating its presence in this area. On that occasion, the Company also launched a new project entitled "**Sanlorenzo Conversations**".



The goal is to collect different sources of inspiration on the themes of art and design, organising conversations (in the form of short videos) with representatives of the yachting and artistic scene. The first personalities were Massimo Perotti, the President and CEO of the Company and artists and designers John Pawson, Federico Luger, Sarah Cosulich, Eugenio Viola, Gian Maria Tosatti, Karole P.B. Vail, Marc Spiegler and Piero Lissoni.

Again as part of the collateral events of the Biennale, Sanlorenzo presented an installation by Piero Lissoni created at the ACP-Palazzo Franchetti, entitled "**ARENA**": a geometrically shaped metal platform overlooking the Grand Canal. To offer a new perspective on Venice, the flooring of the work interacts with the elements that surround it, while a game of steps enlivens the flows of visitors on the platform, transforming it into a convivial place that dialogues with the external context.

Finally, again in Venice, Sanlorenzo returned to the Casa dei Tre Oci with the exhibition entitled "**A Point of View**", curated by John Pawson, minimalist designer and architect. Combining photography and architecture, Pawson created design drawings and sketches interpreting the interiors of one of Sanlorenzo's superyachts. The themes of inspiration were "Sanlorenzo" and "Home", with the artist exploring the aesthetic vision of the feelings evoked by the concept of his own home and by the new yacht designed by Sanlorenzo.

Finally, in 2022 the Company also took part in the **Milan Design Week**, narrating its identity and brand values through the two "**FABBRICA**" projects and the **full-size digital version of the SD90S**, presented below.

INSIGHT

Milan Design Week 2022

In June, the Group took part in Fuorisalone 2022, within the context of the "**INTERNI Design Re-Generation**" exhibition-event: a dual presence with two distinct events able to highlight, on the one hand, the staging of the industrial nature of the shipyard and on the other hand, the presentation of a boat increasingly oriented towards responsible development.

The first project is "**FABBRICA**", by Piero Lissoni which, based on the installation created in 2019, presents a structure depicting Sanlorenzo's industrial boating and the various processes carried out in the shipyards. The installation made it possible to reveal the lesser-known side of the Group's activity, in other words its constant research and use of technology to support a cutting-edge industry.



With regard to the second initiative, Zuccon International Project (outside Italy) and Patricia Urquiola (in Italy) have created a **full-size digital version of the SD90S yacht**, presented from June 7 to 10 at the One Works spaces in Via Sciesa 3 in Milan. This model was selected with the desire to be able to convey the Company's commitment to the search for sustainable materials and solutions that optimise on-board efficiency and consumption. Moreover, in the same location, Silvano Pupella's photographic exhibition entitled "**Naviganti**" was also held, which offers fascinating shots captured behind the scenes at the Sanlorenzo shipyards.

Sanlorenzo and Bluegame's external collaborations also consist of memberships of international non-profit organisations and associations, with the aim of effectively contributing to the pursuit of responsible development and the improvement of the sustainability performance of the sector and its operators. In this regard, it should be noted that Sanlorenzo has been an Anchor Partner – in other words 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. As part of the partnership with the Water Revolution Foundation, during 2021 and 2022, Sanlorenzo took part directly in the "**Yacht Environmental Transparency Index**" (YETI) project, aimed at developing a specific rating for monitoring and improving the performance sustainability of boats. The Water Revolution Foundation therefore played the role of an aggregator between the various shipyards that have been invited to take part in the project (for more details see "*The engine of innovation*" section).

Finally, as part of the initiatives of the "**YACHT Sailing Through Design & Technology for a Sustainable Sea**" event, held during the Fuorisalone, live talks on sustainability were organised: the representatives involved were Massimo Perotti, the President and CEO of the Company, together with Patricia Urquiola, Walter Mariotti, Carlos Madrid, Fabiana Maccarini, Giuseppe Noto, Sergio Buttiglieri, Gea Politi, Cristiano Seganfreddo, Beatrice Del Balzo and Natasha F. Pulitzer.

Bluegame has, instead, joined the Blue Marine Foundation since 2018, association dedicated to the protection of marine ecosystems through the implementation of measures that include the creation of marine reserves, the restoration of vital habitats and the development of sustainable fishing models. The Companies are also active in other national and international industry associations and organisations. Among these **SYBAss** (Superyacht Builders Association), which unites and represents the builders of the largest yachts in the world, ensuring that their needs are addressed at an international level. The role of Sanlorenzo S.p.A. within the Association was further strengthened in 2022, the year in which President and CEO Massimo Perotti became one of the members of the Board of Directors of the same. The table below indicates the other associations, in addition to those mentioned above, of which Sanlorenzo and Bluegame are members.

TABLE 3 - MEMBERSHIP AND PARTNERSHIP WITH ASSOCIATIONS

ASSOCIATIONS	MEMBERSHIP/PARTNERSHIP DESCRIPTION
Miglio Blu Association (La Spezia)	The Company has been a member since February 2021, with a particular focus on activities falling within the following areas: infrastructure, environment, innovation and training. In particular, Sanlorenzo S.p.A. (Superyacht Business Unit) coordinates the work group for the design and construction of a cluster of energy expertise.
Atena	Ordinary collective member (Sanlorenzo S.p.A.)
Cavalieri del Lavoro National Federation	Massimo Perotti, 2022 Membership (Sanlorenzo S.p.A.)
ADI industrial design association	Annual subscription (Sanlorenzo S.p.A.)
Apuana Industrial Area Consortium (Z.I.A.)	Contribution (Sanlorenzo S.p.A.)
Promostudi La Spezia	Supporting member (Sanlorenzo S.p.A.)
UCINA - Confindustria Nautica	Both Sanlorenzo and Bluegame are registered as active members
Ligurian District of Marine Technologies SCA	Alfa partner (Sanlorenzo S.p.A.)
Peggy Guggenheim Collection	Institutional Patron of the Peggy Guggenheim Collection (Sanlorenzo S.p.A.)

NOTES

- ¹ For additional information on the structure of Sanlorenzo's corporate governance system, please refer to the Annex at the end of the document ("Technical insights" section) and, for a more detailed look, to the Report on corporate governance and ownership structure as at 31 December 2022, approved by the BoD on 14 March 2023.
- ² It should be noted that the Ordinary Shareholders' Meeting of 28 April 2022 appointed the new BoD, made up of 12 members. However, following the resignation of a Director during the year, the BoD currently consists of 11 members.
- ³ More details regarding the mechanism for appointing Directors, the proxies granted, and the Board's induction and training initiatives are provided in the Annex, "Technical Insights" section.
- ⁴ They have therefore gained significant expertise, including at an international level, in relation to the Group's business market and products offered.
- ⁵ With regard to "independence", see the definition provided in Article 147(3) of Legislative Decree 58/198 and the Code of Conduct of Borsa Italiana S.p.A..
- ⁶ It should be noted that Massimo Perotti's dual role as Chairman and CEO is, in the opinion of the Board, warranted by the Company's organisational structure, his professional attitude and experience and the significance of the activities he carries out for the Company and the Group as a whole. In view of the above-mentioned dual office format, the Board of Directors also appointed one of the independent directors as Lead Independent Director, in line with the recommendations set out in the Code of Conduct and in the Corporate Governance Code of Borsa Italiana S.p.A.. This position entails (i) acting as a liaison officer for the requests and contributions made by non-executive directors, with special reference to independent directors, and (ii) convening and coordinating the meetings, at least on a yearly basis, of independent directors only.
- ⁷ It should be noted that the Remuneration Policy, valid for the 2022 financial year – in other words until the date of approval of the Financial Statements as at 31 December 2022 – was approved by the Shareholders' Meeting of Sanlorenzo S.p.A. during the April 2022 session. More information about this Policy can be found in the "Technical insights" section in the Annexes.
- ⁸ As to market and operational risks, financial risks and risks related to litigation and tax assessments, reference should be made to the Annual Financial Report as at 31 December 2022, available on the www.sanlorenzoyacht.com website, under "Investors/Results and Financial Disclosures".
- ⁹ For further details, see the "Technical insights" section of the Annexes.
- ¹⁰ The Sanlorenzo Foundation is a non-profit organisation, direct or indirect, and pursues civic, solidarity and social utility aims. It constitutes a separate entity with respect to the Sanlorenzo S.p.A. Company and therefore is not included within the reporting scope of this NFS. However, it was deemed appropriate to report an in-depth analysis of its operation and purpose.

CHAPTER OVERVIEW: TECHNICAL DETAILS

REFERENCE GRIS:

2-1; 2-9; 2-10; 2-11; 2-12; 2-13; 2-15; 2-16; 2-17; 2-19;
2-28; 2-29; 3-3; 205-1; 205-2; 205-3; 206-1; 405-1

REFERENCE SDG:



TARGET: 16.5; 16.7; 16.10



TARGET: 8.2

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Principle X - Combating corruption in all its form

KEY STAKEHOLDER

Shareholders and investors

Local community

ADOPTED POLICIES, PROGRAMMES AND CERTIFICATIONS

- Model 231 Code of Ethics
 - Code of Conduct
 - Anti-Corruption Policy
 - Antitrust Compliance Programme
 - Foreign Assets (OFAC) Compliance Policy and Sanctions Compliance Programme
 - Related Party Transaction Procedure
 - Procedure for the management of significant and privileged information
 - Stakeholder Engagement Policy
 - Policy for managing dialogue with shareholders
-

COMMITMENT TO THE PRODUCTION PROCESS

STRENGTHENING OF THE SUPPLY CHAIN ATTENZIONE
ATTENTION TO THE ENVIRONMENT IN PRODUCTION
PROCESS
HUMAN CAPITAL



“ We believe in a work culture based on dialogue and safety and in the importance of promoting an ethical and sustainable supply chain ”

Commitment to the production process is a key area for the Group in our approach to responsible development, translating into the following priority areas, detailed in the pages below:

- **Strengthening of the supply chain:** promotion of an ethical and sustainable supply chain;

STRENGTHENING OF THE SUPPLY CHAIN

Suppliers of goods and services (the latter, defined as contractors) are key strategic partners in ensuring the continuity and development of our business. The Group's **strategic focus** permeates all phases of the relationship with these partners, from the selection, to the qualification, up to the daily management of the relationship with each and every one of them. The distinctiveness of the Sanlorenzo and Bluegame yachts is inherent in the **technical skills** and **craftsmanship** of the workers who carry out the individual processes which, in fact, do not foresee the direct intervention of the Group's personnel except in the organisation, control and supervision phases of the same and eventually to carry out some handling operations.

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**.

These aspects highlight the reasons underlying the Group's desire to make **strengthening of its supply chain** one of the key drivers for the growth and

Description of the Group's supply chain

The search and selection of suppliers and contractors is managed internally by the **Procurement Offices**, specific to each Business Unit (Yacht, Superyacht and Bluegame). A distinctive feature of the Group is its ability to count on a **complementary organisation**

- **Attention to the environment in production processes:** constant commitment to limiting the impact of our production activities;
- **Human capital:** development and dissemination of a work culture based on personal growth, dialogue and safety.

evolution strategy of the next decade (for more details see “*The strategic guidelines of the Group*” section). The following objectives underpin this strategy:

- ensuring the supply of key materials and works;
 - increasing the available production capacity;
 - increasing the agility and flexibility of production processes;
 - ensuring strict production quality control;
- In particular, the minority investments made during the year by Sanlorenzo and Bluegame in the capital of key suppliers such as Carpensalda Yacht Division S.r.l., operating in metal carpentry, Duerre S.r.l., artisan manufacturer of quality, and I.C.Y. S.r.l., historic Bluegame partner, of which the Company acquired 60% of the capital on 22 July 2022, fit into this programme.

between the Procurement Offices – corporate type function – and the **Supply Chain Function**, allowing to optimise and support production, while always ensuring maximum flexibility and speed in responding to shipowners' requests.

Specifically, in Sanlorenzo the Supply Chain Function is a business function that reports directly to Operations as far as the Yacht BU is concerned. In Bluegame, instead, starting in 2022, the function reports directly to the Procurement Office (the two departments are not separate as is the case for the Parent Company), which in turn reports directly to the CEO. The administrative area of the subsidiary, in turn, coordinates with the respective functions of Sanlorenzo.

Moreover, an Office dealing with the supply chain is operational at the Ameglia, Viareggio, La Spezia and Massa shipyards.

This organisational structure is further supported by a **Strategic Committee** made up of the President and

CEO, the General Manager and Managing Director of Sanlorenzo, the President of the Yacht Business Unit, the Managing Director of Sanlorenzo and the Managing Director of Bluegame, the Group HR Manager, and the Group CFO – responsible for decisions regarding the award of contracts and the insourcing or outsourcing of specific activities. This organisational structure allows the two Companies to **operate in a consistent and synergetic** fashion in the selection and management of suppliers and contractors. With reference to the first stages of managing the relationship with these partners, the process is organised as described below (see Figure 26).

FIGURE 26 - THE SELECTION PROCESS OF SUPPLIERS/CONTRACTORS



In particular, the initial assessment of the supplier or contractor is based on compliance with the following criteria:

- **lawfulness** of operations;
- **expertise and production capacity**, in line with the needs set out in the orders in terms of technical, quality and organisational reliability;
- **competitiveness and quality** of the end result;
- **fairness** towards the Group;
- **respectability, reputation** and **equal opportunity** for each supplier;
- **economic-financial stability**, ensuring that the supplier/contractor is sound enough to cope with and complete the required activities;
- **competitiveness of the price** of the materials and services offered;
- **geographical location**, looking to favour local firms

as much as possible, so as to enhance and empower the community in which the Group operates and in general the Italian territory and the Made in Italy brand. This solution not only allows for the fair redistribution of the satellite activities generated (for more details see the “*Sanlorenzo Group performance in 2022*” section), but also multiple advantages in terms of logistical practicality, since the contractors must be physically present at the Group's shipyards. In the case of Bluegame, production (with the exception of the assembly and outfitting phases which starting in 2022 have been fully internalised and the production of the new BGM range) is mainly carried out by Lombard companies, underlining the quality-focused choice made by the Company, as this area is considered a major yachting hub, especially for smaller yachts.

Suppliers and contractors who meet the criteria outlined above are subsequently involved in an **on-site visit** by the Procurement Offices, often assisted by other Company functions involved in the process. These visits, in particular, are aimed at verifying the following aspects:

- availability of technical personnel and compliance of working conditions with the minimum social guarantees of 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);
- compliance with the requirements relating to organisational controls in the health, safety and environment fields, including obtaining the relevant certification as applicable;
- management and control methods of the supply chain (sub-suppliers/sub-contractors).

Further specific controls may then follow, as in the case, for example, of supplies of **raw materials**, for which the Group carries out an **initial sampling** to verify their quality, reliability and safety.

With reference to the three Group Business Units, in 2022 the following changes took place in the supply chain of the two Companies. Specifically, as regards the Yacht Business Unit, the new suppliers of raw materials and components qualified during the year amount to 5, plus 4 new manufacturing contractors² for an overall increase of 9% compared to 2021. With reference to the Superyacht Business Unit, instead, there was an increase of approximately 10% during the year, considering the entry of 3 new suppliers of raw materials and components and 7 new contractors. Finally, Bluegame respectively qualified 150 and 39 new suppliers of raw materials and components and contractors.

To date, there are therefore **3,437 active suppliers** (2,619 for Sanlorenzo and 818 for Bluegame), of which 3,050 are suppliers of raw materials and components (2,470 for Sanlorenzo and 580 for Bluegame) and 230 are manufacturing contractors.

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 2022 amounts to approximately Euro 645 million (approximately Euro 577 million in 2021), of which 37% towards local suppliers³.

In 2022, the yachting sector was once again affected by the pressures generated by the increase in the prices of raw materials, as well as energy, resulting from the current inflationary scenario characterising global markets and in particular European ones. For the Group, the impact of these dynamics was mitigated and offset by the increase in list prices during the year. Specifically, the procurement of materials and processes was managed **by diversifying suppliers** and favouring **long-term contracts with set prices**, also thanks to the **optimisation of production planning** resulting from the huge order portfolio and the **verticalization strategy adopted in the key supply chains** undertaken starting in 2022.

Requests for direct support to the Group received from various suppliers over the last two years to face the crisis have been managed through the adoption of the following measures, consisting of 3 action phases:

1. to minimise the risk of unavailability of materials – with particular reference to engines, due to the problems associated with the difficulty of procuring electronic components – most of the purchase plans with main suppliers were reviewed and revised to **anticipate actual production needs**, processing orders with effect until the end of 2023 or the beginning of 2024. Inventories were thus increased – with a transversal incidence and not on the single order – for materials characterised by a higher level of vulnerability (for example, engines and generators);
2. **the checks carried out on supplies were further extended**, increasing the number of meetings with key suppliers (above all the main engine suppliers and other major suppliers) and assessing, in the case of major delays, immediate alternatives agreed upon with the customer, thanks to the ability to count on a greater number of suppliers deriving from the implementation of the diversification strategy;
3. in order to cope with price increases and provide assurances to suppliers as far as possible, the **budget for procurement was reviewed** and increased where necessary.

In the case of contractors – with respect to which meetings aimed at managing these complexities intensified during 2022 – efforts were also made to collect all the necessary information on the materials used, to look for other suppliers in addition to those generally taken into consideration by the contractors and sign specific framework agreements with them, with a term no shorter than 3 to 4 years. These agreements

make it possible to formalise guarantee clauses aimed at maintaining inventories with suppliers of strategic materials.

The continuity of production was also guaranteed through the development of **corporate alliances** relating to fibreglass work and the hulls of yachts longer than 44 metres.

The production chain includes thousands of artisanal firms of absolute excellence, which are a key element of the Sanlorenzo Group's business model. For these reasons, the Sanlorenzo Group has implemented various projects to support the supply chain in recent years. After the agreement signed in 2020 with two major banks, the Confirming programme was further strengthened in 2022 with the entry of a third institution and was supported and completed by the launch of the innovative Dynamic Discounting project. Through the Confirming platforms, almost Euro 120 million of credit lines were made available for Sanlorenzo and Bluegame suppliers, which are thus able to discount the invoices due to the Group without recourse, at advantageous interest rates. To date, this programme has been activated for almost 120 Group suppliers.

In addition to the agreement described above, in 2022, the Group entered into an agreement for the use of the innovative platform created by FinDynamic (so-called Dynamic Discounting) which allows Group companies to

support the supply chain by generating economic value through the efficient use of liquidity and allows suppliers to obtain advance payment of invoices at advantageous conditions.

A further critical factor that has recently affected supply chains, with specific reference to the works, is the **shortage of technical manpower**, which the Group tries to compensate for through the training offer of the **Sanlorenzo Academy** (additional details are provided below) that contractors can draw on in terms of new resources. The **collaboration with Confindustria La Spezia** further complements this channel, in particular in the context of the B2B Mare La Spezia event, organised by the association and in which the Group participates with the aim of promoting collaboration with local supplier companies and making the most of the local know-how.



Ethical and responsible supply chain

Discussion with players in the supply chain are ongoing, any problems and risks are openly talked about, evaluated and faced together, on a daily basis and almost always through face-to-face meetings. Particularly with reference to contractors, this perspective focused on **partnership and joint growth** allows the Group to be able to count on long-term relationships, with a consequent reduction in turnover rates.

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

- TRANSPARENCY
- LOYALTY
- INTEGRITY
- CONFIDENTIALITY
- DUE DILIGENCE
- PROFESSIONALISM
- OBJECTIVITY OF JUDGEMENT

The Group is committed to ensuring that the management of relations with suppliers and contractors is inspired by and guarantees **constant alignment with the highest national and international standards in terms of quality, safety, social and environmental issues**. Particular attention is paid to **respect for fundamental human and labour rights**, so that suppliers and contractors, and related sub-suppliers and sub-contractors are not complicit in human rights abuses. The relationship between Group Companies and their suppliers and contractors is, in fact, governed by a **Framework Agreement** within which all the following contractual documents are referred to:

- the **General Terms and Conditions of Purchase** or the **General Tender Specifications (GTC)**, which, following the acceptance of the Order in which they are expressly referred to, the suppliers and contractors undertake to fully read, understand and comply with. The issues governed by these documents also include aspects concerning the phenomenon of illegal hiring, in line with what is defined by the "Memorandum of understanding for combating labour exploitation and illegal labour brokering in the field of recreational yachting";
- reference **technical specifications**;

- the **Quality Booklets** (as of 2022 also partly extended to Bluegame contractors working in the Ameglia shipyard), which form the support basis for the Quality Office during systematic and daily on-board inspections in all production phases (for more details see the "Sanlorenzo Timeless" section);
- the **economic conditions** of supply;
- in the case of contractors, the **production planning** for the period established by the Framework Agreement;
- the **order form**;
- any **operating instructions** for **packaging and transport**.

Similarly, suppliers and contractors are required to read, understand and accept the provisions contained in the Group's Code of Ethics and Model 231.

In addition, the list of documents required of suppliers and contractors to access the Sanlorenzo and Bluegame shipyards was revised, as part of the project – formalised in 2022 – to **improve the document verification** carried out by the Company on its contracts.

Lastly, the **supply chain mapping** activity – initiated in 2021 – continued in 2022, through the sharing of the **self-assessment questionnaire** aimed at determining the level of maturity of suppliers with regard to sustainability. In particular, the self-assessment has the following objectives:

- 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 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.

The sample of suppliers with whom the questionnaire was shared – including more or less structured firms, for a total of **119 companies** belonging to the contracts and works, furnishings, fuels, purchasing materials, raw materials and services macro-categories – was selected on the basis of **strategic importance, company size** and overall **risk** (in terms of country risk and sector risk) associated with the individual supplier.

The selected companies were therefore asked to respond to the questionnaire (between October 2021 and March 2022) to share information on



the management of social aspects – including those relating to human and labour rights –, environmental and corporate ethics, with the possibility for suppliers to specify any process certifications obtained or, alternatively and above all in order not to exclude smaller companies, the definition of specific practices, if any, for each area analysed. In addition to the 105 responses obtained in the previous year, another 14 participations completed the questionnaire in 2022 (year in which the survey was still active), thus ensuring full coverage of the analysis sample. Of the 119 suppliers that took part in the questionnaire, 91 replies were considered valid for the purpose of analysing the information provided, 93% relating to Italian suppliers.

This sample represents 20% of the Sanlorenzo supplier base and **35% of the overall procurement value**. Each question was associated with a score in order to be able to **evaluate the sustainability performance of the companies that took part in the questionnaire and compare them with the average score obtained from the sample analysed**, with reference to the supplier's reference macro-category. The main results that emerged from the first evaluation carried out are summarised below.

FIGURE 27 - THE RESULTS OF THE SELF-ASSESSMENT QUESTIONNAIRE

EVALUATION OF THE ANSWERS					
ENVIRONMENT	TRACEABILITY	HEALTH AND SAFETY	HUMAN RIGHTS	ANTI-CORRUPTION	INTERNAL PRINCIPLES
<ul style="list-style-type: none"> • 1 in 3 suppliers has a certified Management System or a Policy in place on the subject • 1 in 5 suppliers has a risk assessment system in place • Only 2 suppliers out of the sample analysed use "conflict minerals" in their production processes and only 1 supplier has a policy in place to regulate their use 	<ul style="list-style-type: none"> • 2 out of 3 suppliers are able to guarantee the traceability of their supply chain 	<ul style="list-style-type: none"> • 81% of suppliers have adopted a control process on the matter • 1 in 2 suppliers have a risk assessment system in place • 12% of suppliers have adopted a policy on the matter 	<ul style="list-style-type: none"> • 40% of suppliers have adopted a control process on the matter (only 1 supplier has a certified Management System) 	<ul style="list-style-type: none"> • 1 out of 4 suppliers has adopted controls on the matter (only 1 is certified) 	<ul style="list-style-type: none"> • 23% have a managerial figure in place dedicated to sustainability

The results obtained from the analysis will be subject to further documentary analysis by Sanlorenzo, to **verify the reliability of the information collected** and, where necessary, to jointly define **improvement**

plans and coaching paths towards achieving better performance.

Rules governing dealings with suppliers in social matters

The assessments carried out in the social area through documentary checks concern the contractor's/ supplier's ability to ensure the correct and timely payment of remuneration, in terms of salary and contributions, to employees who must be regularly employed by the company, and to comply with the applicable legislation on the prevention of accidents in the workplace. With specific regard to contractors operating within Sanlorenzo's shipyards, it is expected that a Works Supervisor and/or Site Manager is present on site, during all working hours. Their role is to ensure the correct technical management of the works under the contract, the proper behaviour of each employee and their full and continued compliance with environmental, fire prevention, and workplace health and safety regulations (for more details see the "Technical Details" section).

The number of contractors' workers who work on the Group's shipyards on a daily basis may vary slightly depending on current orders and seasonality. In 2022, there were **2,000 employees from such firms, between 300 and 750 at each shipyard**. 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 – as well as employees and collaborators of Sanlorenzo and Bluegame (for more details see the "Talent and experience" section) – who carry out activities on Sanlorenzo's shipyards are covered by the Occupational Safety Management System, **certified pursuant to the UNI EN ISO 45001:2018 standard**.

Specifically, the main risk of accidents in the shipbuilding sector is attributable to falls from heights: the danger, in fact, is associated with slipping, tripping and falling from scaffolding⁴ or from lifting platforms (about 14 metres high for 50/60 metre-tall yachts) on which workers often have to work. 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. This risk is managed through the presence of appropriate personal and

collective protection measures (installation of suitably positioned ventilation and air extraction systems). Moreover, thanks to the use of the infusion technique (for more details see the "Focus on the environment in production processes" section) the Group 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.

Fire risk, typical of shipbuilding, is also relevant by virtue of the type of materials and substances used and their large quantities. In this regard, all the Group's shipyards have obtained and keep up-to-date a **Fire Prevention Certificate (CPI)** issued by the relevant Provincial Fire Brigade, certifying the compliance of the shipyard with the specific fire prevention regulations in force and specific to each individual site.

The assessment of the occurrence of any other workplace hazards within the Group's shipyards – in addition to those already identified in the **Single Document on the Assessment of Risk from Interference (DUVRI in Italian)** – is supported by a **weekly inspection** of the work areas carried out by the internal **Prevention and Protection Service Managers** (see Figure 52).

To verify the effective implementation of the provisions of the reference standards and of the procedures mentioned above, on-site checks are carried out during the reporting year, both by the internal offices and by a third party, consisting of **120 site inspections** (about 10 per month)⁵.

These inspections have resulted in a **risk assessment relating to health and safety conditions mainly of an acceptable nature**, with some limited cases in which a moderate level of risk was identified and **no situations of medium or high risk**. It should also be noted that, in 2022, the Ameglia, Massa and Viareggio shipyards were subject to the audit required by the ISO 45001:2018 certification.

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 training provided through the **Sanlorenzo Academy**, in addition to the **general and specific training**

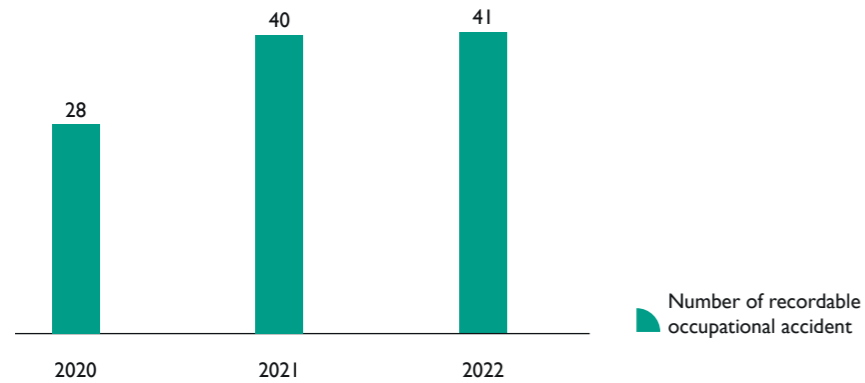
requirements (for example, on risks and the use of equipment such as forklifts and overhead cranes) provided for by the General Procurement Conditions for contractors. Sanlorenzo and Bluegame, in fact, require contractors **to provide a copy the certificates of participation in this training** by their workers. Training on Legislative Decree 81/08 of a general and specific nature for supervisors and managers is carried out on a weekly basis, also in consideration of the need to manage increases and changes in personnel.



Awareness-raising on matters relating to health and safety in the workplace is also carried out within the shipyards, including through the signs and billboards

translated into various languages to facilitate the understanding of the provisions in force by all the workers present.

FIGURE 28 - ACCIDENTS AT WORK IN THE 2020-2022 THREE-YEAR PERIOD AMONG WORKERS OF SANLORENZO AND BLUEGAME'S CONTRACTORS



Specifically, out of the total number of recordable injuries, 40 are attributable to workers of Sanlorenzo contractors and 1 to a worker of a Bluegame contractor. The overall rate of recordable occupational accidents⁶ is equal to 4.67 (6.16 in 2021). Among the workers of subcontractors who collaborate with Bluegame, only one workplace accident was recorded during the year, without serious consequences.

In 2022, the Group also reinforced its measures concerning the containment of the **phenomenon of illegal hiring**, which represents a widespread risk within the nautical industry. In this regard, it is specified that in 2021 the Group signed the *Memorandum of Understanding for combating labour exploitation and illicit intermediation of labour in the pleasure boating sector*⁷ – with a two year term –, in which it undertook to adopt all the necessary measures to combat undeclared work

practices, helping to disseminate a culture of lawfulness and the performance of procurement activities in full compliance with the national regulations on employment relations and social security contributions, insurance and safety in the workplace by companies in the sector.

In fact, during the current financial year, this commitment has translated into two main actions: the launch, in November, of an information and intercultural mediation help desk at the La Spezia shipyard, and the offer of training courses, held by cultural mediators, for foreign workers and for the employees of contracting firms in charge of contract management and of related checks.

INSIGHT

Integration and fight against illegal hiring

With the aim of promoting the information sharing and training of workers of contracting firms – especially those of foreign origin – with respect to their rights, Sanlorenzo has supported, in collaboration with Confindustria La Spezia and the local Prefecture, the development of two key aspects.

Among these, the **information helpdesks** present at the La Spezia shipyard – with the availability of a Bengali and Arabic-speaking mediator – aim to manage, in a targeted and intercultural manner, all requests for information on employment relationships, regular pay, social security and insurance contributions and workplace safety. The helpdesks also guarantee the facilitation of communication between different languages and cultures and, by developing the awareness of the participants, favour access to public and territorial services.

Similarly, a 4-month **training course** has been launched⁸ aimed both at employees of contractors in charge of managing contractual practices, as well as to foreign

workers, to help develop correct management practices relating to the various aspects of the employment relationship, the rights and duties of workers and safety in the workplace.

Together with Confindustria La Spezia, Sanlorenzo also carried out a **4-day training course** – attended by the Procurement and Technical Offices of the two Group companies – on the fight against illegal hiring. Finally, in partnership with the Italian Red Cross and with other national and international organisations, Sanlorenzo has launched – first in La Spezia and later in Viareggio and Ameglia – a **job placement project** for personnel of foreign origins, employing 14 people within its own contractors, broken down by type of contract (for example plumbing, external carpentry).

Finally, in the event of **subcontracting** – which must be used in limited and justified cases and which must be authorised by Sanlorenzo and Bluegame after verifying the existence of the technical-professional and economic skills and the existence of a procurement contract signed by the contractor and

by the subcontractor – the management of aspects concerning employee protection is entrusted directly to 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 agreed 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 (for more details see the “Focus on the environment in production processes” section).

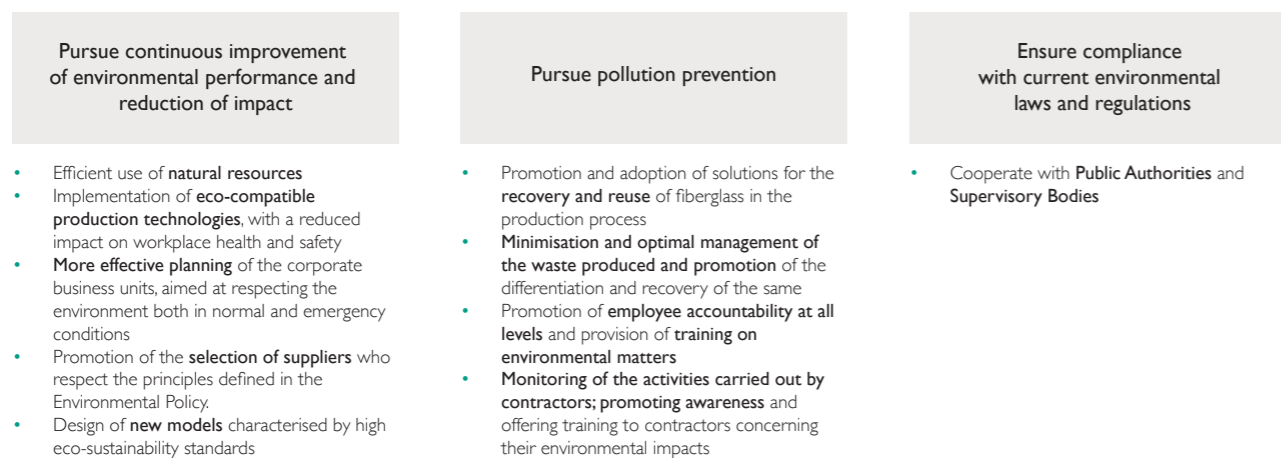
Specific attention is also devoted to waste management, with particular reference to any processing residues (such as packaging, materials and raw materials of normal use and consumption), which the Group handles by informing the contractor on the separate collection and disposal methods.

ATTENTION TO THE ENVIRONMENT IN PRODUCTION PROCESSES

The Group recognises the need to deal jointly with economic and environmental system requirements. In alignment with the values and principles defined within the **Environmental Policy**⁹, in this regard the Group's commitment takes the form of an **integrated approach to the management of the environmental factors** associated with its business. In order to transform this commitment into management, Sanlorenzo and Bluegame have adopted an Environmental Management System (EMS) certified in accordance with the **ISO 14001:2015** standard for all its shipyards, whose operations are subject to strict constraints aimed at protecting the environment.

In particular, the Group's **Environmental Policy** highlights how respect for the environment is an essential condition to ensure the correct management of business activities. This is achieved through the implementation of actions aimed at **continuous improvement** to increase environmental performance and reduce the environmental impact, with a focus on the **prevention of pollution** and ensuring full **compliance with applicable laws and regulations**. These principles are accompanied by specific objectives, taken as a reference for the execution of the Group's business activities (see Figure 29).

FIGURE 29 - ENVIRONMENTAL POLICY PRINCIPLES AND OBJECTIVES



Moreover, the management of business activities and the generation of value by the Group must take place with the **awareness of the urgency dictated by the challenges** posed by climate change and the **adoption of proactive behaviour** in the fight against it, taking on a leading role for the sector in launching incisive actions and raising the awareness of all the stakeholders who interact with the Group. In this context, the 2050 *carbon neutrality* objective promoted by the European Commission within the framework of the European Green Deal is a key point of reference. The Group

has also defined specific **Environmental Programmes** – developed starting from the context analyses carried out annually in compliance with the requirements of the ISO 14001 standard – specific to each of the shipyards, containing the projects and activities of a corrective and/or improvement nature following the evaluations carried out.

It should also be noted that the Group's shipyards are subject to the **Single Environmental Authorisation (AUA)**, which was updated in 2022. In particular, the following **annual monitoring** was carried out: one at the La Spezia shipyard¹¹, two at the Ameglia¹⁰ shipyard where the fire prevention certificate was also updated, five at the Viareggio shipyard and three at the Massa shipyard¹². The Group's environmental impacts can be broken down into two macro-categories according to the direct or indirect impact by the Group companies:

- direct impacts**, in other words deriving from the activities carried out within the Sanlorenzo shipyards, with specific reference to the raw materials used, the energy consumption necessary for the processes and the consequent emissions generated (CO₂, VOC, SOV and MPT dust emissions), as well as fuel consumption for sea trials of yachts and for moving company vehicles. With regard to water, it should be noted that the Group's impact is mainly associated with the use of water for civil purposes and, to a lesser extent, to the storage area used for washing boats;

Materials used

The quantities of material used for the construction and outfitting of Sanlorenzo and Bluegame yachts are strongly influenced by production patterns. The Group pays particular attention to the issue of procurement of raw materials, focusing part of its sustainable innovation strategy on the choice of materials that can have a reduced environmental impact (for more details see "*The engine of innovation*" section). In line with the provisions of the latest Single Environmental Authorisation (AUA) update, strict control **of incoming raw materials** is envisaged, in order to monitor all the material used, including by maintaining an up to date freight bill repository¹³. Moreover, the inventories are organised through careful and prudent planning to ensure the required quantities of materials available in stock in accordance with the scheduling of the construction phases of the yachts. The purpose is to **avoid surpluses in inventories** that could generate expired or obsolete material, which should then be recycled or disposed of. The collaboration

- indirect impacts**, in other words generated by the activities that take place upstream and downstream of the Group's value chain, with particular reference to the impacts generated by so-called "*beyond tier 1*" suppliers (that is, beyond the first link in the supply chain) and the use of the yachts by shipowners. With respect to this last point, the energy consumption and emissions generated by the navigation of yachts, the use of water on board and the possible impacts generated on marine ecosystems are of particular interest to the Group. In the case of Bluegame, moreover, the impacts of an indirect nature also include the environmental impacts generated by the processes carried out at the facilities of subcontractors not owned by the Company.

