

THE ITALIAN SEA GROUP

2023 CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 254 OF 2016

PICCHIOTTI
SINCE 1875

 ADMIRAL








 PERINI NAVI

TECNOMAR

NCA REFIT

CELI
1920

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LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

2023 was another year filled with important achievements and further growth for our Group, despite the challenging international environment. We have shown vision, determination and an ability to overcome many complex issues of exogenous nature, with commitment and great dedication.

We have achieved exciting results from the commercial and financial perspective and in terms of our geographical presence around the world; we have strengthened the positioning of our brands in the luxury segment on a global level; and we have acquired the historic woodworking company CELI 1920, a top quality player in the high-end cabinetmaking sector, for which we have made important development plans.

The year 2023 also marked the return of The Italian Sea Group to the Monaco Yacht Show with six yachts on display, including three new custom-made models, and saw the completion of investments in the production capacity of the Marina di Carrara and La Spezia shipyards, which allowed us to boost both our shipbuilding and our refitting activities.

We fulfilled all the promises made to our stakeholders and exceeded the expectations of our shareholders and the financial community, earning revenues of Euro 364 million and an EBITDA margin of 17%, well above the Guidance announced at the beginning of the year. These results have been achievable through the great joint efforts of our managers, employees, suppliers, partners and investors - all of whom are active participants in a virtuous system of mutual respect and effective cooperation.

In this context, Social Responsibility represents the strategic foundation of our business, as well as the guiding principle behind every choice we make on a daily basis. Therefore, we have also achieved major milestones in the ESG area, both in environmental, social and governance terms.

Primarily, this includes obtaining the ESG rating from the Rating Agency Cerved, a rating equal to a triple B in the high performance range and corresponding to a high ability to manage risk factors and opportunities. This rating is testimony to our strong degree of awareness of ESG issues and the high level of integration of sustainability aspects into our corporate governance model.



G I O V A N N I
C O S T A N T I N O

From an environmental point of view, our efficient management system and the many initiatives we have put in place - from the implementation of photovoltaic plants in all facilities to the achievement of major steps in the decarbonisation process - have seen us obtain the ISO 14001:2015 certification one year ahead of the target we had set ourselves.

During 2023, we paid great attention to the supply chain, a strategic asset of our business, by mapping all our suppliers in Italy and abroad in terms of ESG and by entering into further factoring agreements with leading institutions to support the liquidity of the supply chain companies.

We have paid great attention to our people, in whom we have made significant investments. We carried out a climate survey involving all Group employees in Italy and abroad, to listen to their opinions and to gain an understanding of their needs; we more than doubled the average hours of training for each employee; and we launched the NewGen project to facilitate access to the working world for very young resources, starting with the Quality Department, the flagship of our organisation.

2023 also saw us join the UN Global Compact, the world's largest initiative calling on companies to align their businesses and strategies with ten universally accepted principles in the areas of Human Rights, Labour, the Environment and Anti-Corruption, and to take action to support the achievement of the UN Sustainable Development Goals (SDGs).

We have continued - and will continue - to invest in the search for innovative solutions to reduce the environmental impact of our yachts, with important features aimed, among other things, at generating green energy on board and at reducing atmospheric emissions. From this perspective, the Art Explorer catamaran, presented at the Monaco Yacht Show, already represents a benchmark for the sector.

The 2023 Non-Financial Statement presents detailed information on what we have achieved so far and what we are committed to achieving in the coming years. With the commitment and dedication that we put into every activity, we will continue to implement the three-year ESG plan, in full awareness that the success of any business cannot be separated from the development of a sustainable system that benefits all stakeholders and the community as a whole.

I would like to thank the tireless family of The Italian Sea Group, which every day makes a fundamental contribution to developing our "factory of emotions" at various levels. I would also sincerely like to thank you, the stakeholders, who continue to believe in our project and walk alongside us: I am sure that, together, we will continue to build sustainable value for years to come.



FOUNDER AND CEO

TISG



1

IDENTITY AND STRATEGY

IDENTITY AND STRATEGY

1,260 YACHTS
FROM 1575 TO THE PRESENT

2 DIVISIONS
SHIPBUILDING AND REFIT

6
BRANDS

PARTNERSHIPS
WITH LEADING ITALIAN
LUXURY BRANDS

120,000 M²
FACILITIES MARINA DI CARRARA

32,000 M²
FACILITIES LA SPEZIA

30,000 M²
FACILITIES CELI 1920

30,000 M²
7 SHIPYARDS - TISG TURKEY

27,000 M²
SOLAR PANELS IN ALL
FACILITIES

THE ITALIAN SEA GROUP

The Italian Sea Group (hereafter also "TISG") is a company listed on EuroNext Milan and one of the most renowned groups in the international yachting industry, an absolute benchmark in the design and construction of yachts from 20 to 100 metres in length and in the refit of yachts up to 140 metres. With shipyards strategically located near the ports of Marina di Carrara and La Spezia and state-of-the-art facilities also in Viareggio, Terni and Turkey, The Italian Sea Group has seen the launch of 1,260 yachts since 1575 until today. The Group includes the following brands: Picchiotti, Admiral, Perini Navi, Tecnomar, NCA Refit and CELI.