The following sections explain the environmental factors relevant to the Group. Tables of quantitative details are given in the Annexes (for more details see the "*Technical insights*" section).

with the Service Team for the reuse of these materials as part of the refitting of yachts also plays an important role (for more details see the "*Sanlorenzo Timeless*" section).

Details of the main types of materials used for the construction and outfitting of yachts during the reporting year are shown below (see Figure 30), with the reference quantities¹⁴. Overall, between the three Business Units, 8,561,189 kg of materials were used, 18% of which were renewable (wooden materials). The greatest incidence (61%) on the total materials used is attributable to the Yacht Business Unit. The data presented must be considered in relation to the number of units of yachts (59) and superyachts (5) Sanlorenzo and Bluegame yachts (32) delivered in 2022: 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 Business Unit.

FIGURE 30 - MATERIALS USED AND GT, BY BUSINESS UNIT (2022)*

Yacht Business Unit



Glass	Wood	Ferrous Materials	Insulation Materials	Laminating Materials	Metallic Materials
121,299 kg	1,010,858 kg (includes plywood for partitioning, wood for furnishings/décor and teak)	1,145,310 kg (includes copper)	160,004 kg	1,823,867 kg (includes resin, glass fibre, carbon fibre, PU/PVC)	463,900 kg (includes aluminium alloys and stainless steel)

541.88
Total kg / Total GT

Superyacht Business Unit



Glass	Wood	Ferrous Materials	Insulation Materials	Filler	Metallic Materials
50,000 kg	381,690 kg (includes plywood for partitioning, wood for furnishings/décor and teak)	1,258,250 kg (includes copper)	122,000 kg	116,900 kg	346,600 kg (includes aluminium alloys and stainless steel)

742.28
Total kg / Total GT

Bluegame Business Unit



Glass	Wood	Ferrous Materials	Insulation Materials	Laminating Materials	Metallic Materials
37,150 kg	137,650 kg (includes plywood for partitioning, wood for furnishings/décor and teak)	232,860 kg (includes copper)	20,660 kg	281,470 kg (includes resin, glass fibre, carbon fibre, PU/PVC)	61,940 kg (includes aluminium alloys and stainless steel)

618.66
Total kg / Total GT

*The GT (Gross Tonnage) is a measure of the total volume of all enclosed spaces of the vessel expressed in cubic metres. For the reporting of the year 2021, the International GT, valid for vessels over 24m, was used for the Superyacht BU, the Yacht and Bluegame BUs used the under 24m methodology. In the year 2022, to make the values comparable, it was decided to adopt the International GT for the Superyacht and Yacht BU.

In particular, the materials of renewable origin include wood, which the two companies use as follows: plywood for partitioning, wood for furnishings and décor and **teak**. With respect to the latter type, both companies require their suppliers and contractors to ensure that the material used has previously been subjected to European checks aimed at ascertaining its origin and compliance with the standards set by the European Union¹⁵. Moreover, the supplier must

present a **controlled import certificate**, guaranteeing that the material purchased comes from plantations that comply with applicable regulations and that part of the amount paid has been allocated to **replanting**. In addition, starting from the entry into force of Regulation (EU) 2021/998, the purchase and use of teak from Myanmar is prohibited¹⁶.

To meet the need to replace this raw material, the Group has evaluated and tested various alternatives considered more sustainable from an environmental, social and ethical point of view (for more details see “The engine of innovation” section).

Special attention is also paid to the **choice of furniture** that complies with the most restrictive regulations in terms of adhesive materials (glues) used for their production. With regard to furniture purchases (made by contractors from Italian suppliers), the Group complies with the European class 3-E1 regulation on formaldehyde emissions. This substance, in fact, is considered harmful as it is an agent whose action is considered potentially carcinogenic.

Among materials of non-renewable origin leather should be mentioned, 100% sourced from Italian suppliers, with respect to which Sanlorenzo has consolidated a partnership with a supplier able to ensure the implementation of **ecological and odourless tanning** processes (so-called “vegetable tanning”), to replace the chemical one. To date, the tests carried out by this supplier have shown 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 IMO¹⁷ 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 and Spain, and some of the remainder from other European countries, including the Czech Republic, Finland, Switzerland and the United Kingdom. As these are central materials for the production of the yachts, but which could have significant impacts on the environment, the Group undertakes to constantly monitor the development of alternative solutions and innovative production processes that have a lower impact on the environment. An example is the bio-resins used for the details of the ceilings and furnishings in the new SD90S model (for more details see the “Maison Sanlorenzo” section). Finally, with regard to the use of **recycled materials**, based on an approach increasingly oriented towards **circularity**, to date the Group’s R&D function has carried out various tests aimed at subsequent applications inside yachts, such as for example recycled carbon for the production of hulls (for more details see “The engine of innovation” section). In the SD90S model, for example, the following applications were carried out: the wood panelling covered in recycled cannulated Paper Factor material; sustainable terrazzo stone used in the bathrooms; recycled glass used for the saloon’s bow wall.

Energy consumption

Although energy consumption is a source of direct environmental impact for the Group, it should be emphasised that the production activities of both Group Companies are not categorised as highly energy intensive, as the processes that would require greater consumption – for example, welding and woodworking – are not carried out within the Company’s shipyards, but are outsourced and do not currently fall within the scope of reporting.

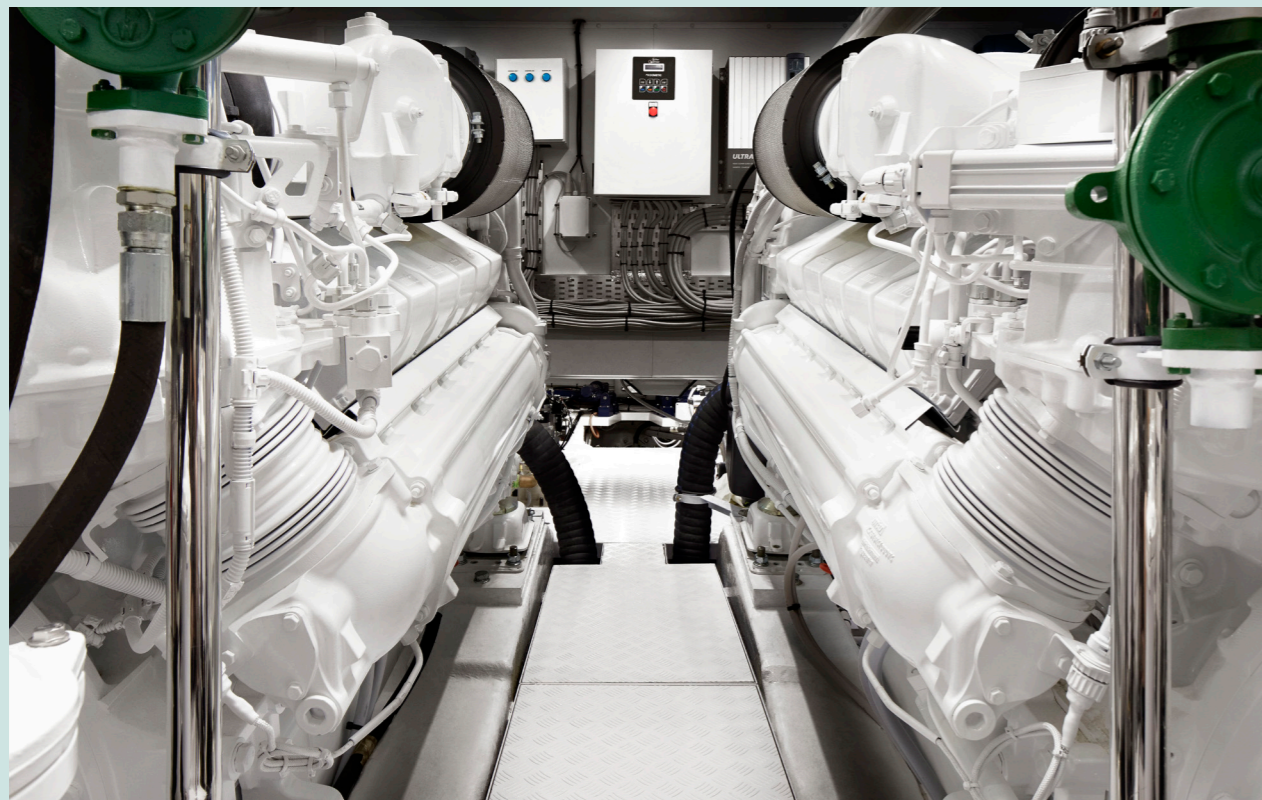
On the other hand, energy consumption on board the yachts appears to be more significant as, at present, they require high electrical loads. From this point of view, the Group is carrying out significant developments aimed at ensuring greater energy efficiency of the yachts and the related reduction of the Group’s carbon footprint (for more details see the “Maison Sanlorenzo”, “For Bluegamers only” and “The engine of innovation” sections).

INSIGHT

On-board energy consumption

The high electrical loads on board the yachts, fed by the generators installed in the engine room, are generated by various utilities which determine energy absorption. Among these, the air conditioning and stabilisation systems, the kitchen and laundry utilities, the boilers, the lighting system and the electrical sockets in the

cabins, the audio-video system, the utilities in the engine room and on deck and the manoeuvring and mooring systems. Depending on the size of the yacht, the consumption values can vary from 30 to 200 kW.



With reference to direct energy impacts, it should be noted that the management of aspects connected to the energy supply is entrusted to the competent Sanlorenzo and Bluegame functions, which work in close collaboration with the Confindustria Energy Consortium and with the relevant authorities, including, for example, the Electricity Authority and the Regions of Liguria and

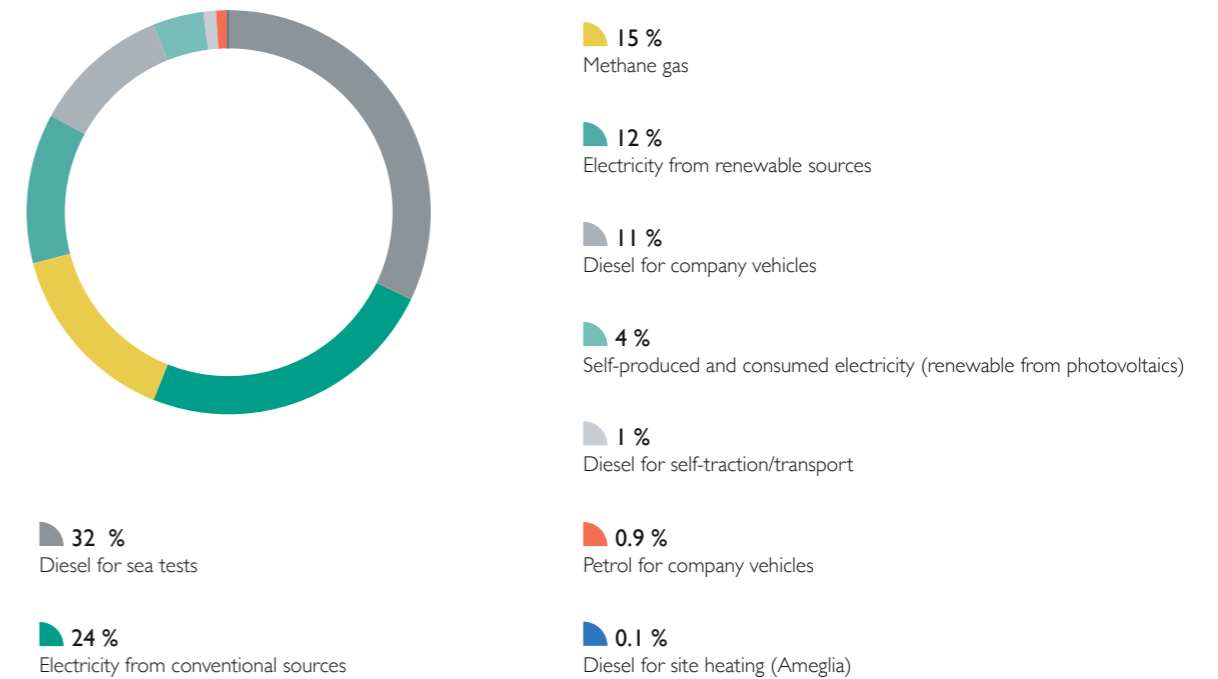
Tuscany. In line with the provisions of Legislative Decree 102/14 for large companies, the Group carries out **energy audits** on a four-year cycle – the last one carried out in 2019, to be renewed in 2023 – and implements **action plans aimed at energy efficiency**.



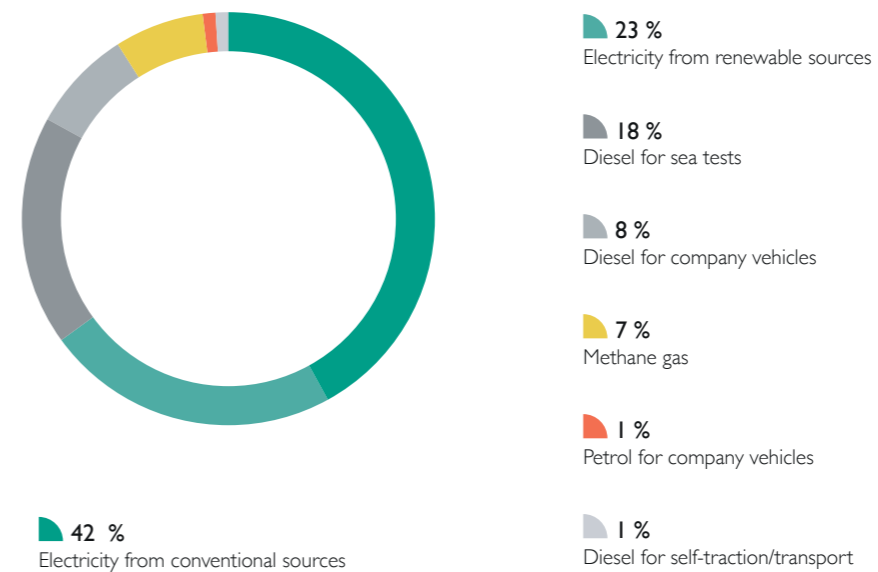
In 2022, the energy consumption of the Yacht¹⁸ and Superyachts¹⁹ Business Units can be broken down on the basis of the following sources (see Figure 31). For the Yacht Business Unit, the main component of the 2022 energy mix is the diesel used for sea trials²⁰, followed by electricity purchased from conventional sources²¹. On the Business Unit's energy mix, electricity

purchased from renewable sources accounts for 15% (33% of total electricity consumption). With reference, instead, to the Superyacht Business Unit, energy consumption is mainly driven by the use of electricity purchased from conventional sources. Electricity purchased from renewable sources accounts for 22% of the total consumption of this Business Unit (35% of total electricity consumption).

FIGURE 31 - SANLORENZO GROUP ENERGY MIX (2022)
ENERGY MIX 2022 BUSINESS UNIT YACHT



ENERGY MIX 2022 BUSINESS UNIT SUPERYACHT



The following graphs (see Figures 32 and 33) provide details on energy consumption for the 2020-2022 three-year period, for the two Business Units. The increase recorded in 2022, amounting to 2% in the Yacht Business Unit and 22% in the Superyacht Business Unit, is mainly attributable both to the increase in yachts

delivered compared to the previous year (in the case of the Yacht Business Unit, which also includes the energy consumption of Bluegame), and the inclusion in the data of the new Group companies (Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l.).

FIGURE 32 - ENERGY CONSUMPTION 2020-2022, YACHT BUSINESS UNIT IN GJ

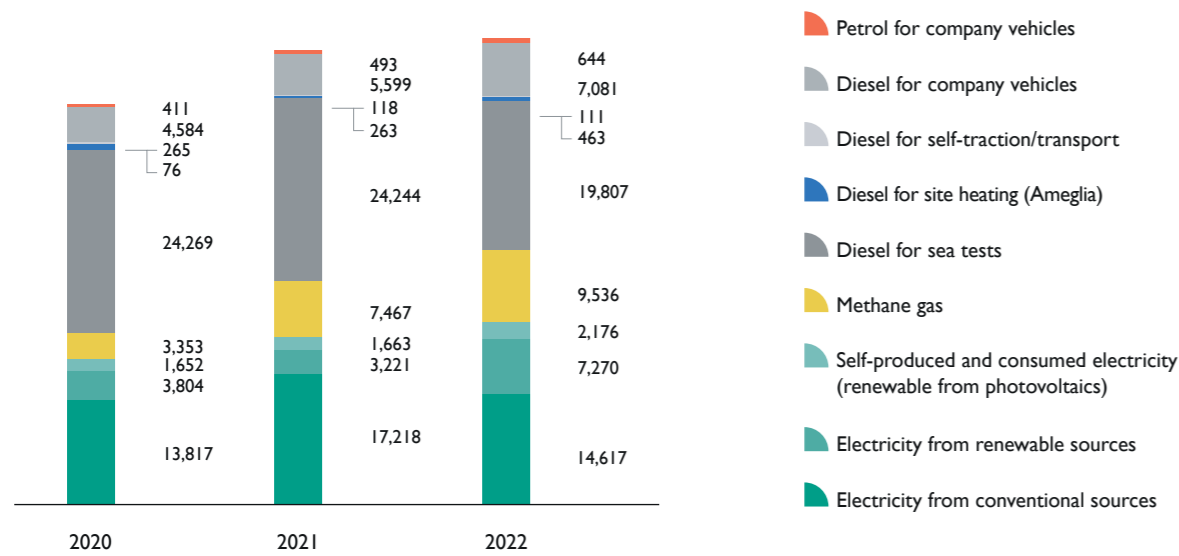
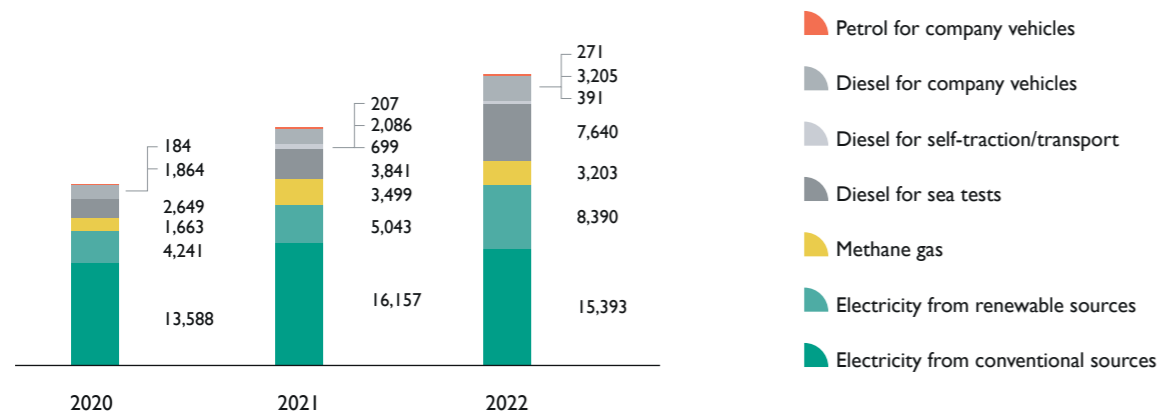


FIGURE 33 - ENERGY CONSUMPTION 2020-2022, SUPERYACHT BUSINESS UNIT IN GJ



In 2022, the energy intensity²² of the Yacht Business Unit is equal to 5.54 GJ/GT, a value which instead stands at 11.82 GJ/GT for the Superyacht Business Unit.



Energy efficiency initiatives

The plant engineering interventions started in the previous two years aimed at obtaining higher energy efficiency at the Group's shipyards continued in 2022. These interventions (see Table 4) allow the Company

not only to reduce its energy consumption, but above all to operate with a view to progressively reducing the Greenhouse Gas (GHG) emissions generated.

TABLE 4 - ENERGY EFFICIENCY MEASURES IN THE SANLORENZO SHIPYARDS

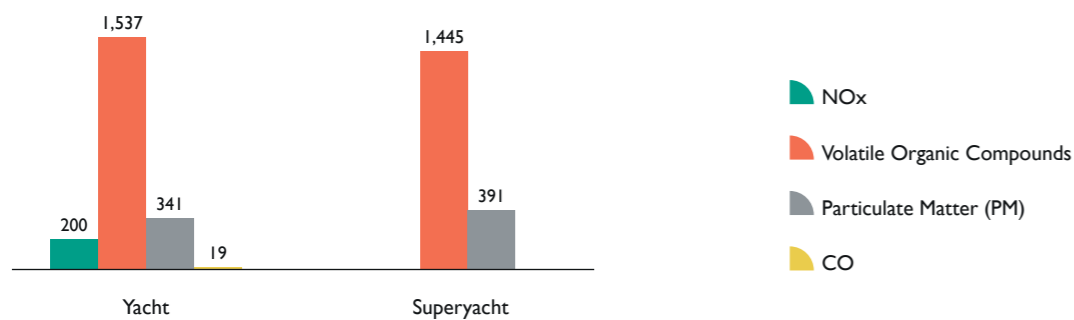
SHIPYARD	ACTION	RESULTS
Ameglia	Photovoltaic system: In 2022, the expansion of the photovoltaic system present in the Ameglia shipyard continued, operating at full load for a total of 1,393 solar panels (LG SOL2 model) covering a total area of 2,400 square metres. The nominal installed power is equal to 418 kWp and the annual producibility is 630,000 kWh. All the energy produced is used to meet the electricity requirements of the production site, with reference to both shipyards (Area D1 and D2). The heating systems located in office premises, running on diesel or methane, have been replaced with heat pump systems powered by the photovoltaic system.	As at 2022: <ul style="list-style-type: none"> • Annual consumption equal to 2,522 MWh • Reduction of energy consumption from conventional sources equal to 604 MWh • Avoidance of 430.9 tonnes of CO₂ emissions thanks to a reduction of 0.629 kg of CO₂ per kWh produced.
La Spezia	Photovoltaic system installation: The detailed structural analyses to assess the load capacity of the roofs of the buildings (in metal) in which the panels will be installed and the actions to be taken to obtain approval from the Fire Brigade continued.	The system has not yet been installed in 2022 due to the need to carry out additional checks.
	Installation and start-up of heat pumps to replace the electric heaters at the La Spezia facility (painting area): 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. As at 31 December 2022, 5 heat pumps have been acquired. The heat pumps will be powered by the site's photovoltaic panels (see previous box), thus making it possible to have a zero-emission heating system in the area concerned.	Evaluating the energy savings is not possible yet.
Massa	Commissioning of the hot water radiant strip heating system: In operation since 2021, the system allows for a reduction in energy consumption associated with heating the shipyards for the "gel coating" and lamination process of fibreglass products. Moreover, the system ensures compliance with the quality parameters envisaged for such processes, especially during the winter months by avoiding cold peaks and maintaining a constant temperature difference – around 6 to 8 degrees Celsius – between inside and 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 construction of the same system was completed in the new area (former Barsanti Macchine building complex in Massa) acquired by Sanlorenzo – by auction – in May 2021, which covers an area of 15,000 square metres and where production started in March 2022.	Evaluating the energy savings is not possible yet.

Emission

The emissions generated by the yacht production process are mainly associated with the styrene (carcinogenic substance found in resin, to varying degrees depending on the type used) used in the processing of fibreglass (carried out at the Ameglia and Massa shipyards) and other solvents typical of the painting phases, also sources of odorous emissions. Added to these are the direct (Scope 1²³) and indirect (Scope 2²⁴ and 3²⁵) GHG emissions deriving from energy consumption along the Group's value chain. In particular, in alignment with Legislative Decree 152/2006²⁶ (Consolidated Environmental Act) the shipyards are subject to a system of verification and sanctions by the competent local authorities. Compliance with the Single Environmental Authorisation (AUA) requirements and the management of authorisation procedures are managed through the processes and documents envisaged by the EMS.

Specifically, the Ameglia site, located in the protected area of the Montemarcello-Magra-Vara Regional Park, is subject to more restrictive Single Environmental Authorisation (AUA) limits relating to air quality. In the case of the La Spezia shipyard, the only one in the Group to exceed 5,000 kg of VOCs²⁷ emitted into the atmosphere annually, a solvent management plan has also been implemented, which provides for the monthly monitoring of the quantities of emissions released into the atmosphere. Considering the production volumes of the site, the Company has started the procedure for requesting a further increase in the limit from the Province. The quantities of emissions into the atmosphere generated by shipyard activities over the last year are shown below (see Figure 34), with an indication of the specific type of emission.

FIGURE 34 – OTHER ATMOSPHERIC EMISSIONS IN KG (2022)



The Group accompanies the constant monitoring carried out with the implementation of new systems aimed at reducing and/or limiting the emissions generated. An example of this is the fibreglass **infusion technique** – which Sanlorenzo has been using since 2007 – which allows for a **reduction of approximately 98% of the styrene emissions generated**, thus also

improving the health conditions of the working environment. It should also be noted that the Ameglia shipyard has three abatement lines, whose filters are changed approximately every 250 hours to guarantee the continuous efficiency of the system. These are complemented by **bag filters** and **mobile aspirators**, all fitted with replacement indicators.

INSIGHT

Infusion technique for fibreglass structures

The infusion process of mats, polyurethanes, structural reinforcement elements and fibreglass or carbon tape – which lasts about 4 hours – provides mechanical strength 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 benefit in environmental and safety terms is determined by the fact that compared to classic lamination, the infusion lamination technique makes it possible to work with an **almost closed cycle** and therefore without **VOC emissions** in the work areas, with a considerable **reduction of the risks of fire and explosion**.

The infusion technique, however, cannot be used for the 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 Group overcomes this

problem by using **active-carbon capture and abatement systems**, which retain almost all of the styrene produced in the process.



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. The Port Authority has also promoted the preparation and formalisation of specific operating instructions, according to which each painting activity is communicated in advance to the relevant bodies, who will authorise the activity only after an inspection has been carried out by of the Port Chemist.

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.

It should be noted that none of the direct employees who carry out departmental tasks are involved in woodworking activities (cutting, sanding, cleaning, etc.). However, some of the activities carried out on site involve exposure to hardwood dust classified as carcinogenic. The main types of wood that can be used within the shipyard are teak – which sees the most use –, iroko, African mahogany, birch, American walnut, poplar, cherry, MDF^{F28}, wengè – used according to the needs and specific requests of the owner –, laricross and lariphon (structural elements used for the construction of the bulkheads). Among the types of wood used, in particular, birch, American walnut, poplar, cherry, iroko, African mahogany and teak are included in the list of carcinogenic woods²⁹. In this context, therefore, the objective pursued by the Group is to limit the exposure of workers and the emission of these potentially harmful substances into the atmosphere to the lowest technologically feasible value. Finally, with regard to the presence of airborne asbestos fibres in the shipyards, the following activities were carried out in 2022:

- removal of 1/3 of the asbestos present in the roof of Building B in Ameglia and consequent reclamation of the site. The total removal has not yet been completed – there are still approximately 770 square metres to be removed – as the Company is waiting to receive authorisation from the local administrative bodies and the Park Authority;
 - compartmentalisation of the last roofs in the La Spezia shipyard, where the regional obligation to update the airborne asbestos fibre checks every two years is in force. Following the confinement of the asbestos present, it was no longer necessary to proceed with its removal.
- With reference instead to direct (Scope 1) and indirect (Scope 2) CO₂ emissions deriving from energy consumption connected to shipyard activities, the trend recorded in the last three years is shown below³¹ (see Figures 35 and 36).

FIGURE 35 - GHG EMISSIONS IN THE 2020-2022 THREE-YEAR PERIOD, YACHT BUSINESS UNIT (ISPRA CONVERSION FACTORS) TON CO₂EQ

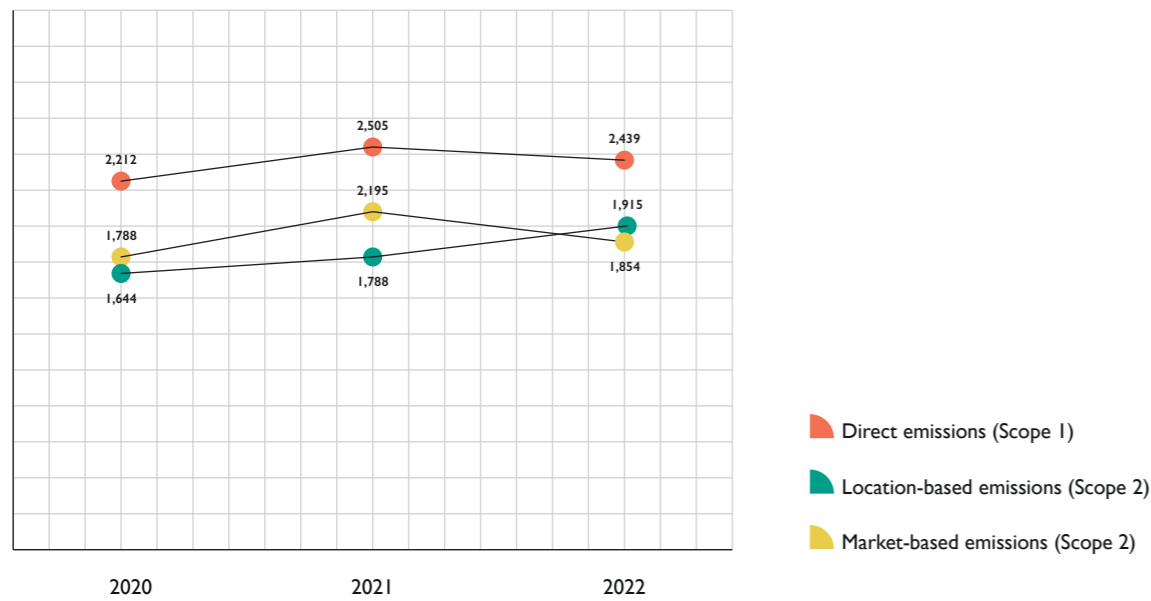
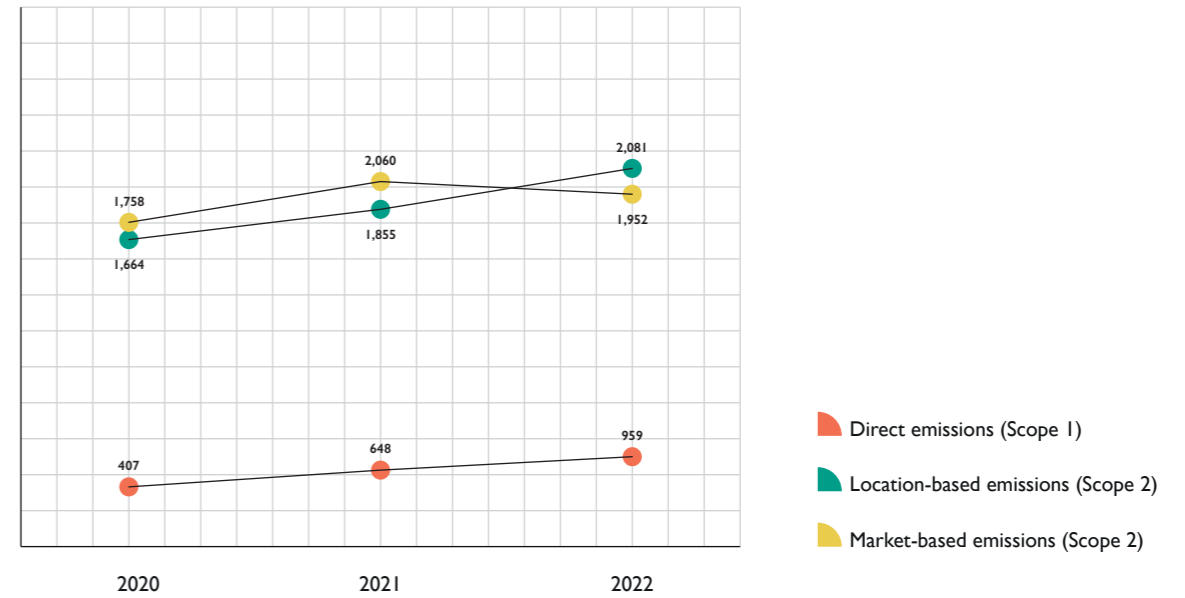


FIGURE 36 - GHG EMISSIONS IN THE 2020-2022 THREE-YEAR PERIOD, SUPERYACHT BUSINESS UNIT (ISPRA CONVERSION FACTORS) TON CO₂EQ



Looking at both Business Units, an increase in Scope 2 location-based CO₂ emissions was recorded in 2022. The trend also shows an increase in Scope 1 CO₂ emissions for the Superyacht Business Unit, which instead are lower for the Yacht Business Unit. Scope 2 CO₂ emissions calculated according to the market base methodology, on the other hand, decrease over the year for both Business Units. It should be noted that, as of 2022, the Group has adopted the ISPRA factors as emission factors, to ensure a representation more closely aligned with the Italian trend (for more details see the "Methodological note" section). With regard to indirect GHG emissions (Scope 3), the Group is working to expand reporting to this category of emissions. The Group is already engaged in defining solutions, with reference to its supply chain and the phase of use of the yachts, with the aim of reducing their size and impact. In particular, the strategy followed includes two macro-areas of activity:

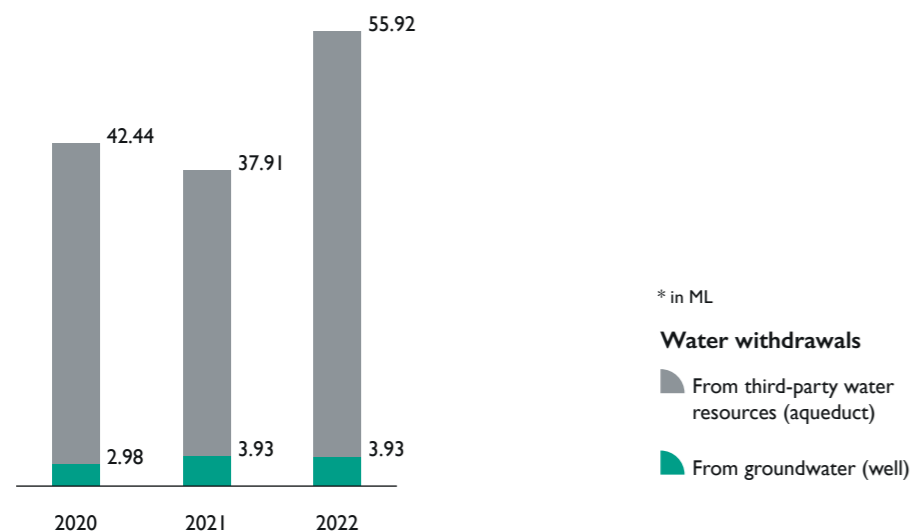
1. mapping the level of maturity of suppliers and contractors in relation to the supervision implemented in the various sustainability areas, with particular reference to the environmental dimension. This evaluation – carried out through a self-assessment questionnaire – will subsequently allow for a more accurate quantification of the emission impacts of the Group's supply chain (for more details see the "Strengthening the supply chain" section);
2. R&D advancements in the study and testing of more sustainable solutions concerning the operation of the yachts, enabling a significant reduction in emissions (mainly of CO₂, NO_x and SO_x) generated by the use of engines powered by fossil fuels, also in line with the objective defined by the IMO (International Maritime Organisation) of reducing emissions by 50% by 2050 (for more details see "The engine of innovation" section).

Water resources

The Group's activities do not have a significant impact on water resources. In fact, no industrial water withdrawals and discharges are made, as the processes carried out in the shipyards do not require the use of water, except in the storage area for washing yachts before launch and delivery. However, it should be noted that this phase does not require the use of detergents and/or chemical substances which could compromise the quality of the discharged water: Sanlorenzo and Bluegame's main water withdrawals³² are therefore **civil**³³, from a public aqueduct and/or from wells (in Ameglia, where there are 2 wells, one for fire-fighting and irrigation and the other for the supply of water necessary for services in the area used for storage, deliveries and second-hand management). 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. It should be noted that at the La Spezia shipyard, as of 2022, authorisation was obtained to **connect to the public sewer**. For this reason, the previous purifier was dismantled, also taking into consideration the challenges in managing civil waste generated in the plant due to the increased number of personnel and greater use of water resources, particularly over the summer months. For the wastewater associated with washing activities, the Company uses a containment tank located inside the dry dock area in the shipyard square, where the wastewater is collected and subsequently sent for disposal in compliance with current environmental regulations³⁴.

A floating basin is also present at the La Spezia site, which has the function of preventing any risk of accidental diesel spillage into the sea, deriving for example from the movement of yachts during the launching/testing phases or from any future hull washing activities. In 2022, the planned change was no longer made to the this basin, which was instead replaced with a new one. In the area used for the storage of diesel tanks for refuelling company vehicles (for example, trolleys and cranes) a small purifier is also installed to prevent any diesel spills. At the Ameglia and Viareggio sites, fire-fighting water reserves are in place, with total water storage capacity of 240 and 144 m³, respectively. Finally, it should be noted that at the Ameglia shipyard, located near the Magra river in a protected habitat, the quality of the river water is also monitored by the relevant Park Authority. The quantity of water withdrawn at the Group's shipyards is detailed in the following graphs (see Figures 37 and 38). A comparison of the water withdrawals made in 2022 with those relating to the previous two-year period is shown. Specifically, withdrawals from third-party water resources (aqueduct) increased both for the Yacht Business Unit and the Superyacht Business Unit, as a result of the increase in Group activities. Water intensity in 2022 is in fact equal to 0.006 ML/GT for the Yacht Business Unit and 0.008ML/GT for the Superyacht Business Unit.

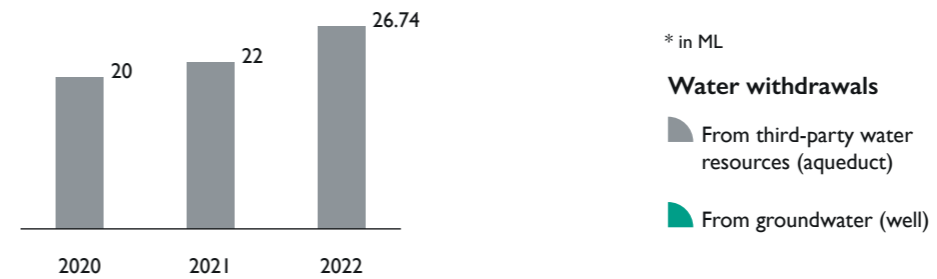
FIGURE 37 - WATER WITHDRAWALS IN THE 2020-2022 THREE-YEAR PERIOD, YACHT BUSINESS UNIT



*In 2022, the consumption of I.C.Y. is also included in the total of BU Yacht, estimated to 0.159 ML.



FIGURE 38 - WATER WITHDRAWALS IN THE 2020-2022 THREE-YEAR PERIOD, SUPERYACHT BUSINESS UNIT



INSIGHT

On-board water consumption

PAs regards the use of water resources on board, special reference must be made to **ballast water**, which is treated through 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. Moreover, Bluegame has introduced an optional system for its yachts which allows the shipowner to use **certified treatments for black and grey water**, merged into a tank to be treated and subsequently discharged beyond the 3 nautical mile zone, in line with the reference legislation³⁵. The company is evaluating the integration of this system within the BGM range.



Waste

The great diversity of specific processes involved in the construction of yachts and superyachts (for more details see the “Strengthening the supply chain” section) makes the issue of waste production and management quite relevant, in particular with respect to the **different types of production scraps** that are generated. Other waste that passes through the Group’s shipyards may derive from the packaging in which the materials and equipment intended for on-board assembly are delivered by suppliers, and the **wastewater** generated by yacht washing activities (for more details see the “Water resource” section).

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. In particular, a special signage system is present within the shipyards aimed at ensuring the correct differentiation of waste by workers. With regard to hazardous waste, special attention is paid to the treatment of acetone, used in significant quantities during the fibreglass processing cycle. In this regard, **two acetone distillers** are present in the Massa shipyard, which allow the recovery of **85% of the product used**, thus reducing the production of hazardous special waste

and allowing the reuse of the collected substance, in particular for washing the machines and the hand tools used. Also in Massa, in 2022 **a new tank farm was built** – consisting of four above ground metal tanks – for the storage (90 cubic metres) of the various types of resins used, allowing to rationalise the storage and improve safety aspects, including from an environmental point of view, thus also reducing the potential risks of accidental spills.

The volumes of waste produced in 2022, with reference to the three Business Units, are detailed below (see Figures 39, 40 and 41). During the year, a total of 3,632.87 tonnes of waste were produced by the three Business Units. Relating the quantity of waste generated by each of the BUs to the total tonnage (GT), the following values are obtained: 0.22 ton/GT for the Yacht Business Unit (0.27 ton/GT in 2021); 0.37 ton/GT for the Superyacht Business Unit (0.30 ton/GT in 2021); 0.22 ton/GT for the Bluegame Business Unit (0.04 ton/GT in 2021).

FIGURE 39 - WASTE GENERATED (TONS) IN 2022, YACHT BUSINESS UNIT

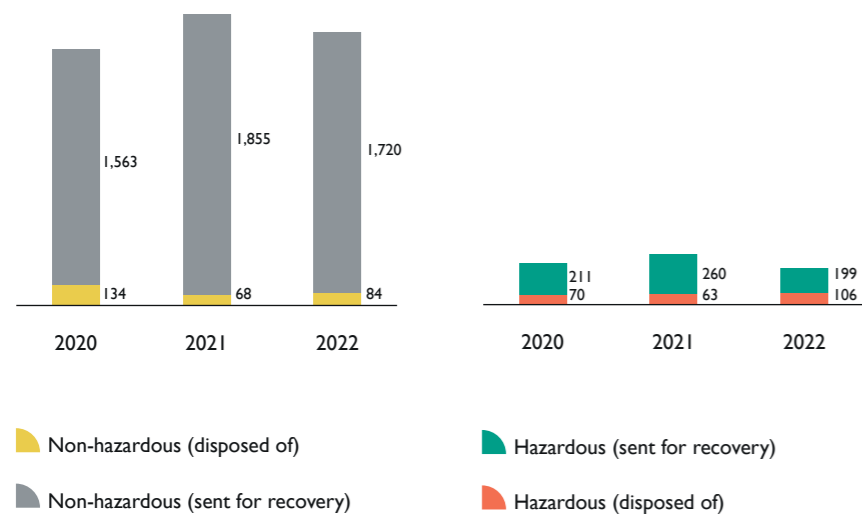


FIGURE 40 - WASTE GENERATED (TONS) IN 2022, SUPERYACHT BUSINESS UNIT³⁶

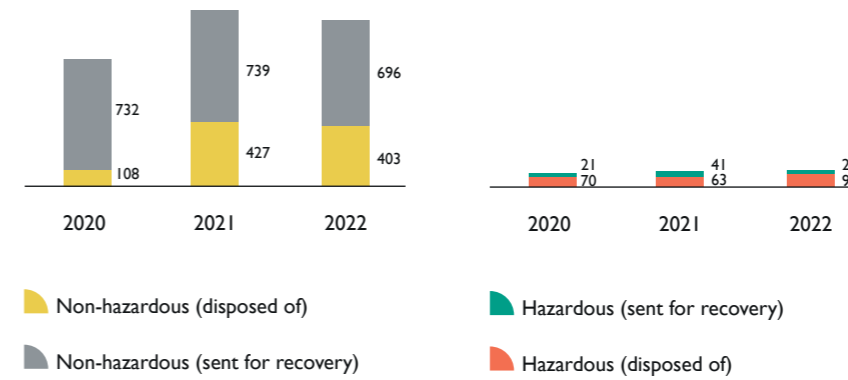


FIGURE 41 - WASTE GENERATED (TONS) IN 2022, BLUEGAME BUSINESS UNIT³⁷



INSIGHT

Safe handling of hazardous chemicals

The Sanlorenzo integrated system (certified with reference to the ISO 14001 and ISO 45001 standards) includes specific procedures and instructions relating to the handling of dangerous substances in the various phases: **Procurement**: the criteria for choosing new substances according to the principle of replacing dangerous products with others with less impact from an environmental and health point of view; **Storage**: all Sanlorenzo sites adopt appropriate measures, practices and procedures for the storage of

dangerous substances aimed at limiting contamination phenomena in the soil and/or sea, as well as in terms of fire prevention; **Disposal**: all residues of dangerous substances (including packaging) produced by direct and indirect personnel are stored separately and sent for recovery/disposal.

Protection of biodiversity

With reference to terrestrial biodiversity, the location of the Ameglia and Viareggio shipyards within or in the immediate vicinity of protected natural areas is of major importance. More specifically, the Ameglia shipyard is part of the fluvial area of the Magra river and the site extends for 0.17 km² in the **Montemarcello-Magra-Vara Regional Park**³⁸ (see Figure 42).

The park is characterised by the presence of **three Special Conservation Areas (SAC)**³⁹, inside or near the shipyard's boundaries: the first of these includes over 60% of the residual alluvial forests of Liguria with important natural characteristics and extension.

FIGURE 42 – LOCATION OF THE AMEGLIA SHIPYARD AND SPECIES PRESENT IN THE MONTEMARCELLO-MAGRA-VARA REGIONAL PARK



Plant species present 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. beds of perennial cane (*Arundo donax*)
4. on the banks of the Magra, strips of common reed (*Phragmites australis*) of limited extension due to the extreme anthropisation of the banks
5. to the north of the shipyard, in the residual fluvial oxbow (called the "Camisano" dead branch) – in other words a body of water gradually being buried, detached from the main course of the river and subject to periodic flooding – a small reed bed, the marsh iris (*Iris pseudacorus*) and the *Scolopendria* fern can be found

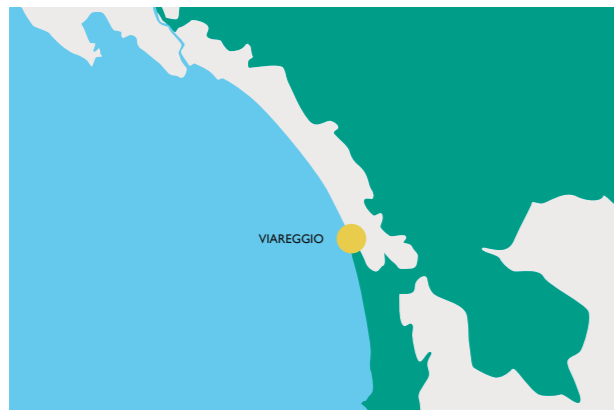
Animal species present in the Park:

1. Batracofauna
2. Avifauna

The Viareggio site, on the other hand, extends for 0.02 km² in a coastal portion near the border of the **Migliarino-S. Rossore-Massaciuccoli Natural Park**⁴⁰ (see Figure 43), a site of regional interest⁴¹ and of great importance to the local community⁴², having obtained

the international status of "Coastal Forests of Tuscany" Biosphere Reserve awarded by UNESCO⁴³ and recognised as a Special Conservation Area of the Natura 2000 network.

FIGURE 43 - LOCATION OF THE VIAREGGIO SHIPYARD AND SPECIES PRESENT IN THE MIGLIARINO-S. ROSSORE-MASSACIUCCOLI NATURAL PARK



Habitats present in the Park (northern portion):

1. Coastal dune
2. Mediterranean pine forest behind the dunes

The production activities, as well as the technical-administrative ones, carried out by the Group in or near these areas could generate exposure to the following types of impacts on local biodiversity:

- **Noise pollution** – the noise of shipbuilding activities, especially if loud and sudden, could be a source of disturbance and temporary stress for the fauna;
- **Air pollution** – due to the release of chemicals (flue gases, release of gaseous compounds);

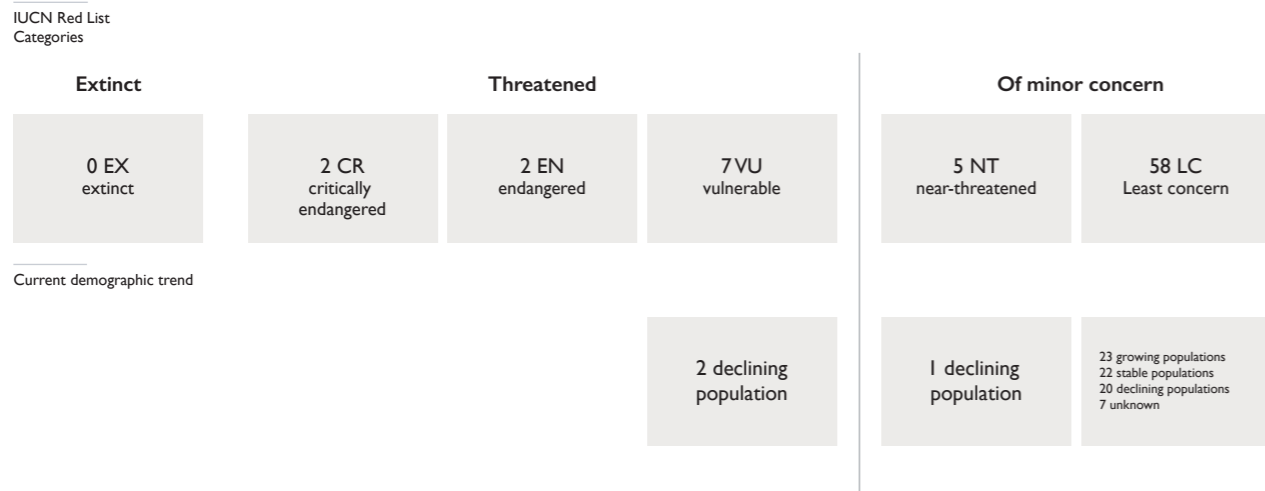
- **Water pollution** – where soluble substances remain on the surfaces of the shipyard or parts thereof, which can make their way into groundwater and into the surrounding hydrological system with significant impacts for amphibious species in terms of their ability to gain access to water, search for food or even reproduce;
- **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. To further contextualise its impact with respect to the species of flora and fauna present in the Montemarcello-Magra-Vara Regional Park, in 2022 Sanlorenzo again renewed the mapping activity of 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 **plant species** mentioned above (see Figures 42 and 43) are considered "of minor concern". The number of **autochthonous animal species** – including birds and other vertebrates – included in the IUCN Red List is presented below, broken down according to the categories defined by the List, of which the details relating to the current demographic trend of the species considered are also reported (see Figure 44).

FIGURE 44 - THE 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. In this regard, the Group is evaluating various solutions aimed at minimising the related impacts, as described in Chapter 5 (for more details see "The engine of innovation" section).

Moreover, in 2022 Sanlorenzo supported – through a Euro 15,000.00 donation – the "Important Marine Mammal Areas" (IMMA) project – created by the IUCN Task Force dedicated to protected areas for marine mammals and supported by the Water Revolution Foundation (for more details see the "Partnerships and collaborations" sections) – with the aim of protecting the oceans and their ecosystems from degradation caused by the effects of climate change and pollution. The IMMA project therefore stands as the engine of a

transformative action that can simultaneously reduce the environmental impact generated by the nautical industry and increase nature's ability to resist negative impacts. More specifically, the programme aims to support the restoration of the vital balance of the oceans – of prime importance in the fight against climate change – through the identification of **key areas for marine mammals**, considering all **130 species**, including whales, dolphins, porpoises, manatees, dugongs, seals, sea lions, sea otters and polar bears. These areas are identified on the basis of four specific criteria – vulnerability of the species or of the population, distribution and abundance, key life cycle activities, special attributes – and allows for the definition of ad hoc protection measures.

HUMAN CAPITAL

MISSION

"To ensure ethical and efficient HR management, guaranteeing a positive working environment respectful of differences, fostering accountability and collaboration, supporting the business, developing work-life balance policies, investing in the training and skills development of the Company's human capital, facilitating internal mobility through career planning and steering labour relations."

VISION

"To create an ideal working environment, where people make excellent products for the customer."



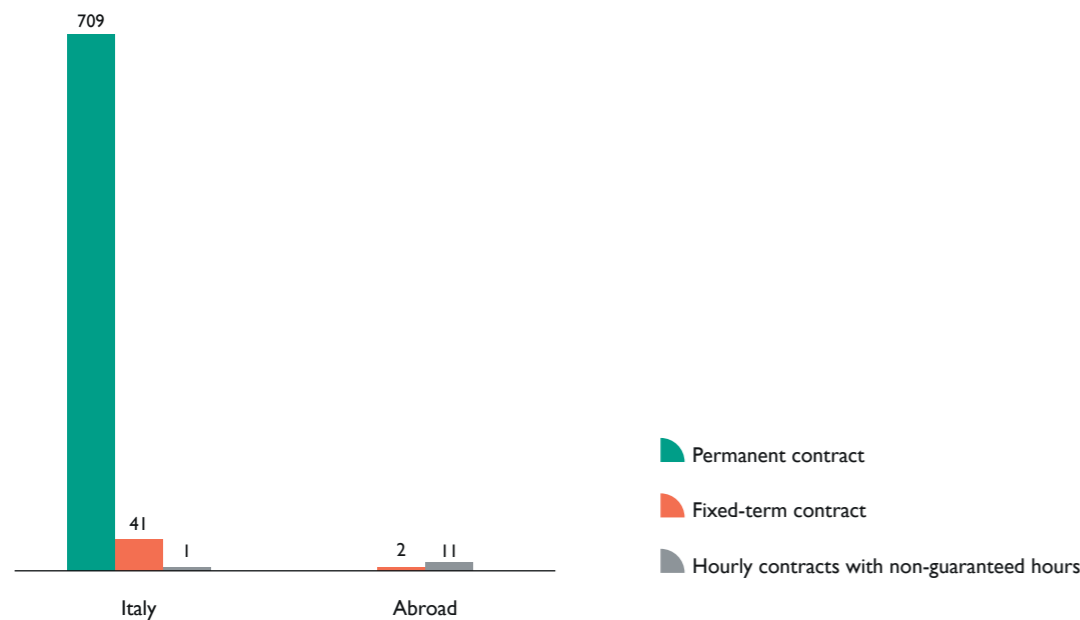
In managing its people, the Group pursues the objective of creating an ideal working environment, in other words a context in which everyone can feel and work at ease, seeing their abilities recognised and their contribution valued.

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 2022, the Group employed 764 resources, taking into account all Italian and foreign companies.

FIGURE 45 - GROUP RESOURCES IN 2022, BY GEOGRAPHICAL AREA



The employees of Italian companies are organised according to the following **four professional** categories: Executives (to whom the Industry executives national collective bargaining agreement applies); Middle managers, office workers and manual workers (to whom the Rubber, plastic and metalworking national collective bargaining agreement applies). The employees of the Spanish subsidiary Sanlorenzo Baleari SL are covered by a collective agreement too, according to what is locally required. With reference instead to the American subsidiary, in line with local legislation, there is no coverage for employees in terms of collective bargaining. In 2022, 60% of Sanlorenzo senior managers and 33% of Bluegame senior managers were hired from the local community⁴⁴, a percentage which in the United States (Sanlorenzo of the Americas) stands at 100%. In addition to its employees, the Group relies on around 2,000 external collaborators. This value was estimated

through an anonymous monthly check of the accesses to the sites. To this day, it is not possible to record precisely the amount of workers who are not employees. Contractors include the following figures: carpenters, electricians, woodworkers and craftsmen. During the year, 106 paid internships have begun, ceased or are still going⁴⁵. It should also be noted that during 2022 a number of special projects were carried out, which required the presence of students on site. Particular mention should be given to the Rhode Island School of Design project, the **MILDS (Maintenance, Infotainment, Learning Digital Services)** project, in collaboration with the Alta Scuola Politecnica, and the creation of the "**I mestieri del mare**" documentary, together with local high schools. In the future, the project will likely also be extended to middle schools, so as to also involve younger students in discovering the career opportunities within the yachting sector.

INSIGHT

MILDS

The Alta Scuola Politecnica – an international and multidisciplinary honours programme, created by the Milan Polytechnic and the Turin Polytechnic – offered Sanlorenzo the opportunity to propose a theme focused on technological and entrepreneurial innovation for its students to develop. In particular, the Sanlorenzo project was named MILDS

and 6 students who visited the La Spezia shipyard in July for the kickoff of the project took part in it. The aim of the meeting was to create a true collaborative spirit and to give the students the opportunity to experience first-hand the excellence of the work environment. The group of students will collaborate with the Company until September 2023 to complete the project.

Attracting talent

Right from the attraction and selection phase, the Group adopts criteria of fairness and merit, which are subsequently reflected in all phases of the employee's working life, seeking highly qualified and motivated people with a passion for the sea and for yachting. The management of this first phase, which is fundamental for the construction of the subsequent working relationship, is articulated through the Group's willingness to provide the recruits with all the tools necessary to grow and discover their excellence, embarking on a stimulating professional journey that, over time, will contribute to the development of the new generations of the Company.

During the year, as evidence of the importance attributed by the Group to these processes, a more structured process aimed to strengthen the attractiveness of the Brand was defined. In the context of the Employer Branding strategy adopted in 2022, the collaborations with Universities and Business Schools have grown stronger, with the participation to Career Days, in-class testimonials, and tours of the shipyards for students. In addition to Schools and Universities, potential candidates have many channels at their disposal to contact the Group, differentiated according to the type of open position and the professional figure sought (see Figure 46). Once the CVs have been selected, the selection process is broken down into various phases aimed at ascertaining the preparation and motivation of the candidates with respect to the role and working environment, as summarised in Figure 46.

FIGURE 46 – METHODS, CHANNELS AND SELECTION PROCESS

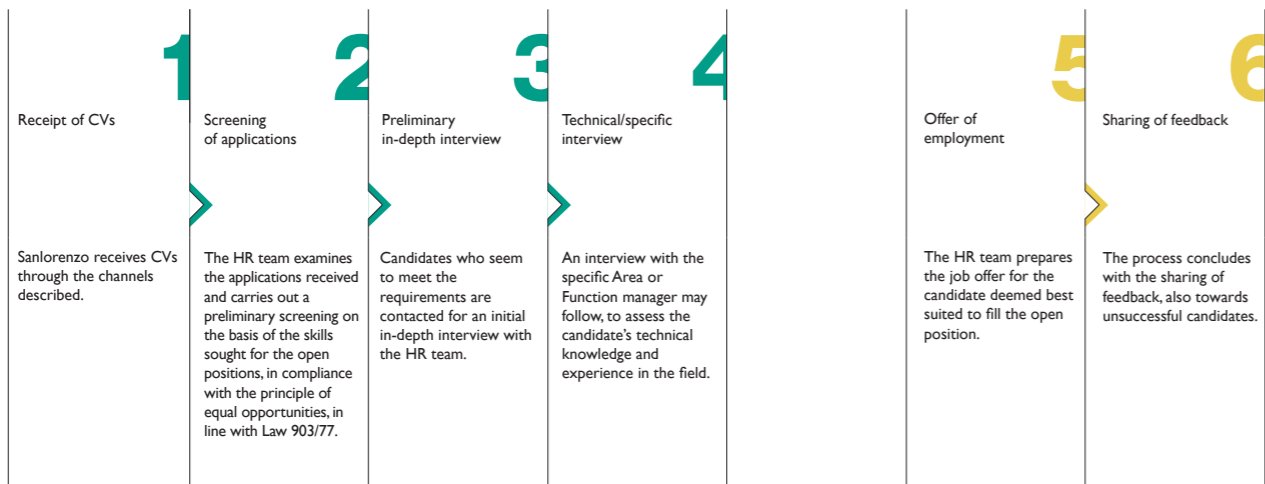
For more junior resources

- University career orientation days**
In collaboration with national and local universities (for example, University of Genoa, University of Pisa, Milan Polytechnic)
- Paid curricular internships and thesis projects**
In collaboration with the universities mentioned above, as well as the Turin Polytechnic, the University of Bologna (Master's in Composite Materials), the University of Parma, the University of Florence, the University of Modena-Reggio Emilia and the European Institute of Design (IED)
- Paid extra-curricular internships (6 months and more)**
Project dedicated to high school students – including in the summer period – to experience corporate life and learn more about the trade. Participants have canteen costs covered;
- School/work alternation programme (high school students)**
Through the technical-professional training provided by the different courses of the Sanlorenzo Academy, which has the aim to train professional figures for the Organization. The learning takes place through in-class activities, laboratories and meetings, which can lead to an internship to strengthen various skills.
- Sanlorenzo Academy**
- Special projects**
Involvement of university students through special projects, such as the MILDS project focused on technological and business innovation, organised in collaboration with the Alta Scuola Politecnica

For other resources

- Unsolicited application**
Application submitted by uploading the candidate's CV in the "Work with us" section of the Sanlorenzo website, where it is possible to add information of a motivational and organisational nature (e.g. personal logistical needs)
- Current openings**
Application submitted through the "Work with us" section of the Sanlorenzo website, in response to the specific open positions
Application through the Sanlorenzo institutional channel on the reference professional social media networks (for example, LinkedIn)
Direct headhunting by the Sanlorenzo functions in charge
Headhunting through external professional agencies for key corporate figures

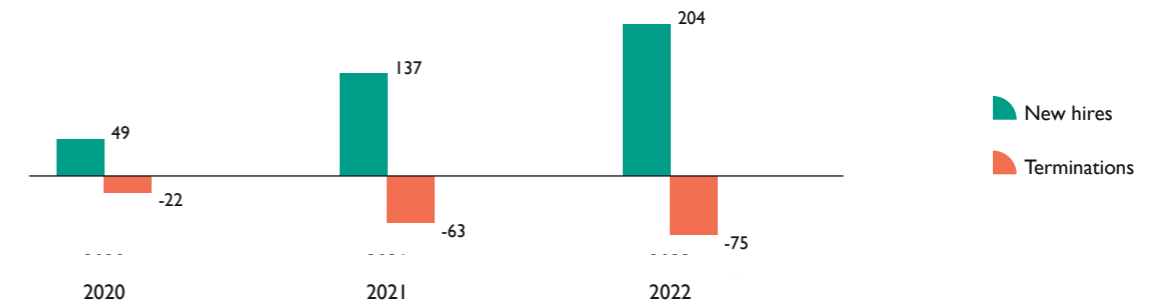
Stages of the selection process



After the acceptance of the offer and before the beginning of their career at Group companies, future hires receive a **Welcome Kit** intended to convey the passion, tradition and forward-looking approach intrinsic to the Group's way of working. The Kit contains various documents, including the main human resource management policies and internal procedures in force, as well as the Code of Ethics, the Sanlorenzo Logbook and some videos that narrate the identity of the Sanlorenzo and Bluegame brands, and the Group's NFS. An **onboarding** process then follows – as a welcome activity - carried out on the sixteenth day of the month with all new recruits, regardless of the function they belong to, their working site, and the role held. In particular, the Onboarding consists of one training day, with the participation of several Company figures, who

hold an institutional presentation of the Group, and in a visit to the shipyard. In addition to providing new hires with an **appropriate level of knowledge of the history, characteristics and activities** of the Group, **bringing them closer to the product** and sharing the **practical information** underlying the working relationship (for example, the regulations on occupational health and safety), the goal is also to **facilitate and improve cross-functional communication**.

FIGURE 47 - NEW HIRES AND TERMINATIONS IN THE 2020-2022 THREE-YEAR PERIOD, SANLORENZO GROUP⁴⁷



Overall, in 2022 the Group hired 204 people (98% from Italian companies), with an incoming turnover of 34% (27% in 2021) 34% in relation to total men and 37% for women. At the same time, however, there were also 75 terminations (79% at Sanlorenzo), which recorded an outgoing turnover of 13%, corresponding to 13% of total men and 13% of total women in 2022. More information is provided in the Annexes.

In order to more accurately gauge and map the reasons behind the termination of the employment relationship, in 2021 the Group defined and implemented an **exit interview** process, as a key opportunity for **two-way feedback**. The process allows the Company to collect qualitative feedback to promptly identify the processes and actions to be implemented in order to improve the retention capacity of Company employees.

Equal opportunity

Diversity and **pluralism** are values that contribute to creating an **open and stimulating work environment**, ensuring multiple and unique points of view and encouraging discussion, as well as the emergence of innovative ideas and the development of more respectful and inclusive behaviour.

In fact, a people management approach that is ethical and equal must take into consideration all phases of the company's working life: the recruitment phase, which must be fair and recognise and reward talent, skills and experience; the performance of work activities, which must take place in safety and in full respect of the right to health, dignity, diversity and inclusion; theoretical and technical training; and the enhancement and the professional and personal growth of individuals. The Group therefore undertakes to **prevent** and – should they occur – to carefully **manage**⁴⁸ any form of conduct that may be viewed as discriminatory, intimidating, offensive, marginalising, violent – verbally or physically – as well as any form of prejudice directed at employees, based on personal attitudes and characteristics such as ethnic origin, gender, language, religion, disability, ideology, age or sexual orientation, by others colleagues or third parties, such as customers and partners.

The measures implemented to date have made it possible, including in the current year, to ascertain that no episodes of discrimination have occurred. With special reference to the question of **gender**, the yachting 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 some professional positions in the production field. The Group recognises, also acknowledging the direct point of view of its employees and of other stakeholders involved in the direct engagement activity carried out during the year, the priority of moving towards a progressive inclusion of women in the professions characterising the sector and ensuring equal working conditions, in terms of recognising and valuing each and every person's work. In 2022, women represent 28% of the Group's workforce. Women make up 20% of personnel falling into the professional category of executives and middle managers, 35% of employees qualified as office workers and 1% of the Group's manual workers (see Figures 48 and 49).

FIGURE 48 - COMPOSITION OF THE GROUP WORKFORCE, BY GENDER (2020-2022)

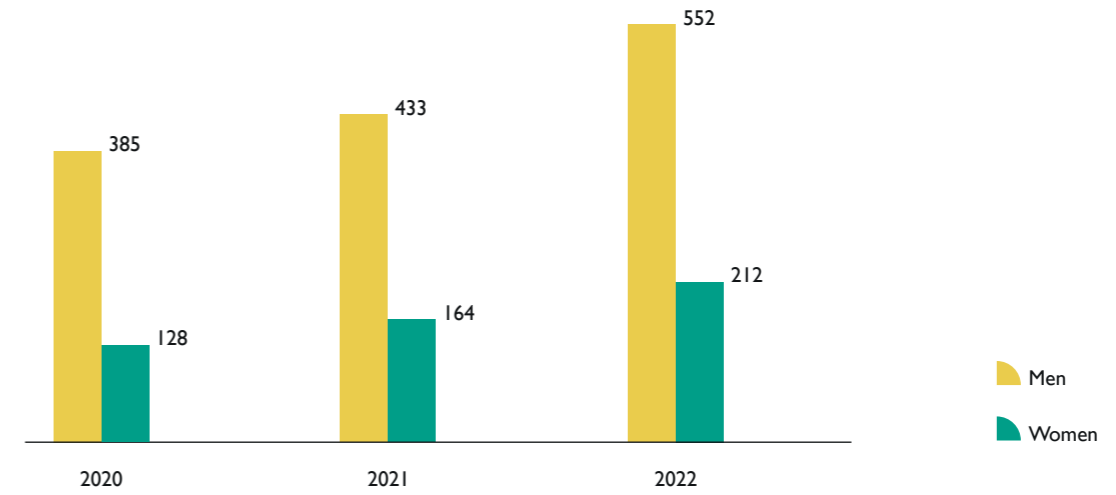


FIGURE 49 - EVOLUTION OF THE PRESENCE OF WOMEN IN THE GROUP, BY PROFESSIONAL CATEGORY (2020-2022)

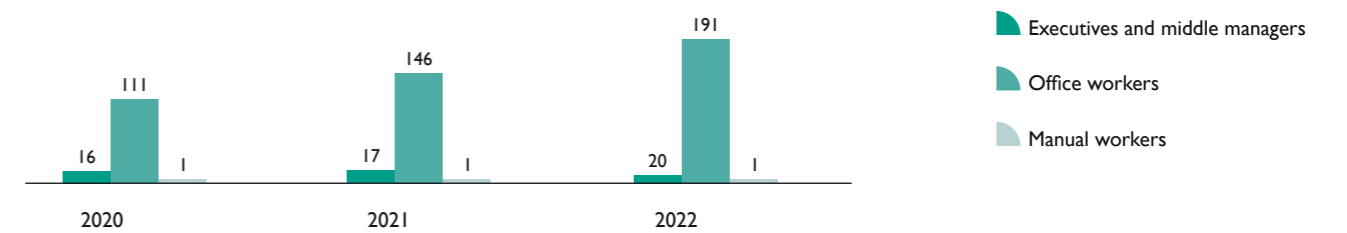
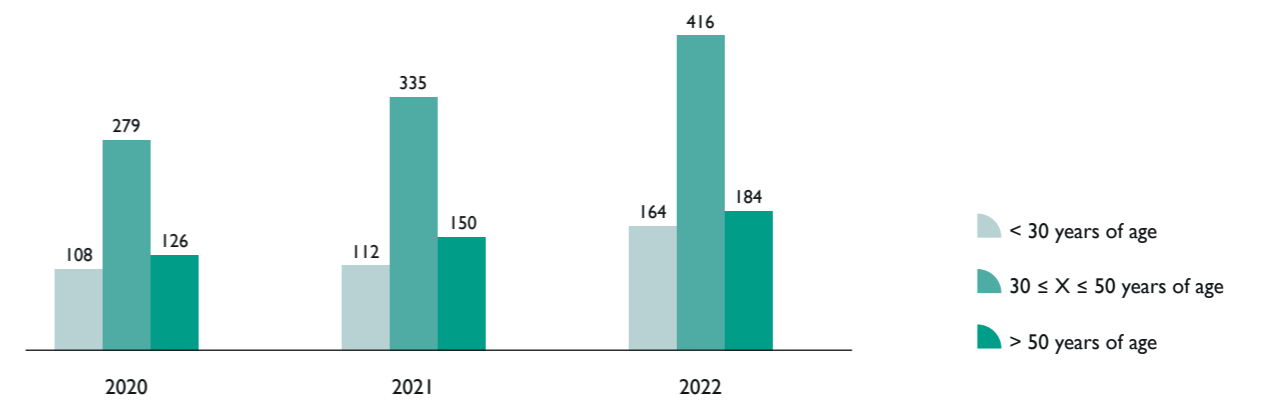


FIGURE 50 - GROUP EMPLOYEES BY AGE GROUP IN THE 2020-2022 THREE-YEAR PERIOD



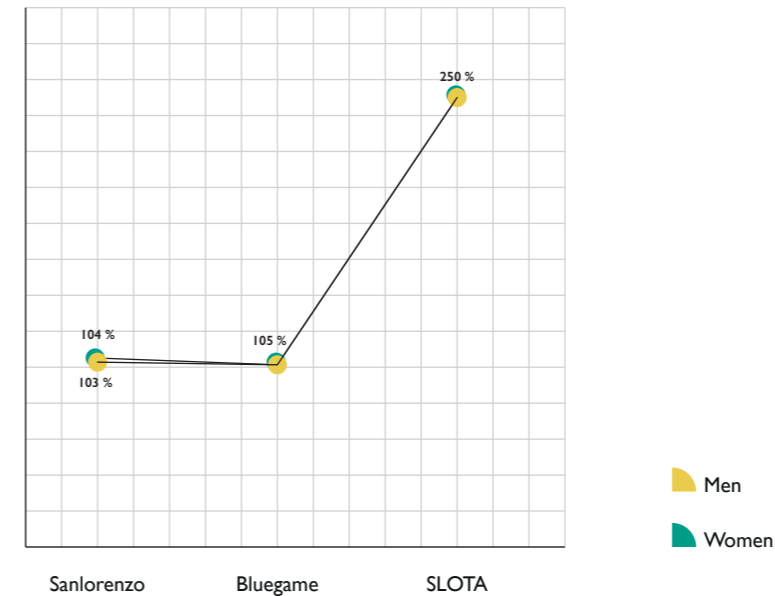
In line with the main legislative, regulatory and disciplinary provisions adopted internally within the Group, as well as with the national and international one⁴⁹, the “**Measures to promote equal treatment and opportunities between genders in the business organisation**” – approved by the Company’s Board of Directors in 2021 – formalise the Group’s commitment to guarantee equal employment opportunities and professional advancement, without any discrimination, for all employees on the basis of each individual’s specific professional qualifications and performance capabilities. Initiatives based on the aforementioned measures are entrusted to the Human Resources Department, which is asked to develop **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 resources⁵⁰. Finally, the Function has the duty to report, at least annually, to the Board of Directors and to the Control, Risk and Sustainability Committee in relation to the application and compliance with the relevant measures, identifying any critical issues or the need for priority action. Regarding in particular the remuneration paid to its employees, the Group 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. Specifically, the determination of remuneration⁵¹ is carried out on the basis of the candidate’s experience and competence. In certain situations, additional elements are also taken into account when defining the employment offer; such as, for example, the difficulty of finding the specific professional figure. The starting point is the Rubber and plastic national collective bargaining agreement, through which the correct job level is identified (based on the responsibilities and decision-making autonomy of the position, as well as the candidate’s experience), to which a super-minimum and a variable bonus can be added according to the role, experience and expertise. At the same time, the balance point with the resources already in force must be found.

The Company has also introduced entry and exit salary bands for apprenticeship contracts. In 2022, the Group measured the possible presence of a gender pay gap within the organisation. With reference to Sanlorenzo, the analysis showed that a salary difference exists between men and women (both in relation to the basic salary and to the total remuneration) within the Middle Managers⁵² and Office workers professional categories. The basic salary and total remuneration of the only female employee in the Manual workers professional category are instead higher than the average basic salary and remuneration of men in this segment of the employee base.

In the case of Bluegame, on the other hand, the presence of the gender pay gap emerged within the Office workers professional category⁵³, with reference to both salary elements analysed. Finally, for Sanlorenzo of the Americas, a gender pay gap is identified exclusively in the ratio between total salaries within the Middle Managers professional category. Looking, instead, at the basic salary for the same category, there is full alignment between women and men. With reference to Office workers, on the other hand, the average basic salary and remuneration for women is higher than that for men.

As in the case of the gender dimension, the Group’s remuneration policies are developed in such a way as not to allow the emergence of discriminatory phenomena on the basis of age in the definition of the remuneration of individual employees. It should also be noted that, in most of the Group companies, the salary offered to new hires (including younger resources) is higher than the minimum wage set at the local level⁵⁴ and never lower (see Figure 51).

FIGURE 51 - RATIO OF THE MINIMUM WAGE FOR A NEW EMPLOYEE TO THE LOCAL MINIMUM WAGE, BY COMPANY AND BY GENDER



Furthermore, in order to make the most of the opportunities deriving from the generational differences present in the Company – in 2022 the average age of Sanlorenzo and Bluegame’s resources is equal to 40.7 years, highlighting a greater concentration of employees in the 30 to 50 years old age group – the support between different Company roles in a mentoring perspective is increasingly encouraged.

This coaching allows younger resources to develop their technical skills, learning from individuals with more seniority in the Company and at the same time sets in motion a mechanism of continuous and value-added exchange of ideas and inputs between different generations.