The Headquarters in Marina di Carrara covers an area of over 120,000 square metres and boasts a state-of-the-art production site, equipped with two dry docks, one of which is covered, of 200 and 147 metres respectively, 12 production areas for the shipbuilding division, 25 for the Refit division, a total lifting capacity of 1,000 tonnes, 1,000 metres of dock and 3,300 tonnes of floating barges, enhanced for launching yachts and mega yachts up to 100 metres and beyond.

The Group's Headquarters, which are being enlarged by approximately 3,500 square metres, present an environment of elegant and refined design, emblematic of the style and attention to detail that constitute some of the founding features of The Italian Sea Group.

The La Spezia shipyard covers an area of approximately 32,000 square metres and offers 3 production slots for yachts up to 70 metres and 14 slots for the Refit division, as well as housing the entire Tecnomar for Lamborghini 63 production. In Viareggio, the new joinery hub was inaugurated where Perini Navi's historic joinery was located, together with a commercial flagship. As a result of the investments made in the relaunch of the newly acquired CELI 1920, and thanks to the purchase of two new warehouses, the current production capacity amounts to around 30,000 square metres.

In Turkey, where TISG cooperates with long-term partners for the construction of hulls and superstructures, the company can count on 7 shipyards totalling some 30,000 square metres, which ensure the simultaneous production of 13 yachts up to 100 metres.

Confirming its strategic positioning in the high-end segment, TISG has developed partnerships with important Italian luxury brands: Giorgio Armani, for the creation of yachts bearing his signature, expressing the fusion of two excellences of Italian style in fashion and boating, and Automobili Lamborghini, for the design and realisation of the "Tecnomar for Lamborghini 63", a limited edition motor-yacht with extraordinary performance and quality beyond all limits.



STRATEGY AND BUSINESS MODEL

The highest aesthetic and quality standards are an essential part of the philosophy of The Italian Sea Group, which focuses its strategy on the design and production of fully customised, large-sized yachts. The business model, aimed at total customer satisfaction, consists of two divisions: Shipbuilding and Refit.

SHIPBUILDING



The core business of The Italian Sea Group consists of yacht construction through the Picchiotti, Admiral, Perini Navi and Tecnomar brands. The Company concentrates its activity on mega and giga yachts over 50 metres, totally customised both in terms of exterior lines as well as interiors, and relies on a strong design and production capacity and a know-how that has been consolidated over the years, which has allowed TISG to position itself in the highest segment of the market in terms of technical and aesthetic quality, with a strong emphasis on a typically Italian style and a flexible approach to the requests of the most demanding customers.

TISG recently launched a number of semi-custom yacht lines such as Panorama, Gentleman Picchiotti and Admiral 40, to optimise production capacity and contribute to further business development, without requiring significant design effort from the in-house team of engineers and architects.

REFIT



Parallel to shipbuilding activities, TISG carries out refit activities on yachts up to 140 metres in length, housed in the Company's state-of-the-art facilities. The broad spectrum of refit activities ranges from routine maintenance and equipment upgrades to the modification of furnishings to more complex retrofits and modification or expansion of on-board spaces.

TISG has also developed a sophisticated reception and hospitality system for the crews of yachts in refit, offering them an attentive concierge service and providing the Village, a luxury facility where crews can enjoy services such as a gym, a SPA and a gourmet restaurant.



THE PILLARS OF THE STRATEGY

FOCUS ON LARGE YACHTS



Thanks to state-of-the-art facilities enabling the simultaneous construction of large yachts, TISG focuses its strategy on the mega and giga yacht segment, which guarantees a higher backlog visibility over the years. The 50-metre-plus yacht segment, TISG's main focus, accounts for over 80% of the Company's order book and has shown strong resilience in recent years, thanks in part to a significant increase in the number of Ultra High Net Worth Individuals.

OPTIMISATION OF PRODUCTION CAPACITY



Thanks to the acquisition of the Perini Navi complex and the investment plans called TISG 4.0 and 4.1, the Group has significantly expanded its production capacity. The optimisation of the same is at the heart of its strategy, also through new semi-custom production projects.