Finally, a further dimension of diversity within the Group is that of **physical and intellectual abilities**. In particular, in 2022, Sanlorenzo employs 17 individuals (15 in 2021) who are included among the most vulnerable categories, of whom 11 are men and 6 are women. In order to guarantee the best possible entry into the world of work for people with motor or psychological disabilities, Sanlorenzo, with the support of Confindustria La Spezia, has signed an agreement with a local social cooperative to support a more consistent work integration of these vulnerable categories.

Development and training

Professional and personal growth and valuing the goals achieved by Group employees characterise the guiding principles underlying the daily management Company employees. This is put into practice through the offering of training and development opportunities, the definition of specific welfare plans and reward mechanisms and the definition of listening channels and direct dialogue between the Group and its employees.

Particular attention is given to the **Sanlorenzo Academy**, meant as a platform to develop technical, managerial, and soft skills. The Sanlorenzo Academy is made of three different dimensions: the first one includes paths aiming for the training of external people to be included in the Group's staff later on; the second and internal one provides for a customized learning plan, based on the need of the People of Sanlorenzo and focused on the development and growth of the Organization. Finally, the third one is meant for the training and integration of workers in the contractor companies.

The Academy is founded in 2018, aiming to develop the skills of the young people in the local community, with ad hoc learning programs, and at the same time it allows to train professionals roles lacking on the market and highly demanded in the nautical sector.

In 2022, with the beginning of the "Polyvalent boating operator" program, Sanlorenzo sponsored the initiative using several media channels and closer to the youngsters' needs. The impact of this change has been visible since the beginning, with a much higher number of applications, compared with the availability. Following a first selection, the 16 young people seen as more in line with the internal requirements have started their training, developed in collaboration with a local educational institution.

With the aim of creating a culture of diversity and inclusion in the Company, in-depth training on the subject continued in 2022, through the development of **training pills** offered to all Sanlorenzo and Bluegame employees. The Group has also set itself the goal to formalise a Policy on diversity and inclusion in the near future.

From September to December, 600 hours of training have been provided, including theoretical lessons, laboratories, and practical activities. The courses are still ongoing in 2023, with a paid traineeship and/or possible hiring from the Group⁵⁵ or from its contractors for a minimum period of six months.

The internal dimension of the Sanlorenzo Academy provides for training paths and initiatives directed at employees. In particular: mandatory training (for instance, health and safety training and according to the Legislative Decree 231/01), technical-practical trainings (for example, for cranes or self-propelled industrial trucks operators, or IT courses for office workers), and for the development of soft skills (for instance, leadership and staff management).

Particular emphasis was given during the year to the development of soft skills, useful for the day-to-day management of employees' own work, the interaction between colleagues and the strengthening of shared responsibility systems within the organisation. Among the training opportunities developed, the **Leadership G.Y.M** – Game your Mind – should be noted.

The programme, dedicated to Sanlorenzo and Bluegame employees, was designed with the aim of training the brains to the development of new skills and methodologies needed to set a new job approach. At the same time, this course has given the opportunity to experiment a different learning experience, following a blended methodology which includes both in-class and online lessons. More than 60 people took part to it during 2022, and many others are expected to in 2023. Following the Employer Branding strategy of the Group, and in order to deliver an efficient Talent Acquisition process, in accordance with the dynamics and needs of the external market, in the month of November the first edition of the training "Recruitment Pills | Build your Team" took place. The programme, which will be held again in 2023, has involved 15 Managers in 2022, in order to build a unique and coherent approach facing the selection process of the future People of the Sanlorenzo Group.

Overall, in 2022, with reference to the Italian companies, the Group provided a total of **6,359 hours of training** (2,621 in 2021). On average, each employee therefore received 8.5 hours of training (4.41 in 2021).

These initiatives represent the beginning of a greater path, which will include many more efforts in the Sanlorenzo Academy in 2023.

Moreover, in 2022 a new communicational method was set in place, with the People of Sanlorenzo as focal point in several Team Building events.

In April, a **workshop** was held – entitled "**Building our future**" – aimed at all Sanlorenzo and Bluegame employees in the under 32 age group (about 250 people). The aim of the workshop was to share the mission, values and results achieved by the Group in recent years with the younger resources, as emphasised in the opening speech made by the President and CEO Massimo Perotti, after which active projects in the HR area were also presented.

In July, the first edition of the digital Corporate magazine, "bordolibero", was published; through different sections (people, company, product, sustainability), it is aimed to describe the main projects, initiatives, and goals achieved by the Company, also with direct involvement of the employees.

In November, the "**Dare the unthinkable**" workshop was organized, which saw the participation of all Bluegame employees, who were divided into six teams to discuss activities developed according to the "complexity game" technique. This technique makes it possible to strengthen the ability to work as a group and, at the same time, the workshop allowed Bluegame employees to explore the brand's identity and values in depth. Specifically, participants were asked, for example, to create business proposals, to experiment with digital skills working at the same time on the Group's identity and the behaviour rules spread within the organization. The involvement and listening of the workers of Sanlorenzo and Bluegame has been key in the building process of the new organization of the Company. A focus session was indeed held – in the "townhall" mode – in the Italian sites of the Group, in order to present to the employees the news from the organizational point of view, too. On the occasion of the winter holidays, attended by the President and CEO Massimo Perotti, the whole corporate population in the La Spezia, Viareggio and Ameglia sites took part to meetings, aiming to give thanks and share the year spent together.

Among the actions for the People in 2022, considering the economic distress caused by the recent inflationary crisis, with the initiative "Income Support Contribution" an additional salary was given to part of the company's population.

It is hereby specified that the parental leave is legally regulated and guaranteed to all of the employees – of any gender – of the Italian companies of the Group. Moreover, the Group has defined Management by Objectives (MBO) policies – based on the **Guidelines for the management of MBOs** – for Executives, Middle Managers and Office workers of the Parent Company and of Bluegame, based on the professional category, as well as on the role/function performed within the company. These policies – currently being reviewed – provide for a **performance evaluation** method based on the results achieved in relation to shared **Group and individual objectives**.

When these goals are attained, the variable part of the salary is paid out.

A variable remuneration component, linked to the achievement of specific objectives or envisaged for particular employee skills is also in place in I.C.Y.

A corporate welfare plan is made available to employees of the Company. Over the years, second-level agreements have been signed and renewed to integrate the provisions of the national collective agreement, making it possible to guarantee greater protection and recognising the value of Sanlorenzo and Bluegame employees⁵⁶. These agreements are

structured based on a participatory model of industrial relations, characterised by periodic meetings between the Company and worker representatives concerning the trend and prospects for the sector, as well as the reference labour market. The benefits included in the corporate welfare plan – managed through a digital platform – are summarised below (see Table 5).

TABLE 5 - BENEFITS PROVIDED TO PERMANENT AND FULL-TIME EMPLOYEES, BY COMPANY⁵⁷

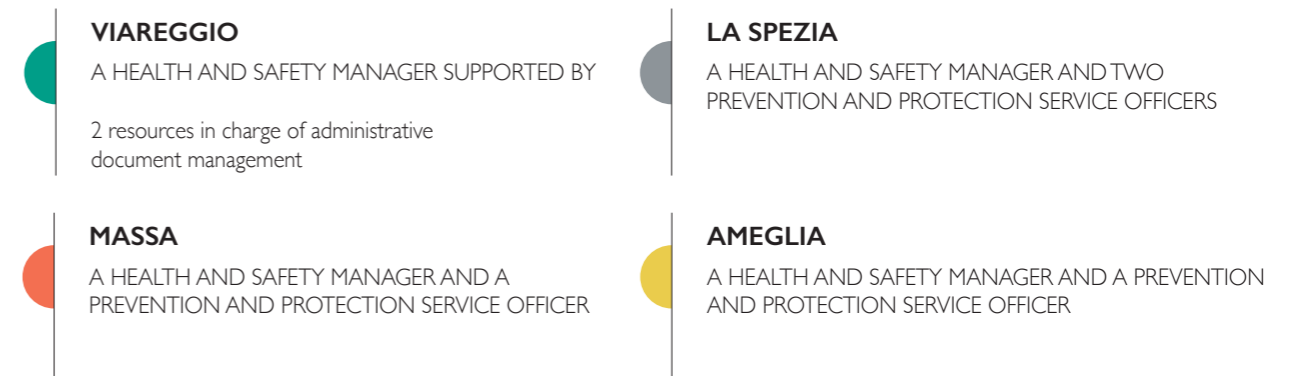
TYPE OF BENEFIT	SANLORENZO	BLUEGAME	SLOTA
Life insurance	Executives Middle Managers	Executives Middle Managers	-
Health insurance ⁵⁸	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	Office workers Manual workers
Insurance coverage in the event of disability and invalidity	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	Executives Middle Managers Office workers Manual workers
Parental leave	Executives Middle Managers Office workers Manual 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
Stock Option Plan ⁵⁹	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-
Advantageous bank services ⁶⁰	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-
Solidarity Time Bank ⁶¹	Middle Managers Office workers Manual workers	Middle Managers Office workers	-
Confindustria CAF (Standard Service option) ⁶²	Executives Middle Managers Office workers Manual workers	Executives Middle Managers Office workers	-

Occupational health and safety

Sanlorenzo guarantees to all employees present in its premises, as well as all workers of contracting companies (for more details see the “*Strengthening the supply chain*” section) safe and healthy working conditions to prevent the occurrence of accidents and of occupational diseases, as well as to eliminate the dangers and reduce the potential risks associated with employees' working activities. In fact, all Sanlorenzo shipyards include an ISO

45001:2018 certified HSMS. In compliance with the provisions of Legislative Decree 81/08, a Safety Office is made available at each of the shipyards, made up of carefully trained internal figures, including through the Sanlorenzo Academy (see Figure 52).

FIGURE 52 - OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM: THE FIGURES PRESENT ON EACH SHIPYARD



In accordance with the provisions of the ISO 45001:2018 standard, Sanlorenzo has adopted a company **Safety and security policy**⁶³, through which the commitments of dialogue and training on the subject are pursued, expressed through the following general objectives:

- 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.

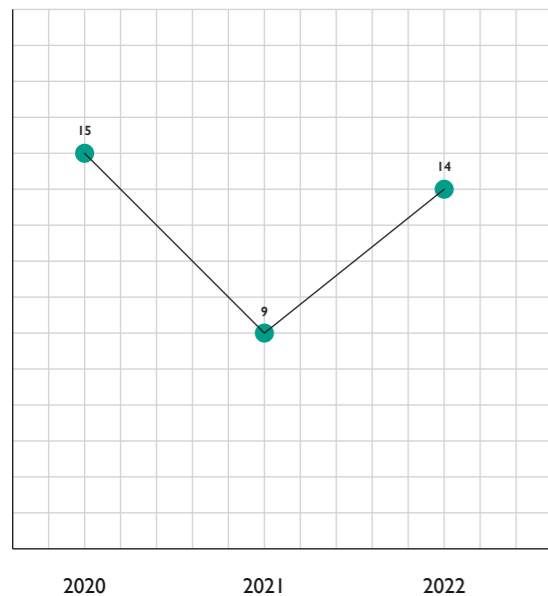
All Group personnel are required to comply with the provisions of the Safety Policy, of the Code of Ethics and of the Code of Conduct and to take responsibility for preserving not only their own health and safety but also that of other colleagues and third parties.

Bluegame has also adopted its own Safety Policy and expects to have an ISO 45001:2018 certified HSMS by 2023. Employees are encouraged to report any misconduct, malpractice or general noncompliance that could affect the level of protection for themselves or others.

The assessment of dangers and risks concerning health and safety in the workplace and the related measures for their elimination are identified in the **Risk Assessment Document**, which is updated annually⁶⁴. The assessment is performed for each individual worker or per “task”. In particular, with reference to employees who carry out office work, among the risks identified, the most significant are, among others, the risk of fire, the risks deriving from the use of work equipment and the storage of office materials, and risks associated with the use of company and/or private vehicles for the purpose of carrying out work activities.

With specific reference to **work-related stress risks**, in 2022 an in-depth analysis was carried out through interviews – managed by employees who are experts in HSE issues, under the supervision of the Human Resources Function – aimed at mapping this risk and the subsequent definition of a detailed report. 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. All employees also have the option of joining health plans partially financed by the Company. In 2022, a **free flu vaccination campaign** was also launched in Italy for Group employees, which saw a high level of participation.

FIGURE 53 - WORK-RELATED INJURIES IN THE 2020-2022 THREE-YEAR PERIOD AMONG GROUP EMPLOYEES⁶⁵



Moreover, in 2022, two requests for occupational disease were registered among Sanlorenzo employees: one for noise-induced hearing loss at the Massa shipyard and one for manual handling of loads at the Viareggio site. In both cases, INAIL (Italian National Institute for the

The Group organises specific annual training courses for all personnel, aimed at raising awareness about occupational health and safety issues. The training programme generally focuses on the following aspects: general principles of Legislative Decree 81/08; emergency management (including a practical evacuation test); specific risks in relation to the work performed (e.g. noise, vibrations, chemical agents, video terminals, etc.); specific risks for which special training is required (e.g. live electrical work, use of lifting equipment, etc.). In 2022, the trend in health and safety data is slightly up compared to 2021 and in line with the 2020 data. In fact, with reference to Group employees, 14 workplace accidents were recorded (see Figure 53). The recordable injury rate is equal to 11.66 (8.87 in 2021, for further information on how the accident rate is calculated, please refer to the *Methodological Note*). None of the injuries that have occurred are of a serious nature.

Prevention of Accidents at Work) did not accept the requests presented. There were no cases of occupational disease among Bluegame employees.

NOTES

- ¹ This includes suppliers of: steel parts (for example, portholes, stern doors, chains and anchors); fibreglass details to complement and integrate the main parts of the hull, deck and superstructure; fibreglass raw materials for the lamination and bodywork of semi-finished products; external crystals; materials for on-board electronics; appliances; fire-fighting system materials; air conditioning system materials; parts for propulsion systems; generator plant materials; bow thrusters and stabiliser fins; steering system, flaps, propellers; bathroom accessories and faucets; interior furnishings; outdoor furnishings; kitchen accessories; cushions; tender; outdoor tables and seating, teak details; 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 shipyard. Such suppliers include those involved in: lamination of the fibreglass mouldings (hull, deck and steel superstructure); construction of steel/aluminium semi-finished products; construction of the bodywork and painting of the fibreglass mouldings; construction of internal resin-coating; construction of the electrical system; fitting out of the technical rooms, engine room and external assembly; construction of the hydraulic system; construction of internal carpentry; preparation/assembly of furniture; window assembly; installation/construction of internal insulation; supply and installation of teak decks and accessories; construction of the audio/video system; construction of external carpentry; supply and installation of marble.
- ³ For Sanlorenzo S.p.A. "local suppliers" refer to all those suppliers based in the provinces of La Spezia, Massa Carrara and Lucca. For Bluegame S.r.l., instead, "local suppliers" refer to all those suppliers based in the provinces of La Spezia, Massa Carrara, Lucca, Bergamo and Brescia.
- ⁴ 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.
- ⁵ More information in this regard is given in the Annexes, in the "Technical insights" section.
- ⁶ The rate is calculated by comparing the number of recordable accidents that occurred during the year to the total hours worked during the year. The calculation is carried out using 1,000,000 hours worked as a basis.
- ⁷ 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.
- ⁸ The training courses are financed by the Asylum, Migration and Integration Fund of the Ministry of the Interior and are managed by the Scuola Edile di La Spezia.
- ⁹ The Environmental Policy was last updated in March 2021.
- ¹⁰ One of which transferred to Bluegame.
- ¹¹ One for each building and the fifth relating to the Superyacht production area.
- ¹² An authorisation is required for each of the 3 owned lots.
- ¹³ This is material that is part of the contracts, therefore purchased by the contractors.
- ¹⁴ The reference is to materials purchased directly by Sanlorenzo and Bluegame.
- ¹⁵ The reference is to Regulation (EU) no. 995/2010, also known as the "Wood Regulation".
- ¹⁶ Please refer to the 2021 NFS for more information on the Burmese teak issue.
- ¹⁷ International Maritime Organisation.
- ¹⁸ The energy consumption of Bluegame S.r.l. and I.C.Y. S.r.l. are included (the latter from 2022).
- ¹⁹ From 2022, the consumption of Polo Nautico Viareggio S.r.l. is also included.
- ²⁰ Diesel for sea trials includes the entire quantity purchased by the Companies, including the portion of diesel not used directly by them for this purpose and therefore kept inside the yachts and subsequently used by the shipowner.
- ²¹ The share of electricity purchased from renewable sources was calculated using the specific percentage of the energy mix of the supplier(s) supplying the shipyards.
- ²² Energy intensity is calculated by comparing the total energy consumption to the specific parameter chosen by the organisation, i.e. GT (total tonnage). For the Yacht Business Unit, GT is calculated by summing GT of the Yacht BU and GT of Bluegame.
- ²³ 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.
- ²⁴ 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.
- ²⁵ Indirect GHG emissions (Scope 3) are generated starting from the activities upstream and downstream of the Group's value chain. These emissions are not currently reported and therefore are not the subject of this document.
- ²⁶ Updated to Legislative Decree 77/2021, converted with amendments by Law no. 108 of 29 July 2021.
- ²⁷ Volatile organic compounds.
- ²⁸ Medium Density Fibreboard, a wood derivative.
- ²⁹ Identified in volume 62 of the monographs on the assessment of carcinogenic risks to human health "Wood Dust and Formaldehyde" published by the International Centre for Research on Cancer (Lyon 1995) to which Legislative Decree no. 81/2008 refers.
- ³⁰ Analysis of airborne asbestos fibres in Phase Contrast Optical Microscopy.

NOTES

- ³¹ The quantitative information relating to the CO₂ emissions generated by the Group is reported in a comparative three-year form only with reference to the Yacht and Superyacht Business Units. The Bluegame data presented, instead, relates to the reporting year, as it was possible to expand the collection of data to Bluegame as of 2022, following the completion of the insourcing of the assembly, outfitting and production activities of the BGM line at the Ameglia shipyard (Building D1).
- ³² All four Sanlorenzo sites are located in areas considered to have medium to 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.
- ³³ 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.
- ³⁴ The data relating to waste generated by washing activities are included within the quantities of waste produced by the organisation (GRI 306).
- ³⁵ MARPOL 73/78 Convention.
- ³⁶ The data relating to the Polo Nautico Viareggio S.r.l. company is not included as it was not possible to attribute the specific treatment method used to the different types of waste.
- ³⁷ The graph presents the Bluegame S.r.l. data for 2021 and 2022 and I.C.Y. S.r.l. data for 2022.
- ³⁸ Reference law: Regional Law no. 12 of 22 February 1995
- ³⁹ Pursuant with the "Natura 2000" ecological network established by Directive 43/1992/EEC and subsequent amendments.
- ⁴⁰ Reference law: Tuscany Regional Law n. 24 of 16 March 1994.
- ⁴¹ Region of Tuscany Law no. 30 of 19 March 2015, "Regulations for the conservation and enhancement of the regional environmental-natural heritage".
- ⁴² Directive 92/43/EEC as amended.
- ⁴³ "On Man and the Biosphere" (MAB - Man and Biosphere UNESCO programme).
- ⁴⁴ 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 Company operates, therefore Liguria and Tuscany, were considered. 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. Among the executives and middle managers hired in 2022 by I.C.Y. S.r.l., no one of them is from the local community (the area where the company's site is located).
- ⁴⁵ 20 internships are still ongoing on the date this document was drafted.
- ⁴⁶ Fixed-term contracts that have come to an end are also included in the calculation of terminations, in line with the relative contract dates.
- ⁴⁷ The data corresponding to the following companies are included: Sanlorenzo S.p.A.; Bluegame S.r.l.; Polo Nautico Viareggio S.r.l.; I.C.Y. S.r.l. and Sanlorenzo of the Americas LLC.
- ⁴⁸ 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.
- ⁴⁹ It should be noted that the document has been drawn up ensuring alignment with the principles, declarations and requirements set out by the following national and international regulatory references: Code of Ethics of Sanlorenzo S.p.A.; Code of Corporate Governance, Italian Constitution, Universal Declaration of Human Rights of the United Nations, Fundamental Conventions of the International Labour Organisation, Charter of Fundamental Rights of the European Union and European Convention on Human Rights. The document is communicated and disseminated within the organisation, including through publication on the company intranet.
- ⁵⁰ 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 also prepares, every two years, the report on the situation of male and female personnel in the company in each of the professional categories envisaged, highlighting in particular the processes of selection and recruitment, training, professional development, promotion, category or qualification, other mobility phenomena, remuneration paid and any dismissals.
- ⁵¹ In the case of I.C.Y. S.r.l., the remuneration is determined with the support of an independent external consultant.
- ⁵² It was not possible to calculate the gender pay gap within the Executives professional category because there are no women covering this role.
- ⁵³ The ratio between the basic salary and the remuneration of Bluegame employees has not been calculated for the Middle Managers and Executives professional category as there are no female figures within them. Moreover, Bluegame has no employees who fall in the Manual workers professional category within its corporate staff.
- ⁵⁴ The term "local minimum wage" in Italy refers to what is defined in the specific national collective bargaining agreement. 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.
- ⁵⁵ The project is defined according to a trade union agreement that states that those who have been selected by Sanlorenzo can be hired under open-ended contract/apprenticeship contract or fixed-term contract for a minimum period of six months.
- ⁵⁶ The second level agreements signed are valid for Middle Managers, Office workers and Manual workers hired by Sanlorenzo S.p.A. and by Bluegame S.r.l.
- ⁵⁷ I.C.Y. S.r.l. employees are not entitled to the benefits shown in the table.

NOTES

- ⁵⁸ Since 2020, an additional insurance policy has also been introduced which compensates employees, subject to certain conditions, for the hardships suffered as a result of the Sars-Cov-2 virus (Covid-19).
- ⁵⁹ Envisaged for all Executives and Middle Managers with strategic responsibilities, with the exception of some top managers who are already significant shareholders and adhere to the MBO Plan. Participation in the Stock Option Plan is free and exercisable upon recourse to the Exercisability Conditions defined for each Beneficiary by the BoD. For more details, see the Information Document on the Stock Option Plan available on the Sanlorenzo website.
- ⁶⁰ Agreements have been stipulated with banks to guarantee discounts for employees, including a system of corporate credit cards charged to private current accounts, which provides for more favourable conditions, such as, for example, a simplified preliminary investigation phase, no management costs for the employee (paid by the company), amounts debited at 50 days at the end of the month, or the option to request a second card for a family member at a discounted price. This same agreement also sets out provisions for personal loans repayable by monthly deductions from the worker's pay slip. Finally, under an agreement with another bank, the employee can open a current account at a low cost and access special conditions for a mortgage for their first home.
- ⁶¹ On the basis of a supplementary contract signed by Sanlorenzo in 2020 and extended to all employees, with both the Metalworking and the Rubber/plastic national collective bargaining agreements. The initiative consists in the voluntary and free transfer of holidays that can be cashed in to colleagues who experience situations of serious difficulty (health related) or who have a need to assist minor children with problems that require constant care.
- ⁶² Fully offered by Sanlorenzo from 2021, for all Sanlorenzo and Bluegame employees interested in using the Confindustria CAF Service (Tax Assistance Centre Service), in the "standard service" type, to carry out recurring activities such as their annual tax return.
- ⁶³ Sanlorenzo's Safety Policy was last updated in August 2022.
- ⁶⁴ Additional details on the risks related to work carried out in the shipyards are presented in the "Strengthening the supply chain" section.
- ⁶⁵ Data relating to Sanlorenzo and Bluegame is included.

CHAPTER OVERVIEW: TECHNICAL DETAILS

REFERENCE GRIS:

2-6; 2-7; 2-8; 2-29; 2-30; 3-3; 202-1; 202-2; 204-1; 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; 401-1; 401-2; 401-3; 403-1; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 403-10; 404-1; 404-3; 405-1; 405-2; 406-1; 407-1; 408-1; 409-1

REFERENCE SDGS:



INDIRECT CONTRIBUTION



TARGET: 4.4



TARGET: 5.1; 5.5



INDIRECT CONTRIBUTION



TARGET: 8.2



TARGET: 10.3



TARGET: 12.4; 12.5



TARGET: 13.1



TARGET: 14.2

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT:

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 IV - The elimination of all forms of forced and compulsory labour

Principle V - The effective elimination of child labour

Principle VI - Elimination of all forms of discrimination in employment and occupation
Principle VII - Adopt a precautionary approach to environmental challenges

Principle VIII - Undertake initiatives to promote greater environmental responsibility

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

DESCRIPTION AND RELEVANCE OF THE "SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN" TOPIC:

For the Group, ensuring sustainable management of the supply chain means establishing relations with suppliers and contractors with a view to mutual growth and the creation of value, supporting the improvement of their environmental, social, economic, governance and ethical performance, in terms of risk mitigation, management process innovation, increased operational efficiency and promotion of responsible governance procedures.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** environmental impacts related to the activities carried out by the Company's suppliers and contractors (waste production, energy consumption and emissions into the atmosphere);
- **Risk:** social impacts related to the activities carried out by the Company's suppliers and contractors (lack of compliance with human and workers' rights);

- **Risk:** loss of value for the area and for the reference community, following a lack of collaboration between the Group and its network of suppliers – both with a view to optimising relationships and starting a path of continuous growth through economies of learning;
 - **Opportunity:** creation of local economic activity;
 - **Opportunity:** Promoting a fair redistribution of procurement and supplies;
 - **Opportunity:** implementation of awareness-raising policies on sustainability issues and improvement of the ESG performance of the Group's suppliers, through the influence that the Group has on them.
2. Outside-in perspective (impacts on Group cash flows)
- **Risk:** decrease in revenues in the event of requests from the shipowner regarding the use of sustainable materials on board, which the Group's suppliers cannot satisfy;
 - **Risk:** potential loss of access to credit, at advantageous conditions, and the devaluation of the share on the stock market as a result of the impossibility to guarantee the sustainability of the Group's supply chain (for example, use of unsustainable materials, lack of transparency on the traceability of raw materials, etc.);
 - **Risk:** reputational, as a result of actions/conducts not aligned with the principles of sustainability by the Group's suppliers and/or contractors.
 - **Opportunity:** investment in strengthening the supply chain, including from the point of view of the relative sustainability performance, with consequent improvement in the perception/reputation of the Group, increase in revenues and better access to credit.

DESCRIPTION AND RELEVANCE OF THE "ENERGY CONSUMPTION" TOPIC (topic dealt with in alignment with Legislative Decree 254/2016):

Commitment of the Group in the definition and implementation of projects aimed at containing and making energy consumption associated with the Group's production more efficient, in order to reduce the environmental impacts generated directly through its operations.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** increase in emissions and other relevant environmental impacts associated with high energy consumption from non-renewable sources within the organisation;
- **Risk:** contribution to the national and international energy crisis, due to a high level of consumption and the failure to implement efficiency actions;
- **Opportunity:** reduction of the environmental impact, thanks to the transition from a supply from conventional energy sources to renewable energy sources.

DESCRIPTION AND RELEVANCE OF THE "ATMOSPHERIC EMISSIONS" TOPIC (topic dealt with in alignment with Legislative Decree 254/2016):

Particular attention is paid to the reduction of emissions generated by the activity of the Group's production plants (both atmospheric emissions of polluting substances and direct and indirect Scope 2 GHG emissions) through the use of production techniques with a lower impact (for example, infusion) and the use of renewable energy sources. The commitment to combating climate change is also monitored through multiple R&D initiatives and the application of on-board technological solutions for low-emission navigation.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** failure to contribute to the fight against climate change, due to non-alignment with more stringent national and international regulations on emissions;
- **Risk:** increase in the effects of climate change, such as extreme climatic events, as a result of management and production practices that do not comply with the principles of environmental sustainability;
- **Opportunity:** reduction of CO₂ emissions and other pollutants thanks to activities within the Group's business sphere (replacement of energy sources, reduction of consumption, etc.).

CHAPTER OVERVIEW: TECHNICAL DETAILS

DESCRIPTION AND RELEVANCE OF THE “WASTE MANAGEMENT” TOPIC (topic dealt with in alignment with Legislative Decree 254/2016):

The choice and use of materials for production and office purposes is made with the awareness of having to reduce the quantity of general waste and production waste generated, committing to progressively increase the separate collection and recovery of waste, according to a circular approach.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** spilling on the ground/accidental dragging of chemical agents on surface waters;
- **Opportunity:** transition from a linear to a circular economy model.

DESCRIPTION AND RELEVANCE OF THE “HEALTH AND SAFETY” TOPIC:

The Group implements initiatives to protect the health and safety of employees and workers of the contractors with which the Group collaborates and to ensure healthy workplaces.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impatti sul contesto esterno)

- **Risk:** fire risk with consequences to the health and safety of workers, in particular of contractors at the Group’s shipyards, deriving from the mixing of incompatible production waste;
- **Risk:** increase in workplace accidents as a result of failure to cover the topic and to adopt adequate safety measures;
- **Risk:** increase in occupational diseases due to the inhalation of dangerous chemical substances, such as styrene, among the workers of the Group’s contractors;

- **Risk:** negative impact on the health and safety of contractors’ workers due to a poor understanding of the provisions and documentation made available on the subject, resulting from language problems;
 - **Opportunity:** reduction of workplace accidents following the implementation of appropriate control, prevention and monitoring policies and management measures of “near accidents” implemented within the Group;
 - **Opportunity:** lower social cost associated with workplace accidents, borne by the Group and by the local community;
 - **Opportunity:** reduction of occupational diseases associated with styrene inhalation, through the implementation of the infusion technique.
2. Outside-in perspective (impacts on Group cash flows)
- **Risk:** reputational, following the occurrence of accidents in the workplace, with consequent financial disbursements to provide for the resolution of poor management of health and safety aspects and related implications.

DESCRIPTION AND RELEVANCE OF THE “PROTECTION OF FUNDAMENTAL HUMAN RIGHTS AND OF THE WORKER” TOPIC:

The management of Company employees, as well as relations with suppliers and contractors, are based on the promotion, respect and protection of fundamental human and workers’ rights, including, for example, the prohibition of discrimination, equal pay for personnel, the protection of trade union activities.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** failure to respect human and workers’ rights, in carrying out business activities and along the Group’s value chain;
- **Risk:** worsening of the living conditions of people for whom compliance with their fundamental rights has not been respected;
- **Risk:** contribution to the increase in the

phenomenon of illegal hiring within the Group’s shipyards, due to insufficient supervision of the operations carried out by contractors;

- **Risk:** forced or compulsory labour within the Group’s supply chain in countries potentially exposed to this risk, with respect to which the Group could contribute indirectly, by not implementing adequate control and verification measures;
- **Opportunity:** fight against illegal hiring, through the Group’s participation in initiatives to combat labour exploitation and the illicit brokerage of labour in the yachting sector; contributing to the protection of human rights in the sector;
- **Opportunity:** protection of fundamental human rights and workers’ rights through the sharing, with contractors and suppliers of materials, of general contract and supply conditions containing specific clauses on the subject. Outside-in perspective (impacts on Group cash flows)
- **Risk:** in extremely serious conditions, the occurrence of violations of fundamental human rights could lead to the loss on Sanlorenzo’s part of shareholdings by investment funds that pay particular attention to the social dimension in their evaluations.

DESCRIPTION AND RELEVANCE OF THE “DIVERSITY AND INCLUSION” TOPIC:

Personnel management that is oriented towards continuous listening and valorisation assumes the need to guarantee an inclusive working environment that encourages respect, valorisation and fair treatment of the diversity present in the company.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out (impact on the external context)
- **Risk:** discrimination and unfair treatment of people (in particular of the Group’s employees and of contractors’ workers) on the basis of: gender; religion, age, sexual orientation, geographical origin and other individual characteristics;

- **Risk:** failure to value diversity with a view to the continuous growth of the organisation and the context in which it operates, within an increasingly global and globalised scenario;
- **Risk:** impacts on the psychological health of people who work for the Group, due to the presence of stereotypical and discriminatory situations and behaviours;
- **Opportunity:** positive contribution to the development of better knowledge and awareness – among people in the areas in which the Group operates – of the issues of diversity and inclusion, contributing to the development of a more inclusive model of society;
- **Opportunity:** promotion of equal treatment and opportunities between genders within the Company;
- **Opportunity:** development of measures (such as career plans, performance assessment and professional growth based on meritocracy) aimed at creating an organisational context that supports the inclusion and enhancement of diversity, guaranteeing different points of view and favouring discussion and dialogue;
- **Opportunity:** promotion of an inclusive environment throughout the Group’s value chain;
- **Opportunity:** guarantee of a better integration into the world of work of individuals with motor and psychological disabilities, thanks to the development of partnerships with local actors.

DESCRIPTION AND RELEVANCE OF THE “ATTRACTING, RETAINING AND DEVELOPING TALENT” TOPIC:

The strategy and methods for the management of the entire Employee Life-Cycle within the Group are developed by paying attention to all the phases that make it up, from the attraction and selection of talent, to their retention, ensuring a satisfactory and incentive working climate, offering training courses in relation to soft and hard skills, enhancing the professional experience of the person thanks to specific development paths and promoting the well-being of the individual with the implementation of appropriate welfare plans.

CHAPTER OVERVIEW: TECHNICAL DETAILS

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** failure to meet the expectations and needs for individual and professional growth of the Group's human resources;
- **Risk:** failure to implement training programmes, resulting in a lack of growth of employees' hard and soft skills;
- **Risk:** lack of involvement of human resources, with a consequent decrease in loyalty with respect to the corporate culture;
- **Risk:** the limited creation of an employment impact on the reference area, due to recruitment choices that do not take into consideration the working needs of the local population;
- **Opportunity:** 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;
- **Opportunity:** development of technical training programmes (Sanlorenzo Academy) aimed at guaranteeing the preservation of specific sector skills within the reference area, also contributing to the creation of an associated local employment;
- **Opportunity:** creation of partnerships with local players to attract and develop new talent.

KEY STAKEHOLDERS:

Suppliers and contractors

Environment

Employees

Schools and universities

Trade union representatives

ADOPTED POLICIES, PROGRAMMES AND CERTIFICATIONS:

- Environmental policy
 - Safety Policy
 - General Terms and Conditions of Purchase and Procurement
 - ISO 14001
 - ISO 45001
 - Human resources management policy
 - Measures to promote equal treatment and opportunities between genders in the business organisation
 - Guidelines for managing MBOs
-



COMMITMENT TO THE PRODUCT

MAISON SANLORENZO
FOR BLUEGAMERS ONLY
THE ENGINE OF INNOVATION
SANLORENZO TIMELESS

“ We are committed to researching both technological and technical solutions able to reduce the impact on the marine ecosystem ”

The second strategic pillar of the Group's approach to responsible development is the commitment to the product. This commitment translates into the following areas of attention, described in the chapter:

- constant search for innovation aimed, in particular, at the implementation of solutions focused on guaranteeing the reduction of the environmental impact of the yachts;

- guarantee of quality and safety on board, through the attention dedicated to shipowners, including through after-sales services.

MAISON SANLORENZO

Over the past decade, Sanlorenzo has decisively consolidated its positioning in the market, distinguishing itself for the high level of **tailoring** underpinning the Group's recognition as "Maison Sanlorenzo": **extreme attention to design**, not only of the lines of the yachts, whose controlled evolution has made them iconic, but also of the interior. Sanlorenzo has, in fact, brought on board prestigious collaborations with some of the most famous names in home design, imparting an epochal turning point to yacht interiors.

The creations of the **Yacht Business Unit** (in fibreglass) – from 1972 to today, the shipyard has completed over 1,000 yachts – have been meticulously developed to meet the needs of a wide variety of yacht owners: the range – consisting of the SL line, the most historic,

the SD line (first launched in 2007) and the SX line of fast semi-displacement yachts – responds to different approaches to life at sea.

In 2022, at the Cannes Yachting Festival, Sanlorenzo presented, as a world premiere, its new models and features for the year and the development of its future strategy, rooted in tradition and aimed at innovation.

Among these, in particular, the **SD90** semi-displacement shuttle and the **SPI 10** open coupé, two revolutionary models in which the shipyard's focus towards **reducing the yacht's environmental impact** stands out, with particular reference to an increasingly greater attention to reducing consumption and use of materials from alternative sources, as well as extreme attention to details and to the most emotional aspects of living at sea.

INSIGHT

Transformability and technological efficiency

The new **SD90** (SD90S), *entry-level* of the renewed SD line, the shipyard's range of semi-displacement shuttles, with exteriors designed by the Zuccon International Project firm and interiors by Patricia Urquiola, is part of the process aimed at the continuous search for innovative solutions capable of ensuring the containment of the environmental impacts of Sanlorenzo yachts. The exterior is structured on two and a half decks with an open fly bridge. The yacht is configured with a

lower deck and a main deck with a layout designed to ensure maximum livability of the vessel, demonstrated by the new solutions introduced both inside and outside, offering a completely new and innovative perception of space compared to other shuttles in the same range. The interior design has been studied according to an approach closely linked to **transformability**, with a style that strongly refers to the marine world and, in every detail, seeks the maximum connection between

inside and outside. The SD90S focuses on **transversal technological efficiency**, in other words both in terms of **performance** to reduce consumption and innovation in terms of **materials**. In fact, thanks to the renewed collaboration with the architect and designer Philippe Briand, the geometric characteristics of the hull allow the yacht to benefit from remarkable performance both with **hybrid propulsion** between 6 and 10 knots, and with traditional propulsion at a maximum speed of 17 knots. Moreover, Patricia Urquiola, whose creations are strongly inspired by sustainability criteria, has paid great attention to the research and use of raw materials from alternative sources, with a view to **circularity of materials**.

The finishes used inside the yacht – such as the wood panelling covered in **recycled cannulated Paper Factor** material and the sustainable terrazzo stone used in the bathrooms – are carefully selected to guarantee a lower environmental impact of the entire product. **Bio-resins** are used for the details of the ceilings and furnishings, while the spaces are enriched with steel profiles and machined crystal. The bow wall of the saloon was made of **recycled glass** and has been designed as a translucent filter that allows a glimpse of the staircase behind, giving a peek-a-boo effect that does not close off the space but, instead, amplifies it.



The new **SPI 10** model – the first yacht in the SP – “Smart Performance” range – was also designed to carry forward the research on the development of low environmental impact technologies, without forgetting the importance of the yacht driving experience.

The boat – made possible by the collaboration with Bernardo Zuccon for the exteriors, Tilli Antonelli for product development in Sanlorenzo, Marco Arnaboldi for the hull design and Piero Lissoni for the interiors – represents an advanced technological platform that

combines innovation and sustainability with a design that favours maximum comfort.

The SPI 10 is able to guarantee high performance with maximum energy efficiency, thanks to a **fractional propulsion** composed of **three significantly smaller engines** – usable, depending on the nautical conditions and on the owner's needs – individually, in pairs or all and three together – with an optimal weight-to-power ratio. The engines therefore allow high flexibility of use, reduced consumption and different levels of autonomy according to the desired speed.

The creation of the hull optimised for use with **water jet propulsion** was fundamental to the design of the model, which, compared to the propeller version, is less sensitive to variations in boat weight and therefore more versatile.

The study of the water lines has made it possible to obtain an efficient hull with a maximum beam of over 8 metres for a total length of 33 metres.

The double-edged flank guarantees both a buoyancy width that maintains the highest performance and comfort even in rough seas, as well as a considerable surface area that can be exploited both indoors and outdoors.

In order to lighten the weight of the boat even more, thus guaranteeing greater optimisation of consumption and performance, additional interventions were carried out such as the **selection of lighter materials**, including the laminated glass used for the large surfaces of the windows, which cover almost 80% of the yacht.



With metal hulls and superstructures, Sanlorenzo's range of **superyachts** – boats from 44 to 73 metres in length – offers the highest level of customisation. 40Alloy was the first metal (aluminium) yacht built by Sanlorenzo, marking the launch – in 2007 – of the Superyacht Business Unit, whose models have become iconic: from the 46Steel launched in 2010 to the 52Steel launched in 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 built and delivered 43 superyachts and another 22 are currently under construction. A summary diagram of the current lines and models of Sanlorenzo yachts is presented below.

TABLE 6 - THE SANLORENZO FLEET

BUSINESS UNIT	PRODUCTION SITE	RANGES	MODELS	LENGTH	LEAD TIME ¹	NUMBER OF YACHTS DELIVERED IN 2022
Yacht	Ameglia	SL range	<ul style="list-style-type: none"> • SL78 • SL86 • SL90A • SL96A 	24,6-36,5 meters	7-15 months	59
	Viareggio		<ul style="list-style-type: none"> • SL106A • SL120A 			
	Viareggio	SD range	<ul style="list-style-type: none"> • SD90/SD90S • SD96 • SD118 • SD126 • SD132 	28,8-40,2 meters	10-16 months	
	Ameglia	SX range	<ul style="list-style-type: none"> • SX76 • SX88 	23,7-39,6 meters	7-16 months	
	Viareggio		<ul style="list-style-type: none"> • SX112 • SX100 • SX130 			
	Viareggio	SP range	<ul style="list-style-type: none"> • SP90 Coupè • SPI10 Coupè 	27,4-33,5 meters	11-15 months	
Superyacht	La Spezia	Alloy	<ul style="list-style-type: none"> • 44Alloy 	44,5 meters	24-30 months	5
		Steel	<ul style="list-style-type: none"> • 50Steel • 52Steel • 58Steel DE • 62/64Steel DE • 73Steel DE 	50-73 meters	28-36 months up to 58 metres 38-46 months from 60 metres to 73 metres	
		Explorer	<ul style="list-style-type: none"> • 500Exp • 1000Exp DE 	47-58 meters	24-36 months	
	Viareggio	X-Space	<ul style="list-style-type: none"> • 44Xsp • 50Xsp 	44-50 meters	24-30 months	

FOR BLUEGAMERS ONLY

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 deadrise² that, thanks to the 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.

Bluegame models are designed with the desire to “bring the sea inside”.

The BG42 was the first model built by the Business Unit, characterised by its compact dimensions. In 2019 the BGX line followed, a disruptive boat that synthesises the characteristics of the BG range with the comfort of the interior spaces typical of flybridges³. To date, 87 Bluegame yachts have been delivered.

The construction of the first Bluegame multihull – the BGM75 – is currently underway at the Ameglia shipyard, whose launch is scheduled for 2023, with a design closely inspired by sustainability and innovation.

The new line proposes specific characteristics belonging to different segments, but which share the founding

values that underlie the uniqueness of the brand: attention to the design of the hull for a safe and comfortable ride, robust construction, well-protected side walls, opening onto the sea, large front lounge areas, connected cockpits, optimised position of the helm station, great visibility, easy manoeuvrability, great attention to details and understated elegance. These are further complemented by the energy efficiency and reduction of CO₂ emissions generated by the yacht's navigation, thanks to the application of the IPS hybrid propulsion pilot system exclusively for Bluegame following the agreement signed with Volvo Penta (for more details see “*The engine of the innovation*” section) and the sustainability of the materials chosen for the production and outfitting of the model. The double hull of the BGM is characterised by greater lightness (30% less weight) thanks to the use of smaller engines, also responsible for the reduction of diesel consumption and consequently the reduction of CO₂ emissions generated.

Finally, in 2025, the first BGM65HH, a hybrid hydrogen powered multihull will be born.

A summary diagram of Bluegame yachts is presented below.

TABLE 7 - THE BLUEGAME FLEET

BUSINESS UNIT	PRODUCTION SITE	RANGES	MODELS	LENGTH	LEAD TIME	NUMBER OF YACHTS DELIVERED IN 2022
Bluegame	Bergamo outsourced (fibreglass) / Ameglia and Brescia (assembly and outfitting)	BG	<ul style="list-style-type: none"> BG42 BG54 BG72 	12,98-22,82 metres	4-7 months	32
		BGX	<ul style="list-style-type: none"> BGX60 BGX70 	19,02-21,86 metres	6.5-7 months	
	Ameglia	BGM	<ul style="list-style-type: none"> BGM75 (2023) BGM65HH (2025) 	19,81-22,86 metres	12-13 months	



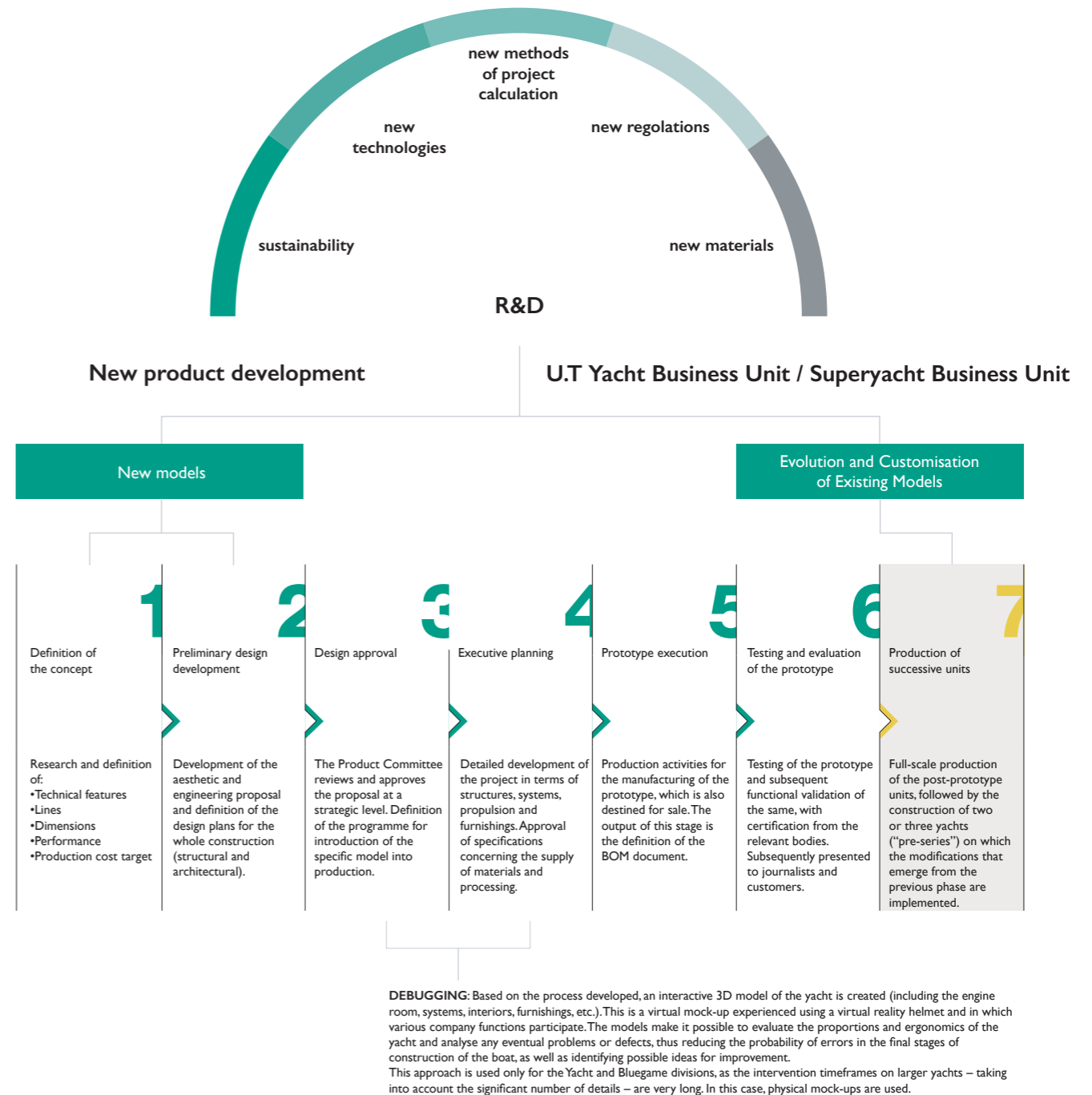
THE ENGINE OF INNOVATION

Constant innovation is invariably accompanied by the distinctive design of the external lines, which has remained consistent over time while allowing Sanlorenzo yachts to be readily recognised. Engineering and stylistic innovation is one of the key success factors for the Group, increasingly oriented towards the study of sustainable ways of designing and using yachts. In this sense, the Group undertakes to implement an incremental and open approach to innovation, according to a management that provides for constant dialogue with its partners and customers, thus pursuing the goal to be pioneers in the sector in the application of design criteria for the design and development of yachts that are inspired by the concepts of sustainability, technology, innovation and interdisciplinary knowledge. The R&D Function operates across the Group, with reference to both brands. A key department that performs a dual function: on the one hand, it carries out R&D activities on thematic fields not yet explored in the yachting sector; on the other, it collaborates with the New Product Development (NPD) sections of the three Business Units in the application of innovative technical solutions to new models or to yachts already in the range undergoing restyling work. The Function is also supported by the SL SP Team, specifically dedicated to the development of the Smart Performance (SP) yacht line, and by the Quality Function which also oversees compliance of aspects related to the sustainability of materials and the construction solutions applied to the product.

Two Product Committees common to the two companies have also been established, in which – reciprocally – President and CEO Massimo Perotti and architect Luca Santella, head of Product Strategy in Bluegame, participate. R&D activities are carried out in line with the development proposals promoted by the same Function, on the basis of market analyses and of the solutions already available, or, in some cases, starting from the inputs received from the Strategic Committee and the BoD relating to the development of new strategic projects. Or, in other cases, from the requests received from the New Product Development groups, from the Quality Function or from the Service Function regarding specific projects. With reference to the requests made by Management such as, for example, requests that have emerged in relation to shareholders' interests, as well as inputs expressed by the independent Directors with specific insights on innovations concerning related sectors, such as automotive and luxury. It should also be noted that, in 2022, a more objective system for evaluating the performance of the solutions tested and applied to the various projects was defined, through the development of more detailed project plans and monthly meetings between the R&D Function and the Sanlorenzo's General Management, to which the Function reports directly as of 2022. The R&D activity is developed around 5 pillars, described below together with an overview of the main phases underlying the development and construction of the Sanlorenzo and Bluegame yachts (see Figure 54).



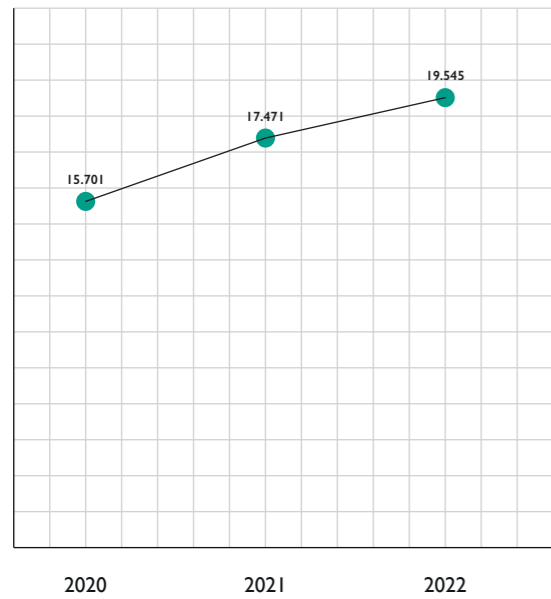
FIGURE 54 - MAIN ASPECTS OF R&D ACTIVITIES AND DEVELOPMENT OF NEW MODELS



Some of the solutions designed and implemented over the years have led to the registration of patents, such as the asymmetrical configuration introduced on some models or the launching and hauling system for the tenders housed on board. To date, there are two patents registered at the international level and another three were obtained in Italy. Similarly, some design-focused developments have also

become true aesthetic icons of the brand: for example, the swimming pool with a transparent floor; which also serves as a skylight in the ceiling of the 52Steel beach club or the hidden stern davit of the SX line. The increasing attention paid by the Group to R&D activities is also evidenced by the growing trend of investments focused on product development in the last three years (see Figure 55).

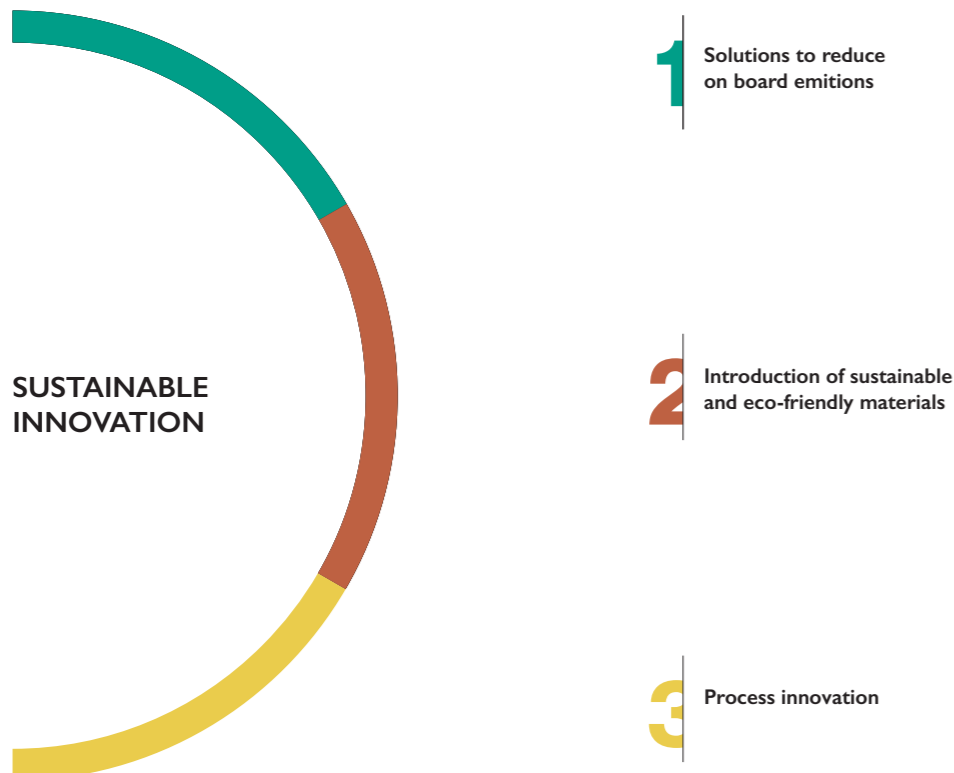
FIGURE 55 - INVESTMENTS IN R&D AND PRODUCT DEVELOPMENT (EURO/000)



R&D activities in the sustainability area

The sustainable innovation strategy pursued by the Group and articulated through the work carried out by the R&D department consists of three main types of initiatives, highlighted in Figure 56.

FIGURE 56 - CATEGORIES OF INITIATIVES OF THE GROUP'S SUSTAINABLE INNOVATION STRATEGY



The Group has already implemented several application developments in the sustainable innovation sphere, as demonstrated by the recent innovations presented on the market. In particular, in the spring of 2022, Sanlorenzo introduced the new SP Line (“Smart Performance”) for the Yacht Business Unit, with the first SPI 10 model (for more details see the “Maison Sanlorenzo” section), which saw the brand’s entry into the sport coupé segment, enabling the achievement of high performance with the use of technologies with a low environmental impact.

The Group is also preparing to introduce two further new lines characterised by unprecedented and transversal functionalities for different market segments and strongly inspired by sustainability criteria: the **X-Space Line** for the Superyacht Business Unit, with a 42-metre long model, the entry-level of the metal range, characterised by large volumes, large on-board spaces, flexibility and a high level of autonomy; and the **BGM Line** for the Bluegame Business Unit, which will see the Group enter the multihull segment with a luxury proposal with extremely low fuel consumption. At the basis of the sustainable design of the yachts, lies a

careful study by the R&D Function regarding their **use by shipowners**. This aspect is illustrated through the analysis of usage data collected directly by Sanlorenzo, also thanks to the use of a **remote detection system** – currently installed on the SP model – capable of collecting on-board information. This application is currently being analysed by the Technical Office and by the Service Function, which will evaluate its eventual installation in other yachts. At the same time, in collaboration with the Water Revolution Foundation (for more details see the “Partnerships and collaborations” section), Sanlorenzo took part in the development of a methodology for calculating the sustainable design capacity of yachts, leading to the first release – in November – of the **Yacht Environmental Transparency Index (YETI)**, the application of which is currently being tested.

The index is based on the operation of an algorithm capable of measuring the yacht’s ability to be sustainable from an environmental point of view, starting from its structural characteristics. A low score is synonymous with a better environmental performance of the yacht.

INSIGHT

Yacht Environmental Transparency Index

The idea behind the YETI rating was inspired by the desire of operators in the sector – associated as part of the Water Revolution Foundation, which brings together 12 shipyards, 4 nautical architects and 3 academic institutes participating in the project – to develop a **specific, reliable and comparable** rating, capable of monitoring and improving the environmental sustainability performance of yachts.

The index is based on the Life-Cycle Assessment (LCA) methodology which, in its first release, was applied to the annual use of the yachts, leaving the design and construction and outfitting phases for future developments. Although each yacht is unique with respect to others, the vessels have characteristics of use that are quite similar to one another. The studies carried out at the basis of the development of the rating have made it possible to estimate that on average yachts sail 10% of their time in a year, spend 30% at anchor and remain in port for 60% of the time. Based on these

conditions, input parameters were defined that make it possible to more accurately carry out the calculation of the emissions generated during navigation. Among these, in addition to the structural characteristics of the yacht (such as the length or the GT), the elements necessary for the evaluation also include the type of main engine, the speed curve (speed-power relationship), the eventual connection of the engine to a Power Take-off (PTO), the type of generators installed on board, the battery system, the amount of energy that the yacht is able to use when in port (“shore connection”), the demand for electricity (“e-demand”), the heat demand (including the presence of a waste heat recovery system or the installation of e-heaters that meet the on-board heat requirement).

The calculation of emissions deriving from the use of fuel and from shore power (when in port) takes into account both the emission release into the atmosphere and into the water.

The Group has also envisaged, for the 2023-2024 two-year period, the creation of a “*sustainable design manual*”, which will set out the basic criteria to be followed in the design areas with the greatest impact, taking into account the various production techniques and specificities related to works in fibreglass and metal carried out by the Business Units and the environmental emissions regulations of the European Commission and the IMO.

I. Solutions to reduce emissions generated on board

With an eye to this issue since 2015, Sanlorenzo was the first shipyard in the world to use a first-generation hybrid system for planing yachts over 30 metres (SL106 Hybrid). Over the years, the Group has continued to carry out studies on the various types of alternative propulsion available from a technological and application point of view, in search of solutions capable of guaranteeing greater efficiency in **on-board energy consumption** and the consequent **reduction of resulting CO₂ emissions**.

The systems used so far have made it possible, on the one hand, to meet this purpose, thanks to a navigation using only generators or batteries, and, on the other hand, to also guarantee **greater safety at sea**, as the electrical system is redundant and therefore able to function even in the event of a failure.

To date, the Group has identified **hydrogen fuel cells** and **green methanol** as the best answer to the demand for sustainability in yachting or recreational boating. In particular, the use of green methanol as a fuel – produced with solar or wind energy and with CO₂ captured from the atmosphere – guarantees the production of energy on board in a *carbon neutral* way. The amount of CO₂ released into the atmosphere during power generation, in fact, is equal to the amount of CO₂ captured from the atmosphere to produce methanol.

In the path of research and development of technological solutions for the reduction of the environmental impact of yachts, the partnerships created by the two Companies with leading players on the market play a key role, confirming the Group’s recognised experience in technological innovation. In particular, the following four agreements entered into in the last two years should be noted:

- the exclusive partnership with **Siemens Energy** (August 2021) for the development of solutions for the integration of **methanol fuel cell technology** for yachts between 24 and 80 metres in size, for the generation of electricity on board when the engines and generators are switched off, significantly extending the time spent at anchor and manoeuvring without

using diesel. The agreement also provides for the signing of two development and purchase contracts for new generation **diesel-electric propulsion systems** for yachts over 50 metres and for new generation **hybrid systems** for boats smaller than 50 metres, made compatible with the limited space on board and aimed at reducing greenhouse gas emissions and fuel consumption. Thanks to this collaboration, Sanlorenzo will build the first 50-metre superyacht (50Steel), equipped with fuel cells powered by hydrogen obtained from methanol, with delivery scheduled for 2024;

- the extremely important exclusive agreement (in the form of a Memorandum of Understanding) with **Rolls Royce Solutions GmbH – Global Marine** (MTU), which will enable the integration of a traditional internal combustion propulsion system, powered by methanol, with the fuel cells supplied by Siemens Energy, also fuelled by methanol (through a reformer), on yachts 40-75 metres in length. These solutions will initially be installed on a Sanlorenzo prototype yacht between 50 and 60 metres in length, due for delivery in 2026.

- the agreement signed by Bluegame with **American Magic**, challenger in the 37th edition of the America’s Cup to be held in Barcelona in 2024, for the design and construction of the first “chase boat” featuring an exclusively hydrogen propulsion system and use of foils, built according to the strict requirements of the event protocol;

- the partnership with **Volvo Penta** for the installation of a hybrid IPS propulsion pilot system on the BGM75, which will subsequently be combined with hydrogen fuel cells developed starting from the America’s Cup project. The BGM65HH (hydrogen-hybrid) model, which will be launched in 2025, will integrate this cutting-edge technology.

In addition to the innovations that will be developed thanks to these agreements, Sanlorenzo is also working on reducing energy consumption on board by intervening, for example, on the air conditioning systems in order to make them more efficient. In this context, the first prototype will be installed in the 50-metre superyacht (2024). The use of **inverter technology** was also evaluated for use in the air conditioning of Bluegame models, operating with an energy efficiency 50% higher than a traditional on/off system. Likewise, the use of energy-efficient appliances is preferred. Moreover, for almost all the windows of the Group’s models it is possible to use **thermal break windows** capable of reducing over 70% of the heat transmission, consequently reducing the thermal

power used for the air conditioning system, the electrical power of the electric generator and the fuel consumption.

The Group is also working on the implementation of solutions aimed at reducing the generation of **NOx** emissions attributable to engine combustion, with the adoption of **SCR** systems⁴. The work carried out by the R&D Department is currently concentrating on solutions which allow for the **abatement of particulate matter and unburned material**.

With regard to the implementation of particularly high-performance hulls, in the SPI 10, the hull was designed to house a **water jet propulsion** system (for more details see the “*Maison Sanlorenzo*” section).

2. Introduction of sustainable and green materials

Various study and testing activities have been launched with reference to the introduction of recycled materials, the result of which will also influence the achievement of the objectives included in the MBO plan for some company figures (for more details see the “*Talent and experience*” section). In particular, Sanlorenzo completed the first tests and began the implementation of the same on the SD90 model.

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. In Bluegame, the first experimentation with the use of this recycled material was carried out on the BG42 model. The use, for the first time, of EMO fibres instead of glass and carbon is also being studied for application in the BGM65 model (2025).

Particular attention is also being paid to **teak**, above all as a result of the need to modify the Group’s supply sources in line with the recent and more stringent regulations concerning this raw material coming from Myanmar. In addition to a careful assessment of the origin of its teak stocks, the Group’s focus is above all on the research for **alternative materials** that guarantee **equal quality and resistance**.

Other types of teak from other geographical areas are being initially evaluated, in particular from Indonesia.

At the same time, the Group has set itself the goal of starting to make shipowners aware of the choice of

alternative woods.

Aging tests – using UVA rays – were therefore carried out on the selected alternative materials (in particular, natural, laminated and synthetic woods), which returned very promising results. Benchmark analyses were also carried out in relation to bamboo.

For the furniture, the use of fabrics rather than leathers is preferred. Where leather is still used, a transition to suppliers that guarantee ecological tanning processes is being pursued. This material, for which a tanning liquid obtained from the waste generated by pressing olives is used, was used by the Yacht Business Unit in 2022, for a total of approximately 385 m².

Finally, the R&D Function has also been studying solutions with a lower environmental impact with reference to the use of **antifouling paints**, used to limit the occurrence of the marine biofouling phenomenon⁵, but which – due to the substances contained – could be harmful for aquatic ecosystems. To date, Sanlorenzo and Bluegame yachts are coated with antifouling coatings that do not cause significant disruption to marine biological chains. The analyses conducted by the R&D Function to support the use of silicone-based treatments, which are increasingly less aggressive and equally effective to those originally used, returned positive results followed, in 2022, by the **first pilot application** on a superyacht and two yachts. These tests, which also took into consideration the occurrence of secondary risks (for example in the application of the coating, which is toxic for the personnel but which was carried out by qualified external personnel and using the appropriate PPE and correct ventilation of the premises), have highlighted the need for further improvements.

3. Process Innovation

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. Among the interventions carried out, it is worth mentioning:

- the portable "Sanlorenzo Smart Helmet" device, currently in use and designed to facilitate remote diagnostic activities and the resolution of technical problems on board between Sanlorenzo crews and technicians. 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.

- The remote monitoring system – currently installed on the SPI 10 model – which allows the R&D Function and the Technical Department to understand how the yachts are used by the shipowners, thus making it possible to refine and perfect the areas of research and innovation.

Within the Superyacht Business Unit, work is also being done on the "Digital Twin" technology – a system that facilitates having a true digital representation of the vessel – with the aim of remotely processing the yacht's operating parameters and those of its main systems, being able to analyse how it behaves when certain conditions vary.

SANLORENZO TIMELESS

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 extremely detailed checklists, based on which parameters such as, for example, the yacht's noise and vibration levels can be verified, as well as characteristics relating to construction, size and installation of the furnishings.

The Quality Booklets are a key tool to support quality controls⁶ – as of 2022 also used for the Bluegame construction process phases carried out in the Ameglia shipyard –, also shared with the owners of the yachts

and aimed at all actors involved in the production process. The outputs of the checks carried consist of reference tables, with an indication of the quality parameters to be respected.

In the case of Bluegame works outsourced to contractors' sites, the Company's technical staff is present daily at their facilities to verify the production 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. Bluegame yachts, instead, are launched and tested in Liguria.

In addition to the Quality Booklets, the Group shares with the shipowners – through specific documents – information of a commercial, regulatory – with reference to the compliance of the yachts with the many applicable regulatory requirements – and technical nature, the latter relating to the characteristics and specificities of the yacht⁷.

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 above all covers the risk of fire. In particular, in 2021 a fire had occurred on board the SL96-720 M/Y REINE D'AZUR yacht, which led to the vessel sinking. The expert and investigative assessments aimed at ascertaining the causes of the incident are still underway, which are complex, also due to the fact that the yacht

was completely destroyed. In addition, in the reporting year, there was a further case of fire on board a yacht for which the manufacturer's warranty is no longer in effect, as the conventional warranty period set out in the sales contract has expired. Although the Company was not directly involved in the consequent investigations, Sanlorenzo has made itself available to assist the competent bodies⁸.



The relationship with shipowners and the offer of high-end services

Sanlorenzo shipowners are sophisticated and loyal customers – so-called “**Connoisseurs**” – whose tastes are perfectly captured by the yachts that the Company builds for them. Bluegame’s customers are referred to as **Bluegamers**, in other words owners characterised by an instinctive nature, independence and non-conformism, unique individuals just like the yachts they choose to become owners of.

The Group’s customer base is primarily comprised of the *Ultra High Net Worth Individuals*⁹ (UHNWI) target, which has been steadily increasing especially in North America and the Asia-Pacific geographical area. In recent years, the Group’s target customers are driven by a **new mentality**, in search for a more balanced life characterised by **freedom, security and privacy**. The new connectivity technologies make it possible to work and significantly extend the time spent on board, attracting a **new generation of yacht owners**. Younger customers, in particular, are looking for **low-impact solutions** for which they are willing to pay a higher price.

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. **Professionalism, competence, availability, respect and correctness** are the key principles and the Group’s behaviour style in the creation and development of these relationships over time.

The high level of loyalty created over time, has led to the establishment of the **Sanlorenzo Club**, representing the set of shipowners – around 1,000 – who over the years have become owners of a Sanlorenzo yacht.

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.

As far as meeting opportunities with shipowners are concerned, the **Boat Shows** remain the main event dedicated to current and prospective customers (for more details see “*The link with the local community*” section). In addition, before and during the construction of the yacht, the owners are able to take part in **visits to the design showrooms** in Milan, during which they can immerse themselves in the history of Italian design and view unique pieces that they will be able to select for the layout and décor of their yacht. On such occasions, shipowners are also invited to attend **exclusive evenings** and to take part in **guided tours** – with the support of the Sanlorenzo Style Director – to some of the most renowned **art galleries**, so as to fully experience and grasp the Italian artistic tradition and help reinforce the mix between the world of yachts and that of art (for more details see the “*Partnerships and collaborations*” section).

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. In fact, at the time of registration future clients are asked to carefully read the Privacy Policy and to accept the conditions, ensuring that the data collected, in particular data of a sensitive nature, is protected, in accordance with the provisions of the European GDPR legislation¹⁰.

The Group also organises **Elite Days** or **Elite Weekends** aimed at bringing Sanlorenzo and Bluegame shipowners together at its shipyards, as well as prospective customers from all over the world.

Special attention is also paid to the **training of the dealers** – who play a key role, especially with regard to the relationship with Bluegame shipowners, as the Company does not engage in direct sales – ensuring that they are fully aware of the **characteristics of the product**, of the **language** used by the brands to present it, as well as of the **values** underpinning the Group’s work. In 2022, two training courses were held, in Italy and abroad, dedicated to dealers and service centres. Moreover, during the year, the Group integrated a number of new dealers in various parts of the world into its network: Sanlorenzo ensures the performance of due diligence processes aimed at its so-called “*privileged partners*”, followed by coaching aimed at the correct integration within the Group’s support network.



In order to enhance the shipowners’ experience in using their yachts, Sanlorenzo offers **high-end services**, ranging from the possibility of accessing a personalised financing-leasing plan defined in coordination with the Group’s main financial partners, the single-brand charter program (Sanlorenzo Charter Fleet), maintenance, restyling and refitting services (Sanlorenzo Timeless), as well as training activities at the Sanlorenzo Academy for crew members. In line with its research philosophy focused on maximum excellence and its made-to-measure positioning, the Group is strengthening its offer of High-End Services (for more details see “*The strategic guidelines of the Group*” section), whose value proposition aims to **increase the loyalty** of existing shipowners and attract new ones, with a sartorial approach in which manufacturing excellence, high quality, innovation and design are accompanied by the **exclusivity of the relationship with the customer**. The **charter business**, which has seen a strong expansion, particularly in periods of contraction in the demand for new yachts and which Sanlorenzo offers its customers through a programme directly managed by the Company and accompanied by exclusive advantages, is of particular importance. Given the specialised skills required by this activity, to guarantee its high standards of quality and excellence, on 19 December

2022 Sanlorenzo finalised the acquisition of 100% of Equinoxe S.r.l., a historic company that enjoys a very high reputation in the sector.

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, and testing and consulting services. Owners can also count on an **after-sales service network** made up not only of the Sanlorenzo shipyards, but also of Brand Representatives and Service Points present all over the world (see Figure 6). 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 warranties and related communications between the shipyard and the customer; through which the crew can send requests for assistance to Sanlorenzo technicians, who in turn can interact directly with the crew.

The offer of “**Sanlorenzo Timeless**!” services also falls within the scope of after-sales services, with the aim of preserving the value and the “timeless” character of Sanlorenzo yachts, adapting them to the specific style and taste of the owners and modernising the on-board equipment.

The specific services offered are as follows:

- **Refit** – focused on replacing or updating on-board instruments and equipment through the use of the most advanced technologies, improving their safety and functionality. 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. In addition, this service is also offered on used boats – both Sanlorenzo and those of other brands – that have been traded-in, with the aim of making it possible to lengthen the useful life of the yacht, already very long in itself, and therefore help reduce the impacts generated by it. In this case, reference is made to the “Experienced Yacht” programme¹²;
- **Restyle** – focused on renewing the design of yachts through targeted interventions on furnishings, the replacement of materials and upholstery and the design of new spaces and structures, with a view to finding new solutions with a low environmental impact;

- **Lifetime Care** – focused on constant care and maintenance (routine and extraordinary) of the yacht through rigorous checks, services, tests, servicing and certifications.

The **Timeless Brochure** and the “**Sanlorenzo Service Bulletin**” newsletter are aimed at providing old and new customers with information on the services offered. During the year 2022, 29 yachts were refitted (+8% compared to 2021), for a total of 74 in the last three years. Of the total yachts renovated in 2022, 7% are yachts belonging to other brands.

Finally, the **crew training** activity is mainly carried out through the Sanlorenzo Academy, but also through 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.

In particular, mention should be made of the “**Sanlorenzo Service School**” initiative, launched in 2019, which constitutes a training course developed for the Service departments of the Sanlorenzo Brand Representatives, with the aim of enhancing their technical knowledge by offering them the opportunity to come into contact with shipyards and fully understanding their values and philosophy. The 2022 Service School edition took place in Amsterdam, during the METSTRADE trade fair.

INSIGHT

Amsterdam Service School

In November the Sanlorenzo Service School was organised in Amsterdam, during the METSTRADE event. On this occasion, the Brand Representatives and the Service Points received training and updates on the Sanlorenzo yachts, with particular attention to the procedures and the necessary operational and delivery documents, the use of the WYSR application, support interventions and many other skills needed to as part of the after-sales services offer.

The event encouraged the sharing of knowledge among the members of Sanlorenzo’s support network and contributed to improving the Group’s customer-oriented approach, even after the delivery of the yacht.

NOTE

- ¹ “Lead time” refers to the time between the start of construction and the client delivery date.
- ² Angle formed between the bottom of the hull and the horizontal plane, on both sides of the hull.
- ³ Flybridge yachts have an upper deck area where a helm station is located as well as a sundeck. This area is known as the “Fly bridge”.
- ⁴ Acronym 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 AbBlue.
- ⁵ Concerning the growth on the surfaces of objects in the water environment – including yachts (for example, on the hulls) – of algae, bacteria and other small invertebrates which, as the vessel travels – reach various marine areas, thus becoming harmful alien species for the native ones.
- ⁶ The Quality Booklets currently in use refer to technical solutions, operating instructions for the application of Prospeed (antifouling coating), cooling and fixing of appliances, carpentry and cable routing.
- ⁷ Additional information is provided in the Annex, in the “Technical insights” section.
- ⁸ The results of the checks carried out are not available at the date of publication of this document and therefore will be reported in the 2023 NFS.
- ⁹ That is individuals with a net worth greater than \$50 million.
- ¹⁰ Regulation (EU) 2016/679.
- ¹¹ Currently, the activity concerns only Sanlorenzo yachts and not the Bluegame brand.
- ¹² For more information, please refer to the 2021 NFS.