RELAUNCH OF PERINI NAVI



The relaunch of the historic brand involves the creation of sailing yachts with classic lines and, at the same time, the launch of the new "Genesis" fleet, which offers a renewed contemporary aesthetic, while respecting the Perini Navi tradition.

STRATEGIC PARTNERSHIPS IN THE LUXURY SECTOR



The Italian Sea Group strengthens its market positioning also thanks to important collaboration agreements with leading brands in the luxury and Made in Italy sector, with which it shares the same values. Examples of this are the limited edition project Tecnomar for Lamborghini 63, in collaboration with Automobili Lamborghini and the well-established collaboration with Giorgio Armani for the design of exterior and interior lines of Admiral brand yachts.

ESG INITIATIVES



TISG's ESG strategy is strongly interconnected with the business strategy and is part of the Company's DNA. From an environmental point of view, TISG adopts a proactive approach with a strong focus on innovation and sustainable materials; the Company uses mainly aluminium and steel for its yachts and invests in research into propulsion systems and innovative solutions for reducing emissions and generating green energy on board the yachts. In addition, it meets a large part of its energy needs thanks to the self-generation of energy from photovoltaic systems installed in its facilities. Great attention is paid to human resources and their continuous training thanks to the TISG Academy, a project dedicated to the training of employees and undergraduates from the Universities of Genoa, La Spezia and Trieste, through courses of excellence held by university professors and industry professionals.

THE HISTORY

The Italian Sea Group (TISG) was born from the vision of its Founder, Giovanni Costantino, who after a solid entrepreneurial and business experience gained in the furniture industry, acquired in 2009 100% of Tecnomar S.p.A., a company specialised in the construction of sports and high-performance yachts, and in 2011 Admiral S.p.A., a company specialised in the production of steel and aluminium super yachts.

The growth in the number of contracts and the increase in the size of yachts being built required investment in a larger production site with direct access to the sea. Therefore, in December 2012, GC Holding S.p.A., a company owned by Giovanni Costantino, acquired 100% of the share capital of Nuovi Cantieri Apuania S.p.A. (today The Italian Sea Group S.p.A.), a state-owned company in deep crisis that builds commercial and cruise ships in its Marina di Carrara shipyard. Founded in 1942 and thanks to very advanced facilities for the time, the shipyard in Marina di Carrara, which today is the headquarters of TISG, in just a few years specialised in the construction of medium-tonnage ships. During the 1950s and 1960s, a further expansion of the equipment allowed the shipyard to build increasingly larger constructions. In 1973, the structure was further expanded with the construction of a dry dock, 200 metres in length and 35 metres in width. The acquisition of the shipyard by Giovanni Costantino ensures the maintenance of employment levels and the relaunch of a company currently in crisis but with a recent past as a leading player in shipbuilding. The acquisition also allows TISG to expand production capacity and retain valuable know-how specialising in the construction of large ships.

Over time, important investments were made, such as the extension and complete renovation of the company headquarters, the organisation of areas dedicated to new production, the construction of a steelworks, upholstery and woodworking business unit, and the expansion of areas dedicated to refit activities, which began in 2015 and were favoured by the strategic location of the facilities, close to renowned tourist destinations and therefore a privileged stopover for yachts sailing in the Mediterranean. In 2020, the Board of Directors of TISG approved an investment plan ("TISG 4.0") for approximately