CHAPTER OVERVIEW: TECHNICAL DETAILS

REFERENCE GRIS:

2-29; 3-3; 203-1; 416-2; 417-1; 417-2; 417-3

REFERENCE SDGS:



TARGET: 12.4; 12.5



TARGET: 13.1

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT:

Principle VII - Adopt a precautionary approach to environmental challenges

Principle VIII - Undertake initiatives to promote greater environmental responsibility

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

DESCRIPTION AND RELEVANCE OF THE "SUSTAINABLE YACHT DESIGN" TOPIC

Optimal management of the end of life of boats through sustainable design methodologies (Eco-design) which, by assessing characteristics such as shape, size, functionality, modularity and materials, are able to develop industrial products that can be easily disassembled (Design for Disassembly) in order to reduce the environmental impact of the boats, including by using renewable and recyclable materials.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** pollution connected to the use of materials with a greater environmental impact in the construction phase, such as non-renewable, non-recyclable, non-disassembled materials;
- **Risk:** problems related to the disposal of non-renewable, non-recyclable, non-disassembled materials used in the production of yachts (non-application of eco-design principles for the end of life);
- **Risk:** marine pollution following the use of potentially dangerous chemical substances (old generation antifouling paints) for the construction of the hulls;
- **Risk:** failure to contribute to the reduction of environmental impacts, as a result of the failure to align with current European legislation on eco-design;
- **Opportunity:** increase in the percentage of production materials recovered at the end of the useful life of the yachts, thanks to an eco-design oriented towards the intelligent disassembly of the boats;
- **Opportunity:** increase in the percentage of production materials recovered at the end of the useful life of the yachts, thanks to a higher percentage of recyclable materials used in the design and construction phases;
- **Opportunity:** extension of the useful life of yachts, with consequent lower environmental impacts along the life cycle.

2. Outside-in perspective (impacts on Group cash flows)

- **Risk:** reputational, in the short term, deriving from the negative perception of shipowners towards the Group following a lack of attention to the implementation of sustainable yacht design

principles, as well as from the increase in negative environmental impacts associated with the various phases of the life cycle of the vessel;

- **Risk:** lack of alignment, in the long term, with regulatory developments on the subject – which are having an increasingly significant weight on the sector – with consequent negative impacts on revenues, access to credit and in terms of devaluation of the shares on the stock market.
- **Opportunity:** for the Group, the development of an approach to sustainable yacht design represents a critical success factor and therefore a source of competitive advantage, with positive consequences on the expansion of the Group's customer base and on the revenues generated.

DESCRIPTION AND RELEVANCE OF THE "RESEARCH AND DEVELOPMENT" TOPIC:

Investments in research, development and innovation aimed at guaranteeing more efficient production processes and applications and solutions inspired by sustainability and eco-compatibility criteria, able to guarantee a lower environmental impact associated with the use phase of the boat.

IMPACTS ALONG THE VALUE CHAIN:

1. Inside-out perspective (impact on the external context)

- **Risk:** lack of timely availability of technical solutions needed to satisfy new environmental or safety regulations, with consequences on the negative impacts – social and environmental – generated by the Group;
- **Risk:** no or minimal contribution to the growth and technological development of the maritime sector and therefore to the fight against climate change;
- **Opportunity:** growth of scientific research linked to sustainability issues and sustainable yacht design criteria, with repercussions on the entire sector and contributing to the fight against climate change;

- **Opportunity:** identification of innovative and digital solutions to advance research and innovation in the Sanlorenzo Group's fields of application.

2. Outside-in perspective (impacts on Group cash flows)

- **Risk:** delay by the Sanlorenzo Group, compared to other peers and competitors in the sector, in the development of innovative, technological and sustainable applications for its yachts, with consequences in terms of loss of competitive and reputational advantage. The impact would not only be in terms of lower revenues, but also higher costs to be incurred.

KEY STAKEHOLDER

Customers

Shareholders and investors

Materials, components and systems suppliers

Universities and research centres

Shipowners

ADOPTED POLICIES, PROGRAMMES AND CERTIFICATIONS

- Quality Booklets
- Sustainable Design Handbook (under development)



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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, 2022 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on March 14, 2023.

The limited assurance engagement performed by us does not extend to the data contained in paragraph "Technical insights - Sanlorenzo Group's position on EU Taxonomy" 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 (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 the International Standard on Quality Management (ISQM1) and, accordingly, maintains a system of quality control that includes directives and procedures concerning

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Pag. 1 di 3



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 2022 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 “*Technical insights - Sanlorenzo Group’s position on EU Taxonomy*” thereof, required by article 8 of the European Regulation (UE) 2020/852.

Genoa, March 28, 2023

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
TECHNICAL INSIGHTS

METHODOLOGICAL NOTE

This NFS is the third edition of the document for 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 2022 to 31 December 2022**.

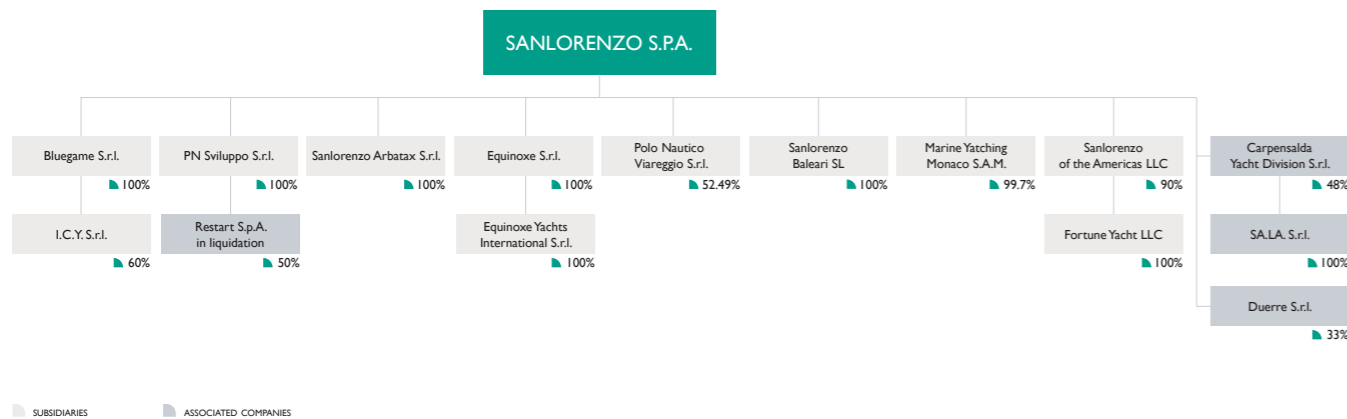
The **perimeter of reference** consistent with the Annual Financial Report, is the entire Sanlorenzo Group: the Sanlorenzo S.p.A. Parent Company, with specific reference to the two Yacht and Superyacht Business Units and Group shipyards; the Italian and foreign subsidiaries, including Bluegame S.r.l. and the related Business Unit (see Figure 57).

It should be noted that the Group's production activities are carried out across four sites located within a radius of approximately 50 kilometres within the nautical district between the Apuan Alps and the

Tyrrhenian Sea, between the north of the Tuscan coast and the Riviera di Levante in Liguria:

- **Ameglia** (in the Province of La Spezia, registered office located at Via Armezzone 3), on the banks of the Magra river, dedicated to the outfitting of Sanlorenzo composite yachts of less than 100 feet in length (Yacht Business Unit) and of Bluegame yachts (assembly, outfitting and production of the BGM line within the DI area of the shipyard, as of 2022);
- **La Spezia**, dedicated to the outfitting of metal superyachts (Superyacht Business Unit);
- **Massa**, dedicated to the production of composite semi-finished products for outfitting in the Ameglia and Viareggio shipyards (primarily the Yacht Business Unit) and for the development of new models;
- **Viareggio** (in the Province of Lucca), dedicated to the outfitting of Sanlorenzo composite yachts longer than 100 feet (Yacht Business Unit) and some metal superyacht models (Superyacht Business Unit).

FIGURE 57 - 2022 REPORTING PERIMETER



As of this reporting period, the Polo Nautico Viareggio S.r.l.¹ (52.49% controlled by Sanlorenzo S.p.A.) and I.C.Y.S.r.l. (60% acquired by Bluegame in July 2022) subsidiaries are also included in the scope of the document².

The companies PN Sviluppo S.r.l., its subsidiary (50% controlled) Restart S.p.A., Sanlorenzo Arbatax S.r.l., Carpensalda Yacht Division S.r.l., SA.LA. S.r.l. (through Carpensalda Yacht Division S.r.l.) and Duerre S.r.l., although they are part of the scope of reference, do not contribute to the contabilization of qualitative and quantitative data reported in this document.

The NFS has been drawn up in compliance with the key concepts of **impact, material topics, stakeholder interest** and **due diligence** (for more details see the "Background" section). The reporting is also based on the following principles:

- **Sustainability Context:** assessment of the Group's performance taking into consideration the identification of environmental, social and economic trends characterising the specific sector in which the Group operates and the broader context of sustainability (for more details see the "Outside perspectives" Chapter) during the reporting period;
- **Completeness:** Coverage of all material topics, with clear indication of their boundaries, as to 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 at least every two years. As the previous analysis was carried out in 2020 (the year of Sanlorenzo's first Sustainability Report), therefore this NFS incorporates the first update of this study.

In line with the requirements of the new GRI Universal Standards (2021) in relation to impact materiality and looking to anticipate what will be required, at the European level, by the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS), the Sanlorenzo Group's 2022 reporting is based on the so-called "double materiality" concept, implemented, for this first year according to a complete but simplified approach, particularly for the stakeholders directly involved. This type of analysis takes into account both the impacts on the external context ("inside-out" perspective, or impact materiality) and the impacts on the Group ("outside-in" perspective, or financial materiality). The analysis was carried out based on the following phases:

1. Context analysis update

In line with what was done for the previous reporting period, the analysis of operational, institutional, market and external context dimensions was updated. To this end, **internal** – for example, corporate documents in force at the Group or individual company level, such as Policies, Procedures, Commitments, etc. – and **external** sources have been used, including the national, European and international regulatory references on sustainability and regarding the yachting sector or related sectors, as well as academic publications and grey literature (for example, produced by consulting firms or rating agencies) and inputs deriving from the main international standard setters.

The study of these external sources was also complemented by the performance of a media *sentiment analysis* and of a benchmarking with respect to the Group's main peers and competitors. The output of this phase consisted of a list of topics of priority interest for the **luxury yachting sector** – and potentially relevant for the Sanlorenzo Group –, reclassified according to the

three dimensions of sustainability: environmental, social and economic/ governance.

2. Involvement of top management and stakeholders

Three questionnaires were prepared and shared to listen to the voice of the Group's Top Management (representing the Group's point of view) and a sample of stakeholders carefully selected on the basis of the degree of relevance and dependence of the stakeholder categories on and from the Sanlorenzo Group, including both Sanlorenzo and Bluegame employees and external stakeholders such as contractors and suppliers, investors, local Public Administration, regulatory bodies, certification bodies, trade associations and other types of associations. The questionnaires made it possible to carry out the following assessments:

- **relevance of the topics proposed** – on the basis of an evaluation scale from 0 (Not significant) to 5 (Strategic) – expressed by both Top Management and the stakeholders involved;
- **relevance of the positive (opportunities) and negative (risks) impacts** associated with potentially material topics (inside-out perspective of double materiality) – taking into account the **scale, scope and remediable character** (only in the case of risks), and the related assessment scales, proposed by the GRI Standards and by EFRAG, expressed only by the Group's Top Management, who were however asked to also take into consideration the opinion of the reference stakeholders for their respective corporate function.

It should be noted that the identification of the risks and opportunities connected to the sustainability topics brought to the attention of Top Management was carried out starting from what emerged from the context analysis update - thus taking into consideration the main positive and negative impacts considered significant for the Group's business sector -, as well as from the risks and opportunities identified in the Group's previous NFS.

• **impact of the topics proposed on the Group's business** (*outside-in* perspective of double materiality) – thus collecting an inputs for the management of financial materiality – expressed by investors involved through the questionnaire sent to them.

3. Interviews with Top Management

A total of **13 interviews** were conducted with functional area managers and some data owners identified for Sanlorenzo and Bluegame. For topics that are material and for topics expressly regulated by Legislative Decree 254/2016, the interviewees were also asked to evaluate the probability of occurrence of the related risks and opportunities, previously assessed – through a questionnaire – according to the parameters described in the previous point. Multiplying the probability and the average score deriving from the opinion expressed on the significance of the positive and negative impacts, made it possible to obtain the result of the impact materiality. The following table details the results (see Table 8).

TABLE 8 - IMPACT MATERIALITY OUTCOMES

Material topics (in bold) and in line with Legislative Decree 254/2016	Impacts	Type of impact	Impact materiality ³
Environmental topics			
Sustainable vessel design	Pollution connected to the use of materials with a greater environmental impact in the construction phase, such as non-renewable, non-recyclable, non-disassembled materials	Risk	Significant
	Problems related to the disposal of non-renewable, non-recyclable, non-disassembled materials used in the production of yachts (non-application of Eco-design principles for the end of life)	Risk	Critical
	Marine pollution following the use of potentially dangerous chemical substances (old generation antifouling paints) for the construction of the hulls	Risk	Informational
	Failure to contribute to the reduction of environmental impacts, as a result of the failure to align with current European legislation on Eco-design	Risk	Important
	Increase in the percentage of production materials recovered at the end of the useful life of the yachts, thanks to an Eco-design oriented towards the intelligent disassembly of the boats	Opportunities	Critical



	Increase in the percentage of production materials recovered at the end of the useful life of the yachts, thanks to a higher percentage of recyclable materials used in the design and construction phases	Opportunities	Critical
	Extension of the useful life of yachts, with consequent lower environmental impacts along the life cycle	Opportunities	Critical
Energy consumption	Increase in emissions and other relevant environmental impacts associated with high energy consumption from non-renewable sources within the organisation	Risk	Critical
	Risk of contribution to the national and international energy crisis, due to a high level of consumption and the failure to implement efficiency actions	Risk	Critical
	Reduction of the environmental impact, thanks to the transition from a supply from conventional energy sources to renewable energy sources	Opportunities	Critical
Atmospheric emissions	Failure to contribute to the fight against climate change, due to non-alignment with more stringent national and international regulations on emissions	Risk	Critical
	Increase in the effects of climate change, such as extreme climatic events, as a result of management and production practices that do not comply with the principles of environmental sustainability	Risk	Critical
	Reduction of CO2 emissions and other pollutants thanks to activities within the Group's business sphere (replacement of energy sources, reduction of consumption, etc.)	Opportunities	Critical
Waste management	Spilling on the ground/accidental dragging of chemical agents on surface waters	Risk	Significant
	Positive repercussions in moving from a linear to circular economy	Opportunities	Significant
Economic/governance topics			
Sustainable supply chain management	Environmental impacts related to the activities carried out by the Company's suppliers and contractors (waste production, energy consumption and emissions into the atmosphere)	Risk	Important
	Social impacts related to the activities carried out by the Company's suppliers and contractors (lack of compliance with human and workers' rights)	Risk	Significant
	Loss of value for the area and for the reference community, following a lack of collaboration between the Group and its network of suppliers – both with a view to optimising relationships and starting a path of continuous growth through economies of learning	Risk	Significant
	Creation of local economic activity	Opportunities	Critical
	Promoting a fair redistribution of procurement and supplies	Opportunities	Critical
	Implementation of awareness-raising policies on sustainability issues and improvement of the ESG performance of the Group's suppliers, through the influence that the Group has on them	Opportunities	Critical
	Research and development	Lack of timely availability of technical solutions needed to satisfy new environmental or safety regulations, with consequences on the negative impacts – social and environmental – generated by the Group	Risk
No or minimal contribution to the growth and technological development of the maritime sector and therefore to the fight against climate change		Risk	Important
Growth of scientific research linked to sustainability issues and sustainable yacht design criteria, with repercussions on the entire sector and contributing to the fight against climate change		Opportunities	Critical
Identification of innovative and digital solutions to advance research and innovation in the Sanlorenzo Group's fields of application		Opportunities	Critical
Brand identity	Impact compromising the value of Made in Italy and of the areas in which the Group operates, due to conduct that is not in line with the founding values of the Group and the expectations of stakeholders	Risk	Critical

	Strengthening of the value of Made in Italy through the promotion of Italian culture and art	Opportunities	Critical
	Promotion of Made in Italy, through the knowledge and reputation of the Sanlorenzo and Bluegame brands in the world	Opportunities	Critical
Social topics			
Health and safety			
	Fire risk with consequences to the health and safety of workers, in particular of contractors at the Group's shipyards, deriving from the mixing of incompatible production waste	Risk	Significant
	Increase in workplace accidents as a result of failure to cover the topic and to adopt adequate safety measures	Risk	Significant
	Increase in occupational diseases due to the inhalation of dangerous chemical substances, such as styrene, among the workers of the Group's contractors	Risk	Informational
	Negative impact on the health and safety of contractors' workers due to a poor understanding of the provisions and documentation made available on the subject, resulting from language problems	Risk	Significant
	Reduction of workplace accidents following the implementation of appropriate control, prevention and monitoring policies and management measures of "near accidents" implemented within the Group	Opportunities	Critical
	Lower social cost associated with workplace accidents, borne by the Group and by the local community	Opportunities	Critical
	Reduction of occupational diseases associated with styrene inhalation, through the implementation of the infusion technique	Opportunities	Critical
Protection of fundamental human rights and of the worker			
	Failure to respect human and workers' rights, in carrying out business activities and along the Group's value chain	Risk	Informational
	Worsening of the living conditions of people for whom respect for fundamental rights has failed	Risk	Important
	Contribution to the increase in the phenomenon of illegal hiring within the Group's shipyards, due to insufficient supervision of the operations carried out by contractors	Risk	Important
	Forced or compulsory labour within the Group's supply chain in countries potentially exposed to this risk, with respect to which the Group could contribute indirectly, by not implementing adequate control and verification measures	Risk	Important
	Fight against illegal hiring, through the Group's participation in initiatives to combat labour exploitation and the illicit brokerage of labour in the yachting sector, contributing to the protection of human rights in the sector	Opportunities	Critical
	Protection of fundamental human rights and workers' rights through the sharing, with contractors and suppliers of materials, of general contract and supply conditions containing specific clauses on the subject	Opportunities	Critical
Diversity and inclusion			
	Discrimination and unfair treatment of people (in particular of the Group's employees and of contractors' workers) on the basis of: gender, religion, age, sexual orientation, geographical origin and other individual characteristics	Risk	Informational
	Failure to value diversity with a view to the continuous growth of the organisation and the context in which it operates, within an increasingly global and globalised scenario	Risk	Minimum
	Impacts on the psychological health of people who work for the Group, due to the presence of stereotypical and discriminatory situations and behaviours	Risk	Informational
	Positive contribution to the development of better knowledge and awareness – among people in the areas in which the Group operates – of the issues of diversity and inclusion, contributing to the development of a more inclusive model of society	Opportunities	Critical
	Promotion of equal treatment and opportunities between genders within the Company	Opportunities	Critical
	Development of measures (such as career plans, performance assessment and professional growth based on meritocracy) aimed at creating an organisational context that supports the inclusion and enhancement of diversity, guaranteeing different points of view and favouring discussion and dialogue	Opportunities	Critical

	Promotion of an inclusive environment throughout the Group's value chain	Opportunities	Critical
	Guarantee of a better integration into the world of work of individuals with motor and psychological disabilities, thanks to the development of partnerships with local actors	Opportunities	Critical
Attracting, retaining and developing talent			
	Failure to meet the expectations and needs for individual and professional growth of the Group's human resources	Risk	Critical
	Failure to implement training programmes, resulting in a lack of growth of the hard and soft skills of the Group's employees	Risk	Informational
	Lack of involvement of human resources, with a consequent decrease in loyalty with respect to the corporate culture	Risk	Informational
	Limited creation of an employment impact on the reference area, due to recruitment choices that do not take into consideration the working needs of the local population	Risk	Minimum
	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	Opportunities	Critical
	Development of technical training programmes (Sanlorenzo Academy) aimed at guaranteeing the preservation of specific sector skills within the reference area, also contributing to the creation of an associated local employment	Opportunities	Critical
	Creation of partnerships with local players to attract and develop new talent	Opportunities	Critical

The Company's Investor Relator was also asked – as the company contact interviewed with specific skills in the financial field – for the priority topics only to evaluate (taking into account the parameters indicated in the ESRS drafts and expressing their opinion using a 1 to 4 rating scale) the topics based on their financial relevance and therefore in alignment with the *outside-in* perspective. In providing their assessment, the Investor Relator also described the main risks and opportunities (of a financial nature) potentially connected to the topics

being evaluated, described – where relevant – in the in-depth technical fact sheets presented at the end of the chapters of this NFS.

The Group's material topics are presented below, with the relative indication of the connection to the sustainability areas defined by Legislative Decree 254/2016, the reference GRI Standards and the internal and/or external impact perimeter:

TABLE 9 - TABLE LINKING THE MATERIAL TOPICS WITH THE AREAS OF LEGISLATIVE DECREE 254/2016, THE GRI STANDARDS AND THE PERIMETER OF IMPACT, INTERNAL AND EXTERNAL

Material topics and in line with Legislative Decree 254/2016	Areas D. Lgs. 254/2016	GRI Standards	Boundary of impact of the topic	
			Internal	External
Sustainable vessel design	Environment	GRI 301 – Materials	Sanlorenzo S.p.A. Bluegame S.r.l.	Customers
Energy consumption	Environment	GRI 302 – Energy	Sanlorenzo S.p.A. ⁴ Bluegame S.r.l. Polo Nautico Viareggio S.r.l. ⁵ I.C.Y. S.r.l.	Suppliers/contractors Customers
Atmospheric emissions	Environment	GRI 305 – Emissions	Sanlorenzo S.p.A. Bluegame S.r.l. Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors Community
Waste management	Environment	GRI 306 – Waste	Sanlorenzo S.p.A. Bluegame S.r.l. Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors
Health and safety	Personnel management Social impacts	GRI 403 – Occupational Health and safety	Sanlorenzo S.p.A. Bluegame S.r.l. Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors

Attracting, retaining and developing talent	Personnel management Social impacts Human rights	GRI 202 – Market presence GRI 401 – Employment GRI 402 – Labour / Management Relations GRI 404 – Training and education	Sanlorenzo S.p.A. Bluegame S.r.l. Sanlorenzo of the Americas LLC - Fortune Yacht LLC Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors
Diversity and inclusion	Personnel management Social impacts Human rights	GRI 405 – Diversity and equal opportunities GRI 406 – Non-discrimination	Sanlorenzo S.p.A. Bluegame S.r.l. Sanlorenzo of the Americas LLC - Fortune Yacht LLC Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors
Protection of fundamental human rights and of the worker	Personnel management Social impacts Human rights	GRI 407 – Freedom of association and collective bargaining GRI 408 – Child labour GRI 409 – Forced or compulsory labour	Sanlorenzo S.p.A. Bluegame S.r.l. Sanlorenzo of the Americas LLC - Fortune Yacht LLC Polo Nautico Viareggio S.r.l. I.C.Y. S.r.l.	Suppliers/contractors
Brand identity	Social impacts	GRI 203 – Indirect economic impacts GRI 417 – Marketing and labelling	Sanlorenzo Group	Customers
Sustainable supply chain management	Social impacts Environment Human rights Fight against active and passive corruption	GRI 204 - Procurement practices	Sanlorenzo S.p.A. Bluegame S.r.l.	Suppliers/contractors
Research and development	Social impacts Environment	GRI 203 – Indirect economic impacts	Sanlorenzo S.p.A. Bluegame S.r.l.	Partners
Fight against corruption	Combating active and passive corruption	GRI 205 – Anti-Corruption	Sanlorenzo Group	Suppliers/contractors Customers

Gathering and consolidation of data

The gathering of qualitative and quantitative information in accordance with GRI Standards – Option: “*In accordance with*”, 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:

With regard to the **social** area, the data is presented by geographical area. In particular, the Sanlorenzo S.p.A., Bluegame S.r.l., Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l. companies are included in the “Italy” and the “Abroad” item includes the data for Sanlorenzo of the Americas. It should be noted that, with reference to the standards GRI 2-7, GRI 2-30 and GRI 405-1, the data also includes the Equinoxe S.r.l. and Equinoxe Yachts International S.r.l. companies under the “Italy” item (2022), in addition to the Sanlorenzo Baleari S.r.l. company under the “Abroad” item (2022, 2021 and

2020). The data for these companies, on the other hand, are not included in the scope of application of the additional GRI disclosures regarding the personnel sphere, as they are not significant given the limited size of the respective company personnel. 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. Data relating to the Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l. companies relate only to 2022 for the relevant months starting from the date of acquisition of the companies by the Group. With reference to some specific aspects relating to data collection, mention should be made of the GRI 403-8 Standard “*Workers covered by an occupational health and safety management system*”, which contains information relating to employees of Sanlorenzo S.p.A. and Bluegame S.r.l., as well as to workers of contractors who collaborate with the Company.

The GRI 403-9 “*Work-related injuries*”, GRI 403-10 “*Work-related ill health*” and GRI 407-1 “*Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk*” have also been covered with information relating to both direct employees and trainees and workers of contractors; With regard to **environmental** matters, the data is presented by Business Unit (see page 195). The Yacht Business Unit includes the data relating to the Ameglia, Viareggio and Massa shipyards with reference to Sanlorenzo S.p.A., the Bluegame S.r.l. data (which cannot yet be separated out from the overall data of the Ameglia shipyard) and the I.C.Y. S.r.l. data. In addition to the data relative to the La Spezia shipyard, the Superyacht Business Unit data instead also includes data for the Polo Nautico Viareggio S.r.l. company. With reference to the waste generated only, it was possible to provide details relating to the Bluegame Business Unit, including in this case also the data relating to the I.C.Y. S.r.l. company. With specific reference to GRI 301-1 “*Materials used by weight or volume*”, the data relating to the Bluegame Business Unit takes into consideration both the models produced in Ameglia and the models whose production has been outsourced. The GRI Standards relating to the topic of biodiversity are covered with reference to the Ameglia and Viareggio sites, located within or near a protected natural context. 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 Montemarcello-Magra-Vara Natural Park.

In the area of **economic/governance** data are mainly reported in aggregate form at a Group level. Any specific characteristics inherent to one or more companies are clearly indicated in the notes at the end of the chapter.

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

GRI 403-9 “*Work-related injuries*”: The recordable work-related accidents rate is calculated as the ratio between the total number of recordable work-related accidents that occurred during the year – including commuting accidents only if the transport was organised directly by the Company – and the total number of hours worked in the same year, multiplied by 1,000,000. The rate of work-related accidents with serious consequences (excluding deaths) is given by the ratio between the total number of work-related

accidents with serious consequences (excluding deaths) which occurred during the year and the total number of hours worked, multiplied by 1,000,000. The death rate is calculated as the ratio between the total number of deaths resulting from work-related accidents during the year and 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 2021 (also valid for 2022) and 2020 – 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. Specific indications on the data are provided in the notes at the end of the chapter.

With reference to diesel for sea trials, it should be noted that the data reported represents 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 used are those proposed by DEFRA (2022, 2021 and 2020)..

GRI 302-3 “*Energy intensity*”: Energy intensity was calculated by comparing energy consumption for the year to the gross tonnage (GT) of vessels delivered in the year, with reference to the Yacht, Bluegame and Superyacht Business Unit.

GRI 305 “*Emissions*”: As regards the calculation of direct GHG emissions (Scope 1), deriving from the consumption of natural gas and diesel fuel for the transport of company vehicles, cranes and trolleys used for moving boats, and for sea trials of yachts, the emission factors defined by ISPRA (2020) were used. For the calculation of indirect GHG emissions (Scope 2), deriving from electricity consumption, the following procedure was followed: for **location-based** emissions, the emission factors defined by ISPRA (2020) were used; for **market-based** emissions, instead, reference was made to the residual mix for 2022, 2021 and 2020 indicated respectively by the “AIB - European Residual Mixes 2021, Version 1.0, 31st May 2022”, “AIB - European Residual Mixes 2020, Version 1.0, 31st May 2021” and “AIB - European Residual Mixes 2019 - V. 1.1, 8th September 2020”.

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 value of the total tonnage⁶ (GT) of the yachts delivered during the year, with reference to the Yacht, Superyacht and Bluegame Business Units;
- water intensity for the 2021-2022 two-year period, calculated by comparing the total water withdrawals to the number of people present on the Sanlorenzo shipyards (workers of contractors and direct employees of Sanlorenzo and Bluegame);
- waste produced in relation to the total tonnage (GT) of the yachts delivered during the year, with reference

to the Yacht and Superyacht Business Unit; - Value of related industries generated at the Italian level, in terms of job creation. In order to guarantee the reliability of the information reported in the document, the Company resorted as little as possible to the use of estimates; where it was deemed necessary to resort to estimates – which almost correspond to the actual figure – this is indicated in the notes at the end of the chapter. Finally, it should be noted that this NFS has provided a qualitative and quantitative answer to the requests under Regulation (EU) 2020/852. The qualitative details are reported in Chapter I “*Passion for the sea*” (see the “*Sanlorenzo Group performance in 2022*” section), while the evidence regarding indicators – turnover, Capex and Opex – envisaged by the EU Taxonomy are reported in the “*Technical insights*” section.

GRI CONTENT INDEX

The table below provides information on the GRI Standards and the related disclosures that were used for the reporting of the Sanlorenzo Group’s NFS 2022. The indicators are aligned with the most recent versions of the GRI Standards, in particular:

- GRI Standards Universal 2021;
- GRI Standards Topic Specific 2016;
- GRI Standards Topic Specific 2018 (GRI 303 “Water and Effluents”; GRI 403 “Occupational health and safety”);

- GRI Standards Topic Specific 2019 (GRI 207 “Tax”);
- GRI Standards Topic Specific 2020 (GRI 306 “Waste”).

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. Where necessary, the omissions made and the relative reasons are also reported.

TABLE 10 – GRI CONTENT INDEX

Usage statements		Sanlorenzo S.p.A. has reported the sustainability information relating to the entities included in the scope of the document, in accordance with the GRI Standards for the period between 1 January 2022 and 31 December 2022.			
GRI 1 used		GRI 1: Core Principles 2021			
Gri standard	Disclosure	Document page/ other sources	Omissions		
			Requirement (S) Omitted	Reasons	Explanation
General information					
GRI 2: General Disclosures 2021	2-1 Organisational details	Sanlorenzo S.p.A. is a company listed on the Euronext STAR Milan segment of Borsa Italiana.			
	2-2 Entities included in the organisation’s sustainability reporting	164			



2-3 Reporting period, frequency and point of contact	164, 217			
2-4 Restatements of information	96, 106, 114, 170-172, 189, 191, 197, 207, 208			
2-5 External assurance	6, 7, 158-161			
2-6 Activities, value chain and other business relationships	26-29, 34-36, 84, 85			
2-7 Employees	114, 188			
2-8 Workers who are not employees	114			
2-9 Governance structure and composition	56, 58, 179, 180			
2-10 Nomination and selection of the highest governance body	57, 178			
2-11 Chair of the highest governance body	58, 179			
2-12 Role of the highest governance body in overseeing the management of impacts	47, 49, 59, 60, 65			
2-13 Delegation of responsibility for managing impacts	59, 60, 179			
2-14 Role of the highest governance body in sustainability reporting	49, 59			
2-15 Conflicts of Interest	56, 57 Ref. Code of Ethics (Chapter 5) of the companies Sanlorenzo S.p.A. and Bluegame S.r.l.; Procedure for Transactions with Related Parties of the Company Sanlorenzo S.p.A. In the case of Sanlorenzo both documents are available online on the company website and therefore consultable by all. In addition, the information relating to transactions with related parties are reported in the periodic financial reports regularly published.			
2-16 Communication of critical concerns	65-70, 151			
2-17 Collective knowledge of the highest governance body	58			
2-18 Evaluation of the performance of the highest governance body	Ref. Remuneration Report, available on the Sanlorenzo website, in the Corporate Governance section.			
2-19 Remuneration policies	58, 120, 181 Ref. Remuneration Report, available on the Sanlorenzo website, in the Corporate Governance section.			
2-20 Process to determine remuneration	58, 120, 181 Ref. Remuneration Report, available on the Sanlorenzo website, in the Corporate Governance section.			
2-21 Annual total compensation ratio	120, 189 Ref. Remuneration Report, available on the Sanlorenzo website, in the Corporate Governance section.			
2-22 Statement on sustainable development strategy	10, 11			
2-23 Policy commitment	62, 63, 64-66, 94, 125, 183, 184			

	2-24 Embedding policy commitments	The compliance with policy commitments is guaranteed by several corporate entities: the CRS Committee, that monitors the compliance with the commitments defined in the company policies as part of its duties; the Supervisory Body, in the 231 Model and associated documents; the employer, in order to respect the environmental (ISO 1400) and health and safety (ISO 45001) regulations; the Internal Audit (currently operating in Sanlorenzo, Bluegame and SLOTA) that, by order of the BoD, develops an annual plan of checks/inspections in order to evaluate the correct application of the various procedures.			
	2-25 Processes to remediate negative impacts	Through the Whistleblowing procedure pursuant to Legislative Decree 165/01, all Group employees can disclose to their line manager or to the Internal Audit/Compliance function any actual or potential act that they consider to be suspicious of violation of the law.			
	2-26 Mechanisms for seeking advice and raising concerns	Ref. Model 231 and Whistleblowing Procedure of Sanlorenzo S.p.A. and Bluegame S.r.l.			
	2-27 Compliance with laws and regulations	Monetary value of fines paid definitively for cases of non-compliance with laws and regulations in the year 2022: euro 57,800 approx. There are no reported significant cases of non-compliance to laws and regulations for which sanctions have been imposed. non-monetary sanctions.			
	2-28 Membership associations	76-79			
	2-29 Approach to stakeholder engagement	64-71			
	2-30 Collective bargaining agreements	114, 189			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	48-51, 165-171			
	3-2 List of material topics	48, 49, 51, 166-171			
Economic performance					
GRI 3: Material topics 2021	3-3 Management of material topics	36-41, 60,71, 181, 182, 186			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	38, 39, 186			
	201-2 Financial implications and other risks and opportunities due to climate change	181, 182			
Market presence					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 114, 118-121, 189			
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	120, 121, 189			
	202-2 Proportion of senior management hired from the local community	114			
Indirect economic impacts					
GRI 3: Material topics 2021	3-3 Management of material topics	36-41, 60, 71, 186			
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	38, 186			
Procurement practices					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 84-87, 130, 131, 167, 187			

GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	86, 187			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	60-64, 71, 181-184			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	180, 181			
	205-2 Communication and training about anti-corruption policies and procedures	184 With regard to the information conveyed to commercial partners on the subject of anti-corruption, it should be noted that the Sanlorenzo Code of Ethics and Model 231 are available online and accessible to everyone. However, the Bluegame Code of Ethics is not published on the company website. Moreover, the Sanlorenzo and Bluegame Terms and Conditions, addressed to the relative suppliers and contractors, include specific measures to combat corruption.			
	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption (confirmed) during the three-year reporting period with reference to Sanlorenzo and Bluegame.			
Anti-competitive behaviour					
GRI 3: Material topics 2021	3-3 Management of material topics	60-64, 71			
GRI 206: Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Within the Group, during the year, as in previous years, no legal action was taken in relation to anti-competitive behaviour, antitrust behaviour and monopolistic practices.			
Taxes for the period					
GRI 3: Material topics 2021	3-3 Management of material topics	36-41, 60, 71, 185-187			
GRI 207: Tax 2019	207-1 Approach to taxation	185			
	207-2 Tax governance, control, and risk management	185			
	207-3 Stakeholder engagement and management of concerns related to tax	185			
	207-4 Country-by-country reporting	186, 187			
Materials					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 94-97, 195-197			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	96, 195-197			
Energy					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 94, 95, 97-101, 131, 167, 197, 198			
GRI 302: Energy 2016	302-1 Energy consumed within the organisation	99, 100, 197, 198			
	302-3 Energy intensity	100, 198			
	302-4 Reduction of energy consumption	101			
Water and effluents					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 94, 95, 106, 107, 198, 199			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	106, 107			
	303-2 Management of water discharge-related impacts	106, 107			
	303-3 Water withdrawal	106, 198			
	303-4 Water discharge	106, 198			
	303-5 Water consumption	199			
Biodiversity					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 94, 95, 110-112			

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	110-112			
	304-2 Significant impacts of activities, products and services on biodiversity	110-112			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	112			
Emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 101-105, 131, 167, 199, 200			
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	104, 105, 199, 200			
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	104, 105, 199, 200			
	305-4 Emission intensity	104, 105, 199, 200			
	305-5 Reduction of GHG emissions	101			
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions	102, 200			
Waste					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 94, 95, 108, 109, 132, 167, 201-206			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	108, 109			
	306-2 Management of significant waste-related impacts	108, 109			
	306-3 Waste generated	109, 201-206			
	306-4 Waste diverted from disposal	109, 201-206			
	306-5 Waste directed to disposal	109, 201-206			
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 133, 134, 169, 115-117, 124, 190			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	117, 190			
	401-2 Benefits provided to full-time employees, but not to temporary or part-time employees	124			
Relations between workers and management					
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 114			
GRI 402: Relations between workers and management 2016	402-1 Minimum notice periods regarding operational changes	In the case of transfers from one job to another or from one site to another, Sanlorenzo and Bluegame employees are given two weeks' notice. In the latter case, in line with the "adequate notice" formula envisaged by the relative national collective bargaining agreements. For I.C.Y. employees, on the other hand, company policy provides for four weeks. The indicator does not apply to SLOTA.			
Occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	93, 122, 125, 126, 132, 168, 188, 190, 191			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	90-93, 125, 126			
	403-2 Hazard identification, risk assessment, and incident investigation	90-93, 125, 126			
	403-3 Occupational health services	126			
	403-4 Worker participation, consultation, and communication on occupational health and safety	There are no management-worker committees dedicated to occupational health and safety issues within Group companies.			

	403-5 Worker training on occupational health and safety	91, 92, 122, 126			
	403-6 Promotion of worker health	126			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90-93			
	403-8 Workers covered by an occupational health and safety management system	190, 191			
	403-9 Work-related injuries	191			
	403-10 Work-related ill health	In the last three years there have been no occupational diseases confirmed with reference to employees and collaborators of the Group.			
Training and education					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 122, 123, 133, 134, 169, 192			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	123, 192			
	404-3 Percentage of employees receiving periodic performance and career development reviews	123, 192			
Diversity and equal opportunities					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 58, 60, 71, 118-122, 133, 168, 193, 194			
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	58, 119, 193			
	405-2 Ratio of basic salary and remuneration of women to men	120, 194			
Non-discrimination					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 58, 60, 71, 118-122, 133, 168			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	118			
Freedom of association and collective bargaining					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 90-93, 132, 133, 168			
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers 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. In this regard, the provisions of the Memorandum of Understanding for the fight against illegal hiring subscribed by Sanlorenzo S.p.A. should also be noted.			
Child labour					
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 90-93, 132, 133, 168			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	The suppliers from which Sanlorenzo and Bluegame procure are all located in European and North American countries where clear legislation on the subject is in place. 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 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 90-93, 132, 133, 168			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	The suppliers from which Sanlorenzo and Bluegame procure are all located in European and North American countries where clear legislation on the subject is in place. Checks in the field of forced or compulsory labour are delegated at the origin to the State bodies responsible for this activity, requiring compliance with the regulations in force in each country.			

Public policy			
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71	
GRI 415: Public policy	415-1 Political contributions	In 2022 Sanlorenzo S.p.A. paid Euro 30,000.00 as political contributions.	
Marketing and labelling			
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 150-154, 194	
GRI 417: Marketing and labelling 2016	417-1 Information and labelling requirements for products and services	150	
	417-2 Incidents of non-compliance with regard to information and labelling of products and services	Confirmed also in 2022 the absence of incidents of non-compliance in the field of product information and labelling of products and of the services offered.	
	417-3 Incidents of non-compliance concerning marketing communications	It is confirmed that, also in 2022 as in the previous two-year period, there were no non-conformities at the Group level of non-compliance to regulations and/or self-regulatory codes in the field of marketing communications.	
Customer privacy			
GRI 3: Material topics 2021	3-3 Management of material topics	60, 71, 152-154	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022, as in the previous two years, no cases of data breaches or loss of data, with reference to both customers and Group employees were reported.	
Other material topics			
Research and development			
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 144-150, 157, 167	
Brand identity			
GRI 3: Material topics 2021	3-3 Management of material topics	30-33, 42, 51, 60, 71, 167, 168	
Sustainable vessel design			
GRI 3: Material topics 2021	3-3 Management of material topics	51, 60, 71, 146-149, 156, 157, 166	

TECHNICAL INSIGHTS

Chapter 3 “Transparent governance and collaboration”

The highest governing body (BoD)

On 10 March 2022, the Board of Directors (“BoD”) of Sanlorenzo S.p.A., with the support of the Appointments Committee set up internally, approved its Guidelines (the “Guidelines”) regarding the quantitative and qualitative composition of the BoD previously in office, considered optimal in view of the renewal of the Board of Directors, which took place on 28 April 2022. In particular, the Guidelines were drawn up with the hope that, when presenting the lists of candidates for the appointment of the new Board of Directors, the Shareholders would evaluate, also in the light of the same, the personal characteristics, experience, including managerial, and gender of the

candidates, in relation to the size of the Sanlorenzo Company and the Sanlorenzo Group, the complexity and the special characteristics of the sector of activity in which it operates, as well as the size of the BoD. For these reasons, the Board of Directors decided to comply with Recommendation 23 of the Corporate Governance Code, despite Sanlorenzo being a company with concentrated ownership. With regard to gender equality, the Guidelines approved by the Board of Directors and addressed to Shareholders consider it necessary for Shareholders to pay adequate attention to the need to comply with the gender criteria set out by the Articles of Association of Sanlorenzo, which the Board of Directors deems suitable to

ensure representation of the less represented gender in compliance with the provisions of the law and with the Corporate Governance Code, and in any case adequate, in compliance with the priority objective of ensuring the adequate competence and professionalism of its members.

The process of appointing Directors⁷

Through the entry into force in 2022 of the list voting mechanism, the new Directors were appointed by the Shareholders’ Meeting on the basis of lists of candidates presented by the Shareholders, in compliance with the provisions of the law and the Company’s Articles of Association. In 2022, the majority shareholder presented a list that received the highest number of votes and therefore expressed the majority view

of Directors and Statutory Auditors. As per the Company’s Articles of Association and per current legislation, a Director and the Chairman of the Board of Statutory Auditors were elected from the minority list.

The Chair of the highest governance body

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.

The composition of Sanlorenzo’s corporate bodies

TABLE 11 - COMPOSITION OF THE BOD AND OF THE INTERNAL BOARD COMMITTEES OF SANLORENZO S.P.A.

Member	Office	Position	Independence	Competencies on economic, environmental, social topics	Representation of stakeholders	Appointment Committee	Remuneration Committee	Committee for Transactions with Related Parties	Control, Risk and Sustainability Committee
Massimo Perotti	President and CEO	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				
Ferruccio Rossi	Managing Director and General Manager	Executive	No						
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	"Mela d'Oro" award from the Bellisario Foundation "Alda Croce" award from the Pannunzio Centre in Turin "Excellence in Italian jewellery" award from the Italian Women's Jewellery Association "Melvin Jones Fellow" award - Lions International Foundation					• (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)
Francesca Culasso	Director	Non-Executive	Yes	Director of the Management Department of the University of Turin					•
Marco Francesco Mazzù	Director	Non-Executive	Yes				•		

TABELLA 12 - COMPOSIZIONE DEL COLLEGIO SINDACALE DI SANLORENZO S.P.A.

Member	Office	Term of office
Enrico Fossa	Chairman	General Meeting convened for approval of financial statements for the year ended 31 December 2024
Andrea Caretti	Regular Auditor	
Margherita Spaini	Regular Auditor	
Luca Trabattoni	Alternate Auditor	
Maria Cristina Ramenzoni	Alternate Auditor	

Powers of executive directors of Sanlorenzo S.p.A.

Massimo Perotti, the Company Chief Executive Officer (CEO) is vested with all the necessary powers to carry out any operation and any act of ordinary and extraordinary administration of Sanlorenzo S.p.A., including the execution of the resolutions of the BoD, with the exception of matters reserved by law and by the Company statute to the collegial competence of the BoD, and of the matters that the Corporate Governance Code entrusts to the collegial competence of the BoD, and of the other powers also reserved to the collegial competence of the BoD.

In addition, the Company's Board of Directors has granted management powers to:

Ferruccio Rossi, appointed Managing Director and General Manager in 2022. Director Ferruccio Rossi has been vested with the powers necessary for the management of the production and sales process of

the yachts produced and/or marketed by Sanlorenzo S.p.A, to be exercised autonomously and in compliance with the industrial plan, the annual budget and the guidelines and general criteria approved by the BoD; **Carla Demaria**. Director Carla Demaria has been vested with the powers necessary for the management of yacht rental activities, training in the yachting sector and management of tourist marinas and, in any case, Sanlorenzo S.p.A. activities other than those considered as core business activities relating to the management of the production process and sale of the boats produced and/or marketed, to be exercised autonomously and in compliance with the industrial plan, the annual budget and the general guidelines and criteria approved by the Board of Directors.

Remuneration of BoD members

In the meeting held in April 2022, the Shareholders' Meeting of Sanlorenzo S.p.A. approved the Remuneration Policy for the 2022 financial year. This document contributes to the corporate strategy and is functional to the pursuit of the Group's sustainable success, as it is inspired by principles of meritocracy and fairness in the attribution of remuneration to Directors, as well as to executives of Group companies with strategic responsibilities. Decisions on remuneration involve shareholders in a wide-ranging and conscious manner, as they are called upon not only to decide on

the remuneration of Directors and Auditors, but also to cast their binding vote on the Policy itself.

In December 2022, work was underway to finalise the Remuneration Policy for 2023, which also provides for the extension of the Sustainability Objectives within the Sanlorenzo Group Structure.

The Shareholders' Meeting of Sanlorenzo S.p.A., in April 2023, will approve the Remuneration Policy for 2023.

Business risk management⁸

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 Group and to the prestige of the brand. The bodies that operate in various capacities within the ICRMS include:

- BoD;
- Control, Risk and Sustainability Committee;
- Chief Executive Officer (CEO);
- Risk Manager;
- Internal Auditing Function;
- Board of Statutory Auditors.

The implementation of the Internal control and risk management system is governed by the **Internal control and risk management system guidelines** – approved by the Board of Directors of Sanlorenzo S.p.A. in 2019 – which break down the process into three macro-phases: Identification of Risk Areas; Risk Treatment; Risk Monitoring.

Control activities carried out by the Internal Auditing Function

The planning of activities carried out by the Internal Auditing function, which implements the priorities defined above, is defined in a **Three-Year Audit Plan** with the aim of planning periodic auditing activities to cover the various Company Areas. With reference to the control activities carried out in 2022 – in relation to the Sanlorenzo, Bluegame and SLOTA activities – the main elements of focus are indicated below:

- verification of compliance with Legislative Decree 81/08, regarding the protection of workplace health and safety;
- verification of compliance with Legislative Decree 152/06, regarding environmental crimes;

- verification of compliance with Legislative Decree 231/01, regarding the effective implementation of Model 231 and related procedures;
- checks on environmental and safety procedures, in line with ISO 14001 and ISO 45001 certifications;
- checks relating to the Quality Management System;
- checks on the main financial flows pursuant to Legislative Decree 262/05, which concerned: receivables, payables, the production and inventory cycle, the finance cycle, the investment and fixed assets cycle, periodic accounting closings, the tax cycle, the personnel cycle;
- checks on data protection and on backup management in the ICT area.

TABLE 13 – RISKS, OPPORTUNITIES AND FINANCIAL IMPACTS ASSOCIATED WITH CLIMATE CHANGE

Description of the risk or opportunity	Classification	Associated impact	Financial implications (before the implementation of interventions)	Methods of risk or opportunity management	Costs of actions taken to manage risks or opportunities
Opportunity: Reduction of CO ₂ emissions and other pollutants thanks to activities within the Group's business sphere	Other	Production of electricity from renewable sources	Increase in electricity costs following several tensions on international markets	Evaluation of the new investment for the construction of the photovoltaic system	Euro 17.000,00 (consultancy costs)
Risk: Changes in shipowners' purchasing choices, as a result of greater awareness of sustainability and the application of related principles in the study and design of boats	Other	Development of new product ranges with lower environmental impact and improvement of existing ones		The Company is developing new product ranges and efficiency solutions linked to existing lines, according to environmental sustainability criteria, with particular reference to alternative propulsion solutions and other kinds of power for boating	Ref. Taxonomy

Anti-corruption and anti-trust tools

As part of the "Sensitive Areas" identified by the risk assessment activities within the scope of the 231 Model, the main cases to be highlighted here are the following: corporate crimes-corruption between private individuals; crimes relating to hygiene and safety in the workplace; environmental crimes. With particular reference to corruption and instigation between private individuals, it should be noted that the Group has defined a series of internal steps to ensure an adequate level of control on corruption crimes: among these, the controls of orders and *Delegation of Authorities*. The company Policy on suppliers, as well as the General Terms and Conditions and the General Tender Specifications, explicitly identify the measures aimed at combating active and passive corruption. Moreover, with respect to **customer** relations, interactions with shipowners must be based on the principles of transparency and correctness, in compliance with the law and guaranteeing independence from any form of internal and external influences. 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. With regard to the management of corporate activities, the **Code of Conduct** is a fundamental tool in clarifying the duties and responsibilities of the Group towards all its stakeholders, by defining the principles and business conduct rules with which all recipients of the document must comply.

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**. 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**.

Three key commitments are outlined:

- Commitment to people and the environment;
- Commitment to responsible business conduct and integrity;
- Commitment to asset management and business information management.

In this sense, Group resources, in line with the policy of maximum people responsibility, are able to autonomously assess the legal and moral correctness of their actions and decisions, in order to protect their role within the Company and the corporate reputation. The document also defines specific internal figures that can be contacted in case there is a need for support and clarifications regarding the contents outlined. Finally, with reference to the **Sanctions Compliance Programme**, rigorous "Know Your Customer" (KYC) procedures have been implemented since 2021, along with a *Customer Due Diligence Process* system, developed based on both the information provided by the actual customer and through research and checks carried out independently by Sanlorenzo when the relationship with the customer is created. 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. This tool proved to play a particularly important role in managing the exposure to potential risks for the Company related to the conflict between Russia and Ukraine, with particular reference to the consequences deriving from the sanctions imposed at European and international level against some subjects of Russian nationality.

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 information symmetry to ensure shareholders receive all the information they need to exercise their rights; timeliness and regularity in the communication and publication of matters of interest to shareholders; promotion of the 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.

Quantitative data tables

GRI 205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Communication on anti-corruption policies and procedures delivered to the BoD	2022		2021	
	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame
Total number of members of the BoD of Sanlorenzo	11	6	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%	100%	100%

Communicate anti-corruption policies and procedures to employees	2022		2021	
	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame
Total number of executives and middle managers	91	3	85	4
Percentage of executives and middle managers who have been notified of anti-corruption policies and procedures	100%	100%	100%	100%
Total number of office workers	463	51	366	34
Percentage of office workers and middle managers who have been notified of anti-corruption policies and procedures	100%	100%	100%	100%
Total number of manual workers	82	2	88	-
Percentage of manual workers who have been notified of anti-corruption policies and procedures	100%	100%	100%	-

Training on anti-corruption policies and procedures delivered to employees	2022		2021	
	Sanlorenzo	Bluegame	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 office workers who have been notified of anti-trust policies and procedures	/	/	0%	3%
Percentage of manual workers who have received antitrust training	/	/	0%	/
Training pursuant to Legislative Decree 231/2001				
Percentage of executives and middle managers who have been notified of Legislative Decree 231 model compliance	/	/	44%	50%
Percentage of office workers who have been notified of Model 232 policies and procedures	/	/	0%	0%
Percentage of manual workers who have been notified of Model 233 policies and procedures	/	/	0%	/

ECONOMIC SUSTAINABILITY INDICATORS

Chapter I – “Sanlorenzo Group performance in 2022” Section

Approach to taxation

The Parent Company recognises that the tax system must be based on a relationship of trust and collaboration between the citizen and the competent Authority, in a regime of transparency, balance and effective reciprocity. The approach adopted is oriented towards compliance with the laws and regulations in force on the matter, through the fulfilment of the required declaration obligations and, at the same time, the minimisation of fiscal risks, including through the use of tax facilitation regulations. The Sanlorenzo and the Bluegame Codes of Ethics, outlines the “ethical supervision” sphere in which Group companies must 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. Group companies are 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 should also be noted that the Group complies with the provisions on transfer pricing documentation, in compliance with the indications of the **Transfer Pricing Guidelines** defined by the Organisation for Economic Cooperation 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. Taxation management also falls within the scope of the Internal Control and Risk Management System (ICRMS), which sees the following bodies and figures as the main responsible players: the BoD; the Control, Risk and Sustainability Committee; the CFO; and the Risk Manager. In particular, the Risk Control Matrix tool enables Sanlorenzo to constantly carry out checks aimed at ascertaining the Company's compliance with the relevant tax legislation and at monitoring the different corporate procedures and areas to identify any elements of risk, adopting adequate countermeasures in time. 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. 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 CGA, 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.

Quantitative data tables

GRI 201-I DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED¹⁰

Euro/000	2022	2021	2020
Net revenues	751.132	668.045	527.468
Other income	7.412	5.488	5.728
Financial income	281	193	13
Economic value generated	758.825	673.726	533.209
Costs for the consumption of raw materials and consumables and finished products	247.677	247.780	219.798
Costs for outsourcing and services	295.932	230.987	203.946
Economic value distributed to suppliers	543.609	478.767	423.744
Labour costs	53.299	45.527	37.992
Economic value distributed to staff	53.299	45.527	37.992
Financial charges	1.021	1.203	2.100
Dividends	20.649	10.331	-
Economic value distributed to lenders	21.670	11.534	2.100
Income taxes	28.176	18.767	16.010
Income taxes referring to the actuarial change in provisions for employee benefits	-52	-6	-15
Income taxes referring to changes in the cash flow hedge reserve	-1.095	352	-108
Economic value distributed to the Public Administration	27.029	19.113	15.887
Investments for local communities	208	187	77
Economic value distributed to the local community	208	187	77
Economic value distributed	645.815	555.128	479.800
Economic value retained (Economic value generated - Economic value distributed)	113.010	118.598	53.409

GRI 203-I INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

Euro/000	2022			2021			2020		
	Sanlorenzo	Bluegame	Totale	Sanlorenzo	Bluegame	Totale	Sanlorenzo	Bluegame	Totale
Increase in production capacity	20.098	2.328	22.426	20.993	225	21.218	10.995	168	11.163
Investments in product development	15.832	3.713	19.545	13.328	4.143	17.471	12.627	3.074	15.701
Recurring industrial investments	2.208	344	2.552	2.344	156	2.500	2.103	52	2.155
Other investments	1.950	144	2.094	2.103	201	2.304	1.148	427	1.575
TOTAL INVESTMENTS	40.088	6.529	46.617	38.768	4.725	43.493	26.873	3.721	30.594

GRI 207-4 COUNTRY-BY-COUNTRY REPORTING (CONSOLIDATED, LOCAL TAX JURISDICTION)

Main activities: Construction of recreational and sports boats	2022	2021	2020
Number of employees	764	597	513
Revenues from sales to third parties (Euro/000)	751.132	668.045	527.468
Revenues from intercompany transactions with other tax jurisdictions (Euro/000)	119.179	71.131	41.308
Profit/loss before tax (Euro/000)	102.280	71.006	46.888

Tangible assets other than cash and cash equivalents (Euro/000)	158,710	134,988	112,491
Corporate income tax paid on a cash basis (Euro/000) ¹¹	27,258	17,622	15,900
Corporate income taxes accrued on profits/losses (Euro/000)	27,540	19,655	12,480

The items that determine the difference between the income tax accrued on profits and the tax due consist of incentives linked to research and development activities (Research and Development Credit), from which Sanlorenzo benefits as a result of the significant investments in research and development activities.

Chapter 4 – “Strengthening the supply chain”
Section

Quantitative data tables

GRI 204-I PROPORTION OF SPENDING ON LOCAL SUPPLIERS

Spending on local suppliers	2022			2021			2020		
	Sanlorenzo	Bluegame	Totale	Sanlorenzo	Bluegame	Totale	Sanlorenzo	Bluegame	Totale
Total expenditure for procurement	573,301,992	71,622,938	644,924,930	536,675,185	40,586,043	577,261,228	442,133,889	29,308,171	471,442,060
Spending on local suppliers	205,437,497	30,804,788	236,242,285	187,590,540	17,596,196	205,186,736	148,903,108	13,299,345	162,202,453
% spent on local suppliers	36%	43%	37%	35%	43%	36%	34%	45%	34%

SOCIAL SUSTAINABILITY INDICATORS
Chapter 4 – “Strengthening the supply chain”
SectionAccess 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 and Bluegame 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. Both companies are also required to provide specific and additional documentation with respect to those previously mentioned on the subject of workplace accident prevention and occupational hygiene. It should also be noted that as of 2022, the management of access to shipyards – previously managed by Sanlorenzo, including for Bluegame, through a specific application – has been entrusted to the Human Resources function, after a transition period in which it was the responsibility of the Business Unit's Procurement Office. The responsibility for managing payments is however kept separate.

Conducting site audits on occupational health and safety and environmental protection

Audits regarding health, safety and the environment are normally conducted within the departments and yachts in production, using **checklists** defined a number of years ago and subject to periodic updating, to which, starting from the beginning of 2020, a particular verification activity was also added on the application of the prevention and protection measures inherent to the Covid-19 emergency, eased at the end of 2022 following the improvement of the health situation. The outcome of the site visits is collected in special reports, subsequently shared with the Employer or with the Special Attorney, with the Managers and with the health and safety managers of the various sites, with the aim of punctually verifying the aspects considered priorities to guarantee adequate safety and health

conditions in all work environments, and forwarded by them to all the supervisors involved. Specifically, the checks carried out lead to the achievement of a score in the form of a percentage which corresponds to a **risk assessment**, organised on four different levels (from high risk to acceptable risk). In order to increase the level of attention within the various sites on health, safety and environmental issues, it was decided to **raise the objective difficulty to achieve the acceptable risk level** required by the Group as a primary objective.

Chapter 4 – “Human capital” Section

Quantitative data tables

GRI 2-7 EMPLOYEES¹²

	2022			2021			2020		
	Italy ¹³	Abroad	Total	Italy	Abroad ¹⁴	Total	Italy	Abroad ¹⁵	Total
Employees, by type of contract and gender									
Permanent contract	709	2	711	565	3	568	479	1	480
Men	515	1	516	414	1	415	365	0	365
Women	194	1	195	151	2	153	114	1	115
Fixed-term contract	41	11	52	18	11	29	23	10	33
Men	29	6	35	13	5	18	15	5	20
Women	12	5	17	5	6	11	8	5	13
Hourly contracts with non-guaranteed hours	1	0	1	0	0	0	0	0	0
Men	1	0	1	-	-	-	-	-	-
Women	0	0	0	-	-	-	-	-	-
Total	751	13	764	583	14	597	502	11	513
Employees, by type of job and gender									
Full-time	731	13	744	572	13	585	493	10	503
Men	544	7	551	426	6	432	380	5	385
Women	187	6	193	146	7	153	113	5	118
Part-time	20	0	20	11	1	12	9	1	10
Men	1	0	1	1	0	1	0	0	0
Women	19	0	19	10	1	11	9	1	10
Total	751	13	764	583	14	597	502	11	513

GRI 2-21 ANNUAL TOTAL COMPENSATION RATIO

	2022		2021		2020	
	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame	Sanlorenzo	Bluegame
Annual total compensation ratio	2,640%	258%	2,970%	703%	1,077%	1,092%
Change in the total annual compensation ratio	-526%	1,449%	5,178%	-629%	-	-

GRI 2-30 COLLECTIVE BARGAINING AGREEMENTS¹⁶

Employees covered by collective bargaining agreements, by professional category	2022			2021			2020 ¹⁷		
	Italy	Abroad	Total	Italy	Abroad ¹⁸	Total	Italy	Abroad	Total
Executives and middle managers (number)	96	3	99	89	4	93	84	2	86
Executives and middle managers (% of total)	100%	33%	98%	100%	25%	97%	100%	0%	98%
Office workers (number)	535	10	545	406	8	414	331	7	338
Office workers (% of total)	100%	10%	98%	100%	25%	99%	100%	14%	98%
Manual workers (number)	120	0	120	88	2	90	87	2	89
Manual workers (% of total)	100%	0%	100%	100%	0%	98%	100%	0%	98%
Total (number)	751	13	764	583	14	597	502	11	513
Total (% of total)	100%	15%	99%	100%	21%	98%	100%	9%	98%

GRI 202-1 RELATIONSHIPS RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE¹⁹

	2022			2021		
	Sanlorenzo	Bluegame	SLOTA	Sanlorenzo	Bluegame	SLOTA
Ratio between the standard wage of a new employee and the local minimum wage (Rubber and plastic national collective bargaining agreement)*						
Men	103%	105%	/	106%	91%	/
Women	104%	105%	/	103%	104%	/
Ratio between the standard wage of a new employee and the local minimum wage (Minimum wage USA) ²⁰						
Men	/	/	250%	/	/	250%
Women	/	/	250%	/	/	220%

*In 2022, the mean value of the wage of level C and E apprentices is taken as the standard wage of a new employee. In 2021, level H and F apprentices were taken into consideration, instead.

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER*

	2022			2021			2020		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
New employee hires by age and gender									
< 30 Years	79	0	79	58	0	58	17	0	17
Men	54	0	54	36	0	36	10	0	10
Women	25	0	25	22	0	22	7	0	7
30 ≤ x ≤ 50 Years	89	3	92	55	1	56	23	2	25
Men	60	3	63	33	0	33	18	2	20
Women	29	0	29	22	1	23	5	0	5
> 50 Years	32	1	33	21	2	23	6	1	7
Men	28	1	29	20	2	22	6	1	7
Women	4	0	4	1	0	1	0	0	0
Total	200	4	204	134	3	137	46	3	49
Total hires (women)	58	0	58	45	1	46	12	0	12
Total hires (men)	142	4	146	89	2	91	34	3	37
Incoming turnover ²¹	34%	36%	35%	27%	30%	27%	8%	27%	11%

	2022			2021			2020		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Terminations by age and gender									
< 30 Years	10	0	10	10	0	10	2	0	2
Men	10	0	10	8	0	8	1	0	1
Women	0	0	0	2	0	2	1	0	1
30 ≤ x ≤ 50 Years	39	3	42	28	2	30	9	2	11
Men	25	2	27	19	2	21	8	2	10
Women	14	1	15	9	0	9	1	0	1
> 50 Years	22	1	23	23	0	23	8	1	9
Men	17	1	18	19	0	19	8	1	9
Women	5	0	5	4	0	4	0	0	0
Total	71	4	75	61	2	63	19	3	22
Total terminations (women)	19	1	20	15	0	15	2	0	2
Total terminations (men)	52	3	55	46	2	48	17	3	20
Turnover on exit ²²	12%	36%	13%	12%	20%	12%	4%	27%	5%

*The turnover rates were calculated as follows: incoming turnover is the ratio of the number of hires in year n to the total number of employees in year n-1; outgoing turnover is the ratio of the number of terminations in year n to the number of employees in year n-1.

GRI 403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM²³

Employees covered by the occupational health and safety management system*	2022	2021	2020
Total number of employees	692	588	561
Number of employees covered by such a system	629	588	561
Percentage of employees covered by such a system	100%	100%	100%
Number of employees covered by such an internal audited system ²⁴	692	28	55
Percentage of employees covered by such a system being internally audited	100%	5%	9.80%
Number of employees covered by such a system audited by independent third parties ²⁵	692	28	3
Percentage of employees covered by such a system audited by independent third parties	100%	5%	0.53%

External workers covered by the occupational health and safety management system (workers of contracting companies)	2022	2021 ²⁶	2020
Total number of external workers ²⁷	2,200	2,155	1,950
Number of external workers covered by such a system	2,200	2,155	1,950
Percentage of external workers covered by such a system	100%	100%	100%
Number of external workers covered by such an internal audited system ²⁸	2,200	1,905	10
Percentage of external workers covered by such a system being internally audited	100%	100%	0.51%
Number of external workers covered by such a system audited by independent third parties ²⁹	2,200	5	5
Percentage of external workers covered by such a system audited by independent third parties	100%	0.26%	0.26%

* In the perspective of continuous improvement in the preparation this document, in the year 2022 it was decided not to include interns in the total number of workers, differently from what was done in 2021.

GRI 403-9 WORK-RELATED INJURIES

Work-related injuries – employees (Sanlorenzo and Bluegame)	2022	2021	2020
Number of hours worked	1,200,438	1,014,259	812,103
Number of recordable occupational injuries	14	9	15
of which in progress (only if the transport was organised by the organisation)	0	0	3
Recordable work-related injury rate (including deaths)	11.66	8.87	18.47
Number of accidents at work with serious consequences (excluding deaths*)	0	0	0
Rate of serious work-related injuries (excluding deaths)	0.00	0.00	0.00
Number of deaths resulting from accidents at work	0	0	0
Rate of deaths resulting from accidents at work	0.00	0.00	0.00

*Throughout this document, the accident rate is calculated as the number of accidents per 1,000,000 hours worked.

Work-related injuries - workers of Sanlorenzo and Bluegame contractors	2022	2021	2020
Number of hours worked*	4,500,000	4,300,000	4,100,000
Number of recordable occupational injuries	41	40	28
of which in progress (only if the transport was organised by the organisation)	0	0	0
Recordable work-related injury rate (including deaths)	9.11	6.16	4.35
Number of accidents at work with serious consequences (excluding deaths)	0	0	0
Rate of serious work-related injuries (excluding deaths)	0.00	0.00	0.00
Number of deaths resulting from accidents at work	0	0	0
Rate of deaths resulting from accidents at work	0.00	0.00	0.00

*Estimated value. Starting from the estimate number of external workers, this value was obtained multiplying this number by the totality of working day in a year (minus the holiday amount), and considering 9 working hours per day.

GRI 404-I AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE (ITALY)

Hours of training for employees by gender and professional category	2022	2021	2020
Executives and middle managers	635	436	100
Men	471	388	67.5
Women	164	48	32
Office workers	4,770	2,188	868
Men	3,026	1,326	771
Women	1,744	862	97
Manual workers	955	187	56.0
Men	955	187	56
Women	0	0	0
Total training hours	6,359	2,811	1,023.5
Total training hours (women)	1,908	910	129
Total training hours (men)	4,451	1,901	895
Average hours of training	8.5	4.8	2
Average hours of training (women)	9.3	5.8	1.1
Average hours of training (men)	8.2	4.5	2.4
Average hours of training, by professional category	8.5	4.8	2
Average hours of training (Executives and middle managers)	6.6	4.9	1.18
Average hours of training (Office workers)	8.9	5.4	2.62
Average hours of training (Manual workers)	8.0	2.1	0.64

GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING PERIODIC PERFORMANCE AND CAREER DEVELOPMENT REVIEWS³⁰

Employees who received a performance review by professional category and gender (%)	2022			2021		2020
	Sanlorenzo	Bluegame	I.C.Y.	Sanlorenzo	Bluegame	Sanlorenzo
Executives and middle managers	100	100	/	88	100	98
Men	100	100	/	87	100	98
Women	100	100	/	93	100	100
Office workers³¹	20	21	100	44	18	39
Men	22	26	100	41	28	48
Women	17	14	100	21	6	17
Manual workers	1	/	100	18	/	0
Men	1	/	100	19	/	0
Women	0	/	100	0	/	0
Governance bodies (BoD)	100	100	/	100	100	100
Men	100	100	/	100	100	100
Women	100	100	/	100	100	100

GRI 405-I EMPLOYEE DIVERSITY

Employees by professional category	2022			2021			2020		
	Italy ³²	Abroad	Total	Italy	Abroad ³³	Total	Italy ³⁴	Abroad ³⁵	Total
Executives and middle managers	96	3	99	89	4	93	84	2	86
< 30 Years	0	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0	0
Women	0	0	0	0	0	0	0	0	0
30 ≤ x ≤ 50 Years	47	0	47	43	0	43	47	0	47
Men	35	0	35	32	0	32	38	0	38
Women	12	0	12	11	0	11	9	0	9
> 50 Years	49	3	52	46	4	50	37	2	39
Men	42	2	44	41	3	44	31	1	32
Women	7	1	8	5	1	6	6	1	7
Office workers	535	10	545	406	8	414	331	7	338
< 30 Years	146	0	146	105	0	105	99	0	99
Men	91	0	91	64	0	64	63	0	63
Women	55	0	55	41	0	41	36	0	36
30 ≤ x ≤ 50 Years	311	8	319	249	6	255	189	6	195
Men	199	4	203	163	0	163	131	2	133
Women	112	4	116	86	6	92	58	4	62
> 50 Years	78	2	80	52	2	54	43	1	44
Men	59	1	60	40	1	41	31	0	31
Women	19	1	20	12	1	13	12	1	13
Manual workers	120	0	120	88	2	90	87	2	89
< 30 Years	18	0	18	7	0	7	9	0	9
Men	18	0	18	7	0	7	9	0	9
Women	0	0	0	0	0	0	0	0	0
30 ≤ x ≤ 50 Years	50	0	50	35	2	37	35	2	37
Men	50	0	50	35	2	37	35	2	37
Women	0	0	0	0	0	0	0	0	0
> 50 Years	52	0	52	46	0	46	43	0	43
Men	51	0	51	45	0	45	42	0	42
Women	1	0	1	1	0	1	1	0	1
Total	751	13	764	583	14	597	502	11	513

Vulnerable categories by professional type and gender	2022	2021	2020
(Sanlorenzo)			
Executives and middle managers	1	1	1
Men	1	1	1
Women	0	0	0
Office workers	9	8	8
Men	4	3	4
Women	5	5	4
Manual workers	7	6	6
Men	6	6	6
Women	1	0	0
Total	17	15	15

GRI 405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Gender Pay Gap	2022		
	Sanlorenzo	Bluegame	SLOTA
Basic salary			
Middle Managers	87%	/	100%
Office workers	87%	86%	125%
Manual workers	111%	/	/
Remuneration			
Middle Managers	91%	/	82%
Office workers	85%	84%	105%
Manual workers	111%	/	/

Chapter 5 – “Sanlorenzo Timeless” Section

Information on yachts shared with shipowners

Upon delivery of the yachts, the Group shares the following documentation with the shipowners, in order to guarantee maximum knowledge and transparency of the information necessary for the correct functioning and use of the vessel: documents of a **commercial nature**, including, for example, the Construction Certificate and the Delivery and Acceptance Protocol; documents of a **regulatory nature**, including, for example, the Certificate of classification issued by the company for the hull and machinery, the permanent or temporary Certificates for compliance of the yacht with the Class and Flag requirements, the Certificate of compliance with the REG Code (Declaration of conformity), the Certificate of conformity to the

essential safety requirements provided for by Directive 2013/53/EU³⁶, or the Certificate of application of the MARPOL rules and regulations, where applicable; documents of a **technical nature**, including, for example, 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 noiselessness) and maintenance of the yacht, certificates relating to life-saving equipment, anchor and chains, nautical instruments and fire-fighting equipment, inventory of equipment and spare parts, and the list of minor non-conformities (in which the painting report is included).

ENVIRONMENTAL SUSTAINABILITY INDICATORS

Chapter 4 - “Attention to the environment in production processes” Section

Quantitative data tables

GRI 301-I MATERIALS USED BY WEIGHT OR VOLUME

Yacht Business Unit	2022	2021	2020
Number of yachts delivered	59	54	51
Renewable materials used (in kg)	1,010,858	868,548	754,402
Plywood for subdivision	205,196	175,115	147,795
Wood for furniture / furnishings	703,478	597,046	513,162
Teak	102,184	96,387	93,445
Non-renewable materials used (in kg)	4,259,491	3,821,403	3,625,477
Gelcoat	93,685	85,284	79,258
Laminating resin	935,554	850,421	786,302
Glass fibre for lamination	701,241	649,165	611,793
Carbon fibre for lamination	86,591	80,333	79,355
PU / PVC for lamination	100,481	90,436	83,295
Catalysts	19,202	16,884	16,247
Plaster	16,109	14,816	13,197
Paints	33,302	28,687	27,011
Adhesives	79,396	75,023	65,043
Ferrous materials	934,471	809,852	839,890
Aluminium alloys	117,254	103,597	96,240
Stainless steel	346,646	322,203	285,289
Copper	210,839	183,182	182,622
Technopolymer pipes	69,930	61,534	55,793
Batteries	88,290	82,257	70,593
Crystals	121,299	93,752	74,449
Insulation material	160,004	141,079	136,655
Marble and Stones	68,203	64,093	57,609
Fabrics / upholstery / carpeting	60,992	55,005	51,786
Lubricating oils	15,502	13,800	13,050
Total	5,269,849	4,689,951	4,379,879
% of renewable materials out of the total of materials used	19%	19%	17%
Total kg/GT	541,88	566,62	547,48

GRI 301-I MATERIALS USED BY WEIGHT OR VOLUME

Superyacht Business Unit	2022	2021	2020
Number of yachts delivered	5	7	4
Renewable materials used (in kg)	381,690	470,490	232,790
Plywood for subdivision	205,990	250,790	130,790
Wood for furniture / furnishings	147,300	185,100	87,200
Teak	28,400	34,600	14,800
Non-renewable materials used (in kg)	2,036,670	2,523,270	1,204,570
Ferrous materials	1,158,300	1,282,900	575,600
Stainless steel	91,300	120,300	63,300
Aluminium alloys	255,300	462,300	265,800
Copper	99,950	124,850	55,900
Insulation material	122,000	143,000	56,500
Technopolymer pipes	34,050	46,350	24,400
Fabrics/upholstery/carpeting/upholstery	11,750	14,550	5,750
Marble and Stones	37,850	42,150	13,000
Plaster	116,900	149,700	77,800
Paints	29,600	34,100	15,150
Adhesives	9,460	12,460	6,660
Lamination resin (stabiliser fins)	3,960	5,160	3,360
Crystals	50,000	64,000	31,500
Batteries	9,200	12,800	6,000
Lubricating oils	7,050	8,650	3,850
Total	2,418,360	2,993,760	1,437,360
% of renewable materials out of the total of materials used	16%	16%	16%
Total kg/GT	742.28	709.09	732.97

GRI 301-I MATERIALS USED BY WEIGHT OR VOLUME

Bluegame Business Unit	2022	2021	2020
Number of yachts delivered	32	22	14
Renewable materials used (in kg)*	137,650	111,900	74,340
Plywood for subdivision	22,890	18,820	12,380
Wood for furniture / furnishings	98,250	80,200	53,150
Teak	16,510	12,880	8,810
Non-renewable materials used (in kg)*	735,330	590,380	398,900
Gelcoat	14,380	11,580	7,800
Laminating resin	152,940	123,390	82,800
Glass fibre for lamination	100,660	81,860	54,250
Carbon fibre for lamination	2,040	1,390	1,300

PU / PVC for lamination	25,830	20,710	13,880
Catalysts	2,140	1,760	1,140
Plaster	2,170	1,740	1,180
Paints	3,690	3,000	1,960
Adhesives	17,190	13,880	9,480
Ferrous materials	196,100	154,700	107,100
Crystals	37,150	30,300	19,900
Stainless steel	39,640	32,230	21,920
Aluminium alloys	22,300	17,750	12,000
Copper	36,760	29,820	19,880
Insulation material	20,660	16,910	11,100
Technopolymer pipes	11,420	9,070	6,280
Fabrics/upholstery/carpeting/upholstery	13,450	10,750	7,350
Marble and Stones	11,310	9,180	6,090
Batteries	21,900	17,500	11,550
Lubricating oils	3,600	2,860	1,940
Total	872,980	702,280	473,240
% of renewable materials out of the total of materials used	16%	16%	16%
Total kg/GT	618.66	611.78	636.50

*The 2021 and 2020 data has been reviewed and corrected due to a mistake in the source file.

GRI 302-I ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)

Yacht Business Unit ³⁷	2022	2021	2020
Total purchased electricity	21,887.74	20,440.43	17,622.49
Electricity from conventional sources	14,617.57	17,218.45	13,817.98
Electricity from renewable sources ³⁸	7,270.18	3,221.98	3,804.51
Total self-produced electricity³⁹	2,466.72	2,273.40	1,652.58
Self-produced and consumed electricity (renewable from photovoltaics)	2,176.42	1,663.56	1,652.58
Self-produced electricity and fed into the grid (renewable from photovoltaics)	290.30	609.84	-
Methane gas	9,536.91	7,467.35	3,353.40
Fuels⁴⁰	28,115.14	30,713.12	29,608.42
Diesel for sea tests ⁴¹	19,807.33	24,244.91	24,269.69
Diesel for site heating (Ameglia)	118.74	111.63	265.83
Diesel for self-traction/transport	463.60	263.46	76.56
Diesel for company vehicles	7,081.33	5,599.53	4,584.53
Petrol for company vehicles ⁴²	644.14	493.60	411.79
Total energy consumed	61,716.21	60,284.46	52,236.89
of which renewable	15%	8%	10%

GRI 302-1 | ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)

Superyacht Business Unit ⁴³	2022	2021	2020
Total purchased electricity	23,783.74	21,201.28	17,829.72
Electricity from conventional sources	15,393.56	16,157.49	13,588.03
Electricity from renewable sources	8,390.18	5,043.78	4,241.69
Methane gas	3,203.59	3,499.77	1,663.78
Fuels⁴⁴	11,508.06	6,834.55	4,698.73
Diesel for sea tests	7,640.05	3,841.46	2,649.91
Diesel for self-traction/transport	391.74	699.55	-
Diesel for company vehicles	3,205.05	2,086.32	1,864.53
Petrol for company vehicles ⁴⁵	271.22	207.22	184.29
Total energy consumed	38,495.39	31,535.61	24,192.24
of which renewable	22%	16%	18%

GRI 302-3 ENERGY INTENSITY⁴⁶

Yacht Business Unit	2022	2021	2020
Total energy consumption	61,716.21	60,284.46	52,236.89
Total GT ⁴⁷	11,136	9,315.20	8,434.45
Energy intensity (GJ/GT)	5.54	6.47	6.19

Superyacht Business Unit	2022	2021	2020
Total energy consumption	38,495.39	31,535.61	24,192.24
Total GT	3,258	4,222	1,961
Energy intensity (GJ/GT)	11.82	7.47	12.34

GRI 303-3 WATER WITHDRAWALS (ML)

Yacht Business Unit ⁴⁸	2022	2021	2020
Water withdrawals from water stress areas	59.85	41.84	45.42
Water withdrawals from groundwater (well)	3.93	3.93	2.98
Water withdrawals from third-party water resources (aqueduct)	55.92	37.91	42.44

Superyacht Business Unit ⁴⁹	2022	2021	2020
Water withdrawals from water stress areas	26.74	22	20
Water withdrawals from third-party water resources (aqueduct)	26.74	22	20

GRI 303-5 WATER CONSUMPTION (WATER STORAGE) (ML)

Sanlorenzo S.p.A.	2022	2021	2020
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	0.22	0.14	0.14
Total water storage at the beginning of the year	0.22	0.14	0.14

GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)
GRI 305-2 INDIRECT GHG EMISSIONS (SCOPE 2) ISPRA⁵⁰

YACHT Business Unit (tonCO ₂ eq)	2022	2021	2020
Direct emissions (Scope 1)	2,439.37	2,505.22 [2,543.92]	2,212.53 [2,253.43]
Natural gas	478.01	370.99 [378.16]	167.67 [170.94]
Diesel	1,917.22	2,100.54 [2,166]	2,016.98 [2,082]
Gasoline	44.14	33.69 [-]	27.88 [-]
Indirect emissions (Scope 2)			
Purchased electricity (location-based)	1,915.18	1,788.54 [1,205.59]	1,644.77 [1,141.25]
Purchased electricity (market-based)	1,853.874	2,195.35 [2,606.15]	1,788.24 [1,788.66]
Total Scope 1 and Scope 2 Emissions (location-based)	4,354.55	4,293.76 [3,749.51]	3,857.29 [3,394.68]
Total Scope 1 and Scope 2 emissions (market-based)		3,857.29 [3,394.68]	4,000.76 [4,042.09]
SUPERYACHT Business Unit (tonCO₂eq)	2022	2021	2020
Direct emissions (Scope 1)	959.74	648.68 [659.99]	407.54 [416.33]
Natural gas	160.57	173.87 [177.24]	83.19 [84.81]
Diesel	780.59	460.66 [483]	311.87 [332]
Gasoline	18.59	14.14 [-]	12.48 [-]
Indirect emissions (Scope 2)			
Purchased electricity (location-based)	2,081.08	1,855.11 [1,250.46]	1,664.11 [1,154.67]
Purchased electricity (market-based)	1,952.29	2,060.08 [2,703.16]	1,758.48 [1,758.90]
Total Scope 1 and Scope 2 Emissions (location-based)	3,040.82	2,503.79 [1,910.46]	2,071.64 [1,571]
Total Scope 1 and Scope 2 emissions (market-based)	2,912.03	2,708.76 [3,363.15]	2,166.02 [2,175.22]

GRI 305-4 EMISSION INTENSITY (ISPRA)

Yacht Business Unit (tonCO ₂ eq/h of shipyard operations)	2022	2021	2020
Total hours of operation of the shipyard	3300	3300	3300
Scope 1 emissions intensity	0.74	0.76	0.67 [0.68]
Scope 2 emissions intensity (location based)	0.58	0.54 [0.37]	0.50 [0.35]
Scope 2 emissions intensity (market based)	0.56	0.67 [0.62]	0.54
Total emission intensity Scope 1 + Scope 2 (location based)	1.32	1.30 [1.14]	1.17 [1.03]
Total emission intensity Scope 1 + Scope 2 (market based)	1.30	1.42 [1.56]	1.21 [1.22]

Superyacht Business Unit (tonCO ₂ eq/h of shipyard operations)	2022	2021	2020
Total hours of operation of the shipyard	3300	3300	3300
Scope 1 emissions intensity	0.29	0.20	0.12 [0.13]
Scope 2 emissions intensity (location based)	0.63	0.56 [0.38]	0.50 [0.35]
Scope 2 emissions intensity (market based)	0.59	0.62	0.53
Total emission intensity Scope 1 + Scope 2 (location based)	0.92	0.76 [0.58]	0.63 [0.48]
Total emission intensity Scope 1 + Scope 2 (market based)	0.98	0.82 [0.82]	0.66 [0.66]

GRI 305-7: NITROGEN OXIDES (NOX), SULPHUR OXIDES (SOX) AND OTHER SIGNIFICANT EMISSIONS⁵¹

Atmospheric emissions (kg)	2022	
	Yacht	Superyacht
NOx	200.00	-
Volatile Organic Compounds (VOCs)	1,537.00	1,445.00
Particulate Matter (PM)	341.00	391.00
CO	19.00	-

GRI 306-3 WASTE PRODUCED

Yacht Business Unit	2022			2021			2020		
	Intended for disposal	Not intended for disposal	Total	Intended for disposal	Not intended for disposal	Total	Intended for disposal	Not intended for disposal	Total
Activated carbon exhausted	1.75	58.74	60.49	6.82	54	60.82	3.2	41.92	45.12
Other halogenated organic solvents, washing solutions and mother liquors	17.87	0	17.87	43.62	0	43.62	41.9	0	41.9
Waste dust from coatings	0	0	0	0	0	0	4.9	0	4.9
Out of print toner	0	0.04	0.04	0	0.01	0.01	0	0	0
Waste adhesives and sealants containing organic solvents or other hazardous substances	0	6.926	6.926	0	0	0	0	0.35	0.35
Plastic flings and shavings	0	0	0	0	0	0	0	9.03	9.03
Abrasive waste material containing hazardous substances	1.9	0	1.9	0	0	0	7.2	0	7.2
Spent grinding bodies and grinding materials containing hazardous substances	1.132	0	1.132	0	0	0	1.95	0	1.95
Other engine, gear and lubrication oils	0	0	0	0	0	0	0	0.41	0.41
Non-chlorinated emulsions	2.2	0	2.2	0	0.95	0.95	1.16	0	1.16
Other emulsions	0	1.76	1.76	0	2.66	2.66	0	0	0
Packaging in paper and cardboard	0	0	0	0	0	0	0	0.51	0.51
Wooden packaging	0	423.9	423.9	0	451.68	451.68	0	378.33	378.33
Mixed material packaging	0	908.643	908.643	0	951.32	951.32	121.91	0	121.91
Packaging containing residues of dangerous substances or contaminated by such substances	0	35.801	35.801	0	48.42	48.42	0	37.19	37.19
Metallic packaging containing dangerous solid porous matrices	0	0.033	0.033	0	0.07	0.07	0	0.08	0.08
Absorbents, filter materials, rags and protective clothing contaminated with dangerous substances	0	1.031	1.031	0	0.95	0.95	0	1.39	1.39
Absorbents, filter materials, rags and protective clothing other than the previous point	0	0.47	0.47	0	0.28	0.28	0	0.12	0.12
Discarded equipment, containing chlorofluorocarbons, HCFCs, HFCs	0	0.298	0.298	0	0.19	0.19	0	0	0
Discarded equipment containing hazardous components	0	0.058	0.058	0	0.06	0.06	0	0.03	0.03
Discarded equipment other than as stated above	0	2.24	2.24	0	1.39	1.39	0	1.72	1.72
Lead acid batteries	0	3.79	3.79	0	1.91	1.91	0	2.45	2.45
Glass	0	11.56	11.56	0	3.07	3.07	0	0.3	0.3
Plastic	0	10.71	10.71	0	105.26	105.26	0	25.84	25.84
Iron and steel	0	95	95	0	96.32	96.32	0	96.38	96.38
Mixed metals	0	0	0	0	3.83	3.83	0	0.32	0.32
Other insulating materials containing or consisting of dangerous substances	15.38	0.00	15.38	14.62	0	14.62	8.77	1.62	10.39
Insulating materials other than as stated above	3.91	9.13	13.04	0	9.23	9.23	0	9.33	9.33
Mixed waste from construction and demolition activities	0	0	0	0	3.04	3.04	0	127.22	127.22
Fluorescent tubes	0	0.041	0.041	0	0.04	0.04	0	0.004	0.004
Plastic waste (fibreglass)	0	17.32	17.32	0	92.79	92.79	0	20.62	20.62
Plastic waste	57.324	38.216	95.54			0			0
Sawdust, shavings, cutting waste, etc. containing dangerous substances	5.03712	13.61888	18.656	0	21.55	21.55	0	8.302	8.302
Sawdust, shavings, cutting waste, etc. other than those referred to in the previous item	0	7.98	7.98	0	14.76	14.76	0	0	0
Other bottoms and reaction residues	3.2048	6.8102	10.015	3.97	8.38	12.35	2.66	49.884	52.544
Waste paints and varnishes containing organic solvents or other hazardous substances	45.29528	53.17272	98.468	0	63	63	0	47.21	47.21
Aqueous waste solutions containing dangerous substances	0	0	0	0	0	0	9	0	9

Aqueous waste solutions other than as stated above	13.94	0	13.94	24.07	0	24.07	13.44	0	13.44
Wood	0	0	0	0	0.4	0.4	0	15.66	15.66
Biodegradable waste	0	6.76	6.76	0	3.14	3.14	14.26	1.2	15.46
Septic tank sludge	7.7	0	7.7	38.43	0	38.43	8	0.28	8.28
Bulky waste	0	0	0	0	3.26	3.26	0	0	0
Unusable tyres	0	0	0	0	0.96	0.96	0	0	0
Inorganic waste (aluminium panels with rubber)	1.18	0	1.18	6.46	0	6.46	0	0	0
Organic waste (dust)	13.281	0	13.281	17.06	0	17.06	0	0	0
Organic waste containing dangerous substances	0	0	0	0.74	0	0.74	0	0	0
Organic waste other than those mentioned in 160305	0	187.62	187.62	0	110.98	110.98	0	0	0
Aqueous suspensions containing paints and varnishes containing organic solvents or other dangerous substances	0	0	0	1.27	0	1.27	0	0	0
Mineral, non-chlorinated engine, gear and lubricating oils	0	0	0	0	3	3	0	0	0
Other solvents and solvent mixtures	0.242	0	0.242	0.13	0.08	0.21	0	0	0
Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	0	0	0	0	0.04	0.04	0	0	0
Dangerous components other than those mentioned in 16 01 07 to 16 01 11, 16 01 13 and 16 01 14	0	0	0	0.4	0	0.4	0	0	0
Components not otherwise specified	0	0.876	0.876	0	0.59	0.59	0	0	0
Gases in pressure containers (including halons), containing dangerous substances	0	0	0	0	0.8	0.8	0	0	0
Cement	0	0	0	0	3.5	3.5	0	0	0
Spent activated carbon used for the treatment of fumes	0	15.9	15.9	0	52.7	52.7	0	27.94	27.94
Waste isocyanates	0.235	0	0.235	0	0	0	0	0	0
Discarded equipment containing chlorofluorocarbons	0	0.06	0.06	0	0.02	0.02	0	0.04	0.04
Tool bodies (abrasive belts)	0	0.6	0.6	0	1.88	1.88	0	0	0
Total waste produced	191.58	1,919.10	2,110.68	157.59	2,116.51	2,274.10	238.35	905.68	1,144.03

Superyacht Business Unit	2022 ²			2021			2020		
	Intended for disposal	Not intended for disposal	Total	Intended for disposal	Not intended for disposal	Total	Intended for disposal	Not intended for disposal	Total
Sawdust, shavings, cutting waste, etc. other than those referred to in the previous item	0	4.692	4.692	0	5.48	5.48	0	3.55	3.55
Activated carbon exhausted	0	0	0	0	8.59	8.59	0	5.21	5.21
Waste paints and varnishes containing organic solvents or other hazardous substances	0	0.9	0.9	0	0.14	0.14	0	0.07	0.07
Residues of paints or paint strippers	0	0	0	0	0	0	0	0.09	0.09
Aqueous sludge	0	0	0	0	1.2	1.2	0	0	0
Out of print toner	0	0	0	0	0	0	0	0.02	0.02
Sandblasting	38.916	0	38.916	15.06	0	15.06	0	0	0
Abrasive waste material	0	0	0	0	45.62	45.62	0	18.08	18.08
Aqueous washing solutions	0	0	0	0	0	0	5.3	0	5.3
Other bilge oils from navigation	16.175	0	16.175	13.3	0	13.3	10.65	0	10.65
Fuel oil and diesel fuel	0	0	0	0	0	0	2.2	0	2.2
Other emulsions	38.9	0	38.9	45	0	45	47.1	0	47.1
Other solvents	0	0	0	0.15	0	0.15	0	0	0
Wooden packaging	0	128.48	128.48	0	152.43	152.43	0	118.39	118.39
Packaging in composite materials	0	0	0	0	0	0	1.47	0	1.47
Mixed material packaging	0	291.08	291.08	0	373.3	373.3	0	284.41	284.41
Packaging containing residues of dangerous substances or contaminated by such substances	0	23.359	23.359	0	8.2	8.2	0	14.83	14.83

Absorbents, filter materials, rags and protective clothing contaminated with dangerous substances	33.066	0	33.066	3.75	0	3.75	4.27	0	4.27
Absorbents, filter materials, rags and protective clothing other than the previous point	4.04	0	4.04	1.98	0	1.98	0.27	0	0.27
Antifreeze liquids	0	0	0	0.5	0	0.5	0	0	0
Discarded equipment containing chlorofluorocarbons	0	0.147	0.147	0	0	0	0	0.35	0.35
Discarded equipment containing hazardous components	0	0	0	0	2.9	2.9	0	0	0
Discarded equipment other than as stated above	0	0.129	0.129	0	9.16	9.16	0	0.4	0.4
Discarded equipment	0	0	0	0	0.49	0.49	0	0	0
Lead acid batteries	0	2.72	2.72	0	0	0	0	0.82	0.82
Alkaline batteries	0	0.01	0.01	0	0	0	0	0.08	0.08
Aqueous liquid waste	0	0	0	0.3	0	0.3	0	0	0
Aqueous waste solutions other than as stated above	329.5	0	329.5	362.2	0	362.2	45.9	0	45.9
Cement	0	110.74	110.74	0	7.52	7.52	0	66.94	66.94
Bricks	0	0	0	0	4.1	4.1	0	0	0
Wood	0	0	0	0	0	0	0	2.28	2.28
Glass	0	11.72	11.72	0	0	0	0	1.1	1.1
Plastic	0	5.8	5.8	0	0	0	0	0.94	0.94
Bituminous mixtures	0.62	0	0.62	0	20.6	20.6	0	0	0
Copper, bronze, brass	0	0	0	0	0.15	0.15	0	0	0
Aluminium	0	10.3	10.3	0	20.17	20.17	0	4.52	4.52
Iron and steel	0	62.1	62.1	0	105.65	105.65	0	91.83	91.83
Mixed metals	0	6.1	6.1	0	0.12	0.12	0	0	0
Impregnated cables	0	0	0	0	0.15	0.15	0	0	0
Cables	0	2.32	2.32	0	9.38	9.38	0	3.5	3.5
Earth and rocks	0	0	0	0	0	0	0	129.3	129.3
Other insulating materials containing or consisting of dangerous substances	0	0	0	0.88	0	0.88	1	0	1
Insulating materials other than as stated above	0.325	0	0.325	0.03	0	0.03	0	0	0
Gypsum-based construction materials other than those mentioned in 17 08 01	0	0.32	0.32	0	0.56	0.56	0	1.3	1.3
Mixed waste from construction and demolition activities	0	64.18	64.18	0	4.74	4.74	0	0.23	0.23
Fluorescent tubes	0	0.088	0.088	0	0.13	0.13	0	0	0
Biodegradable waste	0	0	0	0	0.7	0.7	0	4.32	4.32
Septic tank sludge	20.93	0	20.93	47.74	0	47.74	56.87	0	56.87
Waste from sewer cleaning	5	0	5	0	0	0	3.5	0	3.5
Bulky waste	0	0	0	0	0	0	0	1.32	1.32
Waste dust from coatings	0	2.584	2.584	0	0	0	0	0	0
Aqueous rinsing solutions different from the previous point	5	0	5	0	0	0	0	0	0
Oil filters	0.127	0	0.127	0	0	0	0	0	0
Nickel batteries	0	0.04	0.04	0	0	0	0	0	0
Other batteries	0	0.01	0.01	0	0	0	0	0	0
Unusable tyres	0	0.02	0.02	0	0	0	0	0	0
Other insulating materials containing or consisting of dangerous substances	2.738	0	2.738	0	0	0	0	0	0
Other waste from construction and demolition containing dangerous substances	0	6.235	6.235	0	0	0	0	0	0
Sludges containing dangerous substances produced by other industrial wastewater treatments	1.3	0	1.3	0	0	0	0	0	0
Total waste produced	496.64	734.07	1,230.71	490.89	781.48	1,272.37	178.53	753.88	932.41

Business Unit Bluegame*	2022			2021		
	Intended for disposal	Not intended for disposal	Total	Intended for disposal	Not intended for disposal	Total
Other halogenated organic solvents, washing solutions and mother liquors	15,114	0	15,114	-	-	-
Other bottoms and reaction residues	13,372	0	13,372	-	-	-
Plastic waste	0	10,76	10,76	-	-	-
Waste paints and varnishes containing organic solvents or other hazardous substances	0	0,7	0,7	-	-	-
Waste adhesives and sealants containing organic solvents or other hazardous substances	3,091	0,137	3,228	-	-	-
Mineral oil waste for engines, gears and lubrication, non-chlorinated	0	0,24	0,24	-	-	-
Wooden packaging	0	64,26	64,26	0	21,72	21,72
Mixed material packaging	0	140,985	140,985	0	23,51	23,51
Packaging containing residues of dangerous substances or contaminated by such substances	0	2,225	2,225	-	-	-
Organic waste containing hazardous substances	1,647	0	1,647	-	-	-
Wood	0	0,26	0,26	-	-	-
Glass	0	0	0	-	-	-
Plastic	0	9	9	-	-	-
Iron and steel	0	0,7	0,7	-	-	-
Other insulating materials containing or consisting of dangerous substances	1,34	0	1,34	-	-	-
Insulating materials other than as stated above	0	0,02	0,02	-	-	-
Spent activated carbon used for flue gas treatment	0	43,8245	43,8245	-	-	-
Total waste produced	34,56	273,11	307,68	-	45,23	45,23

*The data also include I.C.Y. S.r.l.

GRI 306-3 WASTE PRODUCED
GRI 306-4 WASTE DIVERTED FROM DISPOSAL
GRI 306-5 WASTE DIRECTED TO DISPOSAL

Yacht Business Unit	2022	2021	2020
Non-hazardous waste	1,804.52	1,924.81	1,697.68
Of which sent for recycling	1,720.46	1,855.85	1,563.61
Recycling / recovery of other inorganic substances (R5)	-	3.50	-
Exchange (R12)	88.72	123.44	-
Reserve (R13)	1,631.74	1,728.91	1,563.61
Of which disposed of	84.06	68.96	134.07
Biological treatment (D8)	7.70	38.43	22.26
Physico-chemical treatment (D9)	10.32	20.33	4.90
Preliminary grouping (D13)	8.33	6.46	-
Preliminary fling (D15)	57.72	3.74	106.91
Hazardous waste	305.99	324.55	282.44
Of which sent for recycling	199.40	260.66	211.92
Recovery of products used to reduce pollution (R7)	-	54	41.92

Exchange (R12)	1.71	7.14	-
Reserve (R13)	197.68	199.52	170
Of which disposed of	106.59	63.89	70.52
Physico-chemical treatment (D9)	2.20	-	9
Preliminary grouping (D13)	22.76	56.26	10.40
Preliminary fling (D15)	81.63	46.47	56.50
Total waste produced	2,110.51	2,249.36⁵³	1,980.12⁵⁴
Waste/GT	0.22	0.27	0.25

Superyacht Business Unit⁵⁵

	2022	2021	2020
Non-hazardous waste	1,097.45	1,166.57	840.51
Of which sent for recycling	696.32	739.57	732.50
Recycling / recovery of other inorganic substances (R5)	110.74	53.14	214.32
Recovery of products used to reduce pollution (R7)	-	-	-
Exchange (R12)	0.13	9.65	0.40
Reserve (R13)	585.45	676.78	517.78
Of which disposed of	403.71	427.01	108.01
Biological treatment (D8)	25.93	47.74	60.37
Physico-chemical treatment (D9)	334.50	362.20	45.90
Preliminary grouping (D13)	38.92	15.06	-
Preliminary fling (D15)	4.37	2.01	1.74
Hazardous waste	114.48	105.80	91.87
Of which sent for recycling	24.45	41.91	21.35
Recycling / recovery of other inorganic substances (R5)	-	-	-
Recovery of products used to reduce pollution (R7)	-	-	-
Exchange (R12)	0.15	2.90	0.35
Reserve (R13)	24.31	39.01	21.01
Of which disposed of	90.03	63.89	70.52
Biological treatment (D8)	-	-	-
Physico-chemical treatment (D9)	53.60	58.60	65.25
Preliminary grouping (D13)	-	-	-
Preliminary fling (D15)	36.42	5.29	5.27
Total waste produced	1,214.51	1,272.37	932.38
Waste/GT	0.37	0.30	0.48

Bluegame Business Unit ⁶⁶		
	2021	2021
Non-hazardous waste	225.98	45.23
Of which sent for recycling	225.98	45.23
Exchange (R12)	4.02	
Reserve (R13)	221.96	45.23
Of which disposed of	-	-
Preliminary grouping (D13)	-	-
Preliminary fling (D15)	-	-
Hazardous waste	81.69	-
Of which sent for recycling	47.13	-
Exchange (R12)	-	-
Reserve (R13)	47.13	-
Of which disposed of	34.56	-
Preliminary grouping (D13)	30.13	-
Preliminary fling (D15)	4.43	-
Total waste produced	307.7	45.23
Waste/GT	0.22	0.04

EU TAXONOMY REPORTING

Context

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (hereafter referred to as the "Taxonomy Regulation") was established in order to provide a common framework by which companies can classify environmentally sustainable economic activities and to report externally on the share of turnover and expenditures that are considered sustainable according to the European Taxonomy.

In particular, the European taxonomy includes six objectives of a climatic and environmental nature:

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

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 Delegated Act⁵⁷ ("Taxonomy Climate Delegate Act") – approved on 9 December 2021 by the Council of the EU and in force since 1 January 2022 – which provides for the adoption of technical screening criteria relating to the objectives of mitigation and adaptation to climate change. In July 2022 – and in force since January 2023 – the Complementary Delegated Act⁵⁷ on climate was published which includes specific nuclear energy and gas activities in the list of economic activities covered by the EU taxonomy.

Based on the eco-sustainability parameters defined by the taxonomy, in order to be considered eligible, an economic activity must be included in the list of the economic activities contained in the Delegated Acts, classified according to the NACE codes⁵⁸.

In this sense, the activities that are eligible are those activities that fall within the description provided by Delegated Regulation (EU) 2021/2139.

Once the eligibility of the economic activities has been verified, the taxonomy also requires verification of their alignment with the technical screening criteria established by the Delegated Act, as well as with the following requirements:

1. in contributing to one or more of the environmental objectives, it must not harm any of the others (c.d. "Do No Significant Harm");
 2. must be carried out in compliance with the minimum safeguard guarantees, i.e. carried out in line with the provisions of the main international references on fundamental human rights. In particular, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the eight fundamental conventions of the ILO and the International Bill of Human Rights.
- The European Regulation on taxonomy therefore provides for the obligation - starting from 1 January 2022 - for all companies that fall into the cases defined by Legislative Decree 254/204 to report the share of turnover; the percentage of capital expenditure (CAPEX) and the percentage of operating expenses (OPEX) qualifying as eligible.

Starting from 1 January 2023, there is also an obligation for the aforementioned companies to verify the alignment of the economic activities eligible with the criteria defined above.

Our approach

Sanlorenzo considers this regulatory evolution an important tool to allow the private sector to move in the field of sustainability according to common and coherent methods and language, guaranteeing environmental information conveyed to all stakeholders in an understandable, comparable and transparent way. To respond to the taxonomy requests, Sanlorenzo initially carried out a reconciliation analysis of its activity and its NACE codes with respect to what is reported in the taxonomy. The analysis, carried out for the first time within the 2021 NFS, was updated for the purposes of the 2022 NFS.

In fact, the Company has further developed its approach and the study of the economic activities defined as eligible by the taxonomy, in order to identify those closest to its core business.

Also in view of the document "Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", published on 6 October 2022 by the European Commission, which specifies to: (i) consider the NACE codes as only indicative and not necessarily exhaustive and (ii) evaluate the eligibility for the taxonomy on the basis of the description of the activity where there are descriptions with qualifiers such as "low carbon", the Group has considered including the main activity in 3.3 Manufacture of low carbon technologies for transport and also including the R&D activities instrumental to it. It is therefore specified that, given the update of the methodology, the data published in the previous NFS are not comparable.

Analysis of turnover, CapEx and OpEx and related indicators of the EU Taxonomy

The following operations were then carried out on the admissible and significant assets for the Group:

- analysis of the substantial contribution, through the verification of compliance with the technical screening criteria envisaged by the Delegated Act;
- assessment of alignment with the "Do Not Significant Harm" principle;
- verification of the minimum guarantees of social protection.

NOTES

- ¹ On 9 June 2022, Sanlorenzo S.p.A. acquired a 0.51% stake in the Polo Nautico Viareggio S.r.l. company, obtaining control of the same with a total stake of 50.32%. Subsequently, on 28 July 2022, Sanlorenzo S.p.A. acquired a further 2.17% stake in the Polo Nautico Viareggio S.r.l. company, bringing its shareholding 52.49%.
- ² I.C.Y. S.r.l. is a historical partner in the production of some product lines of the Bluegame Business Unit. An value of Euro 925,000 was acquired from the company, with a 60% stake. The remaining 40% shareholding is held by the founder and current general manager of the company. This transaction is aimed at increasing Bluegame's production capacity to support growth.
- ³ The scores obtained for each risk and opportunity were reworked according to the evaluation criteria suggested by EFRAG in the European Sustainability Reporting Standards (ESRS) guidelines (draft)
- ⁴ It should be noted that with the reference of Sanlorenzo within the scope of internal impact of the topic, this takes into account all the Group's shipyards.
- ⁵ Information collected in aggregate form in the Yacht Division.
- ⁶ It should be noted that in 2022 the tonnage value of the Yacht Business Unit was recalculated in order to align this parameter with what is defined at an international level.
- ⁷ For additional details, please refer to the "2022 Corporate Governance and Ownership Structure Report" available online.
- ⁸ Please refer to the 2021 NFS for additional information: https://www.sanlorenzoyacht.com/uploads/files/14133it-SANLORENZO_DNF_220426.pdf
- ⁹ The Policy is published on the Company's corporate website, in the "Documents and Procedures" section. For more information, please consult the following link <https://www.sanlorenzoyacht.com/it/corporate-governance/documenti-e-procedure.asp>
- ¹⁰ Data from the Consolidated Financial Statements of the Sanlorenzo Group, reworked according to the accruals principle.
- ¹¹ Tax returns and regional tax on business concerns (IRAP).
- ¹² There are no forms where employees are asked to state their gender; this information is extrapolated from their personal documents (Codice Fiscale).
- ¹³ The following Group companies are included in the calculation: Sanlorenzo S.p.A., Bluegame S.r.l., Polo Nautico Viareggio S.r.l., I.C.Y. S.r.l., Equinox S.r.l. and Equinox International S.r.l.
- ¹⁴ The 2021 data has been restated to include the Sanlorenzo Baleari S.L. company in the calculation of foreign employees.
- ¹⁵ The 2020 data has been restated to include the Sanlorenzo Baleari S.L. company in the calculation of foreign employees.
- ¹⁶ It is hereby specified that the data includes all the companies in the Group. In Italy, all employees of the companies work under collective bargaining agreement, following the corresponding CCNL. Abroad, only employees of Sanlorenzo Baleari S.L. are under a collective bargaining agreement according to the Spanish legislation.
- ¹⁷ Data was restated in order to include Bluegame S.r.l. and Sanlorenzo Baleari SL, previously not included in the computation of the indicator.
- ¹⁸ The 2021 data under the section "Abroad" was restated in order to include Sanlorenzo Baleari SL, previously not included in the computation of the indicator.
- ¹⁹ In Italy, the salary envisaged by the national collective bargaining agreement. H and F level apprentices were considered as new hires.
- ²⁰ The reference is to the minimum wage in Florida, equal to 10\$/day.
- ²¹ 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..
- ²² The outgoing turnover (or negative turnover) is given by the ratio between the terminations that occurred during the year in question and the total number of employees in the previous year.
- ²³ The data refers to Sanlorenzo S.p.A. and Bluegame S.r.l. and includes their employees and interns to 12/31/2022.
- ²⁴ The 2020 and 2021 data referred to the number of negative-outcome notices from the audits performed on the employees covered by SGSL. Starting from 2022, the methodology for this computation has changed, now referring to the company population submitted to internal verifications/inspections (e.g., inspections performed by the site's RSPP).
- ²⁵ The 2020 and 2021 data referred to the number of negative-outcome notices from the audits performed on the employees covered by SGSL. Starting from 2022, the methodology for this computation has changed, now referring to the company population submitted to audits by third-party certification bodies (in relation with the renewal of the ISO 45001 certification).
- ²⁶ The 2021 and 2020 data refer exclusively to Sanlorenzo S.p.A.
- ²⁷ Estimated data.
- ²⁸ The 2020 and 2021 data referred to the number of negative-outcome notices from the audits performed on the contractor workers covered by SGSL. Starting from 2022, the methodology for this computation has changed, now referring to the contractor workers submitted to internal verifications/inspections (e.g., inspections performed by the site's RSPP).
- ²⁹ The 2020 and 2021 data referred to the number of negative-outcome notices from the audits performed on the contractor workers covered by SGSL. Starting from 2022, the methodology for this computation has changed, now referring to the contractor workers submitted to audits by third-party certification bodies (in relation with the renewal of the ISO 45001 certification).
- ³⁰ No performance review is carried out for employees of the Sanlorenzo of the Americas LLC and Polo Nautico Viareggio S.r.l. companies
- ³¹ For the Office workers professional category, the performance evaluation is envisaged only for those for whom MBOs are recognised.
- ³² The following Group companies are included in the calculation: Sanlorenzo S.p.A., Bluegame S.r.l., Polo Nautico Viareggio S.r.l., I.C.Y. S.r.l., Equinox S.r.l. and Equinox International S.r.l.
- ³³ The 2021 data has been restated to include the Sanlorenzo Baleari S.L. company in the calculation of foreign employees.
- ³⁴ The 2020 data has been restated to also include Bluegame S.r.l. employees in the calculation.

NOTES

- ³⁵ The 2020 data has been restated to include the Sanlorenzo Baleari S.L. company in the calculation of foreign employees.
- ³⁶ Rules for the CE Certification of Pleasure Crafts and related Components, jet skis, noise emission 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.
- ³⁷ Consumption relating to the Ameglia shipyard also includes the part attributable to Bluegame work and the share of energy consumed by the I.C.Y. S.r.l. company
- ³⁸ The share of electricity purchased from renewable sources was calculated using the specific percentage of the energy mix of the supplier(s) supplying the shipyards.
- ³⁹ The 2021 data has been restated because of a mistake in the previous calculation.
- ⁴⁰ The Bluegame fuel values for 2020 and 2021, previously not counted, have also been included. Moreover, this data was restated due to inaccuracies identified in the calculation processes previously used.
- ⁴¹ Diesel for sea trials includes the entire quantity purchased by the Companies, including the portion of diesel not used directly by them for this purpose and therefore kept inside the yachts and subsequently used by the shipowner. In 2022, the reported value refers to the Yacht Business Unit only.
- ⁴² Petrol consumption for company vehicles was included also for 2021 and 2020, previously not accounted for in the total consumption calculation.
- ⁴³ The data corresponding to Polo Nautico Viareggio S.r.l. is also included
- ⁴⁴ The 2020 and 2021 data relating to the various fuels used was restated due to inaccuracies identified in the calculation processes previously used.
- ⁴⁵ Petrol consumption for company vehicles was included also for 2021 and 2020, previously not accounted for in the total consumption calculation.
- ⁴⁶ Energy intensity includes both the consumption from the production plants and the fuels used for sea trials and company vehicles.
- ⁴⁷ In 2022, a change was made in the methods used for calculating the total GT, to ensure alignment with the internationally defined parameters. The total GT includes both the Yacht Business Unit and the Bluegame Business Unit.
- ⁴⁸ The 2022 data also includes I.C.Y. S.r.l. values
- ⁴⁹ The 2022 data also include the Polo Nautico Viareggio S.r.l. values
- ⁵⁰ The 2020 and 2021 values communicated in the previous NFS, calculated with the DEFRA conversion factors, are shown in brackets.
- ⁵¹ Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l. have not generated these types of emissions into the atmosphere.
- ⁵² The data also includes the waste produced by the Polo Nautico Viareggio S.r.l. company
- ⁵³ The figure has been restated due to a typo in the previous NFS.
- ⁵⁴ The figure has been restated due to a typo in the previous NFS.
- ⁵⁵ The data relating to the Polo Nautico Viareggio S.r.l. company is not included as it was not possible to recover the type of destination of the waste. In 2022, the company produced 5.7 tons of hazardous waste and 10.5 tons of non-hazardous waste. The overall data is included in the GRI 306-3 table of the Superyacht Business Unit
- ⁵⁶ Data relating to I.C.Y. S.r.l. is also included
- ⁵⁷ Delegated Regulation (EU) 2021/2139 of the European Commission.
- ⁵⁸ The list of eligible activities varies; the European Commission plans to progressively include economic activities not included to date.

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Technical-methodological support
Message

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