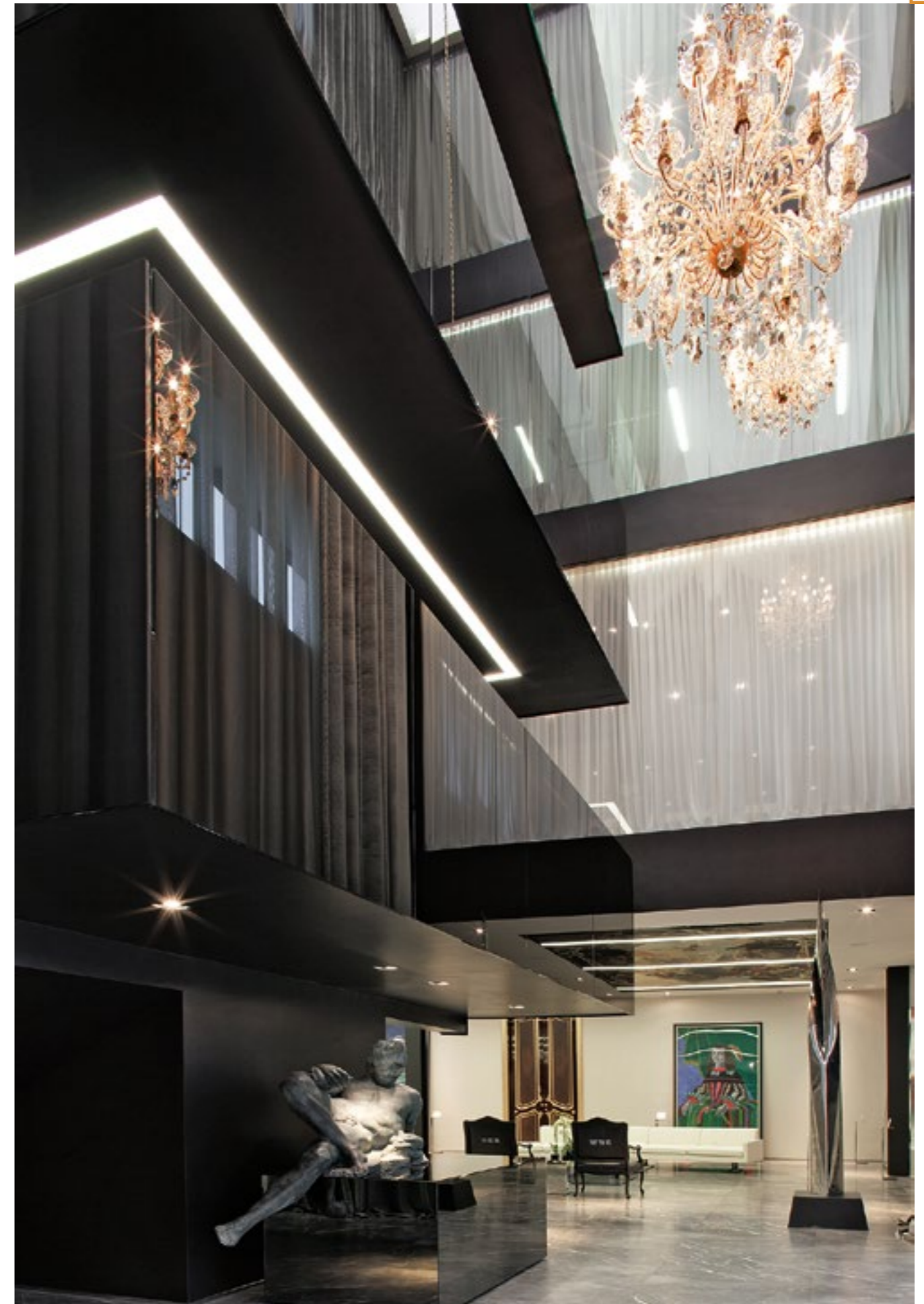
Euro 40 million, with the aim of further increasing the shipyard's production capacity.

On 3 June 2021, the offer for the sale and subscription of the Parent Company's ordinary shares for the purpose of listing on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., now called Euronext Milan, was completed, and 8 June 2021 represented the first day of trading of the shares of The Italian Sea Group S.p.A. (TISG).

On 4 November 2021, the Board of Directors resolved on a further investment plan called TISG 4.1 worth Euro 14 million, to be completed in the course of 2022.

The company's growth did not stop and on 22 December 2021 TISG, through its wholly-owned subsidiary, New Sail S.r.l., then merged by incorporation on 10 June 2022, was awarded the auction called by the Court of Lucca for the bankruptcy of Perini Navi S.p.A., for a total value of Euro 80 million. The business complex includes, in addition to the historical Perini Navi and Picchiotti brands, the shipyards in Viareggio and La Spezia, the real estate assets of Pisa, a 47-metre ship under construction, the patents and the shareholding (100%) in Perini Navi U.S.A. Inc., as well as existing legal relationships with employees and third parties. The acquisition was completed in January 2022.

During 2022, the Group's expansion continued and in August TISG completed the acquisition of 100% of the shares of TISG Turkey Yat Tersanecilik Anonim Sirketi ("TISG Turkey") from GC Holding S.p.A. This transaction allows the Group to consolidate the entire production process, ensuring even more integrated operations management and favouring direct investment strategies from TISG to TISG Turkey.



SIGNIFICANT EVENTS OF 2023

2023 marked a year of further growth for the Group, which in January, on the occasion of its first Capital Markets' Day, presented the market with an update on its strategy and economic-financial objectives.

FEBRUARY
2023

UNVEILING OF FIRST M/Y ADMIRAL | ARMANI

On 11 February 2023, TISG unveiled the first Admiral | Armani under construction, a yacht designed in collaboration with Giorgio Armani, at a gala evening held at the Group's headquarters in Marina di Carrara attended by yacht owners, celebrities, brokers, journalists and members of the financial community. At the end of February 2023, the Group announced the tragic and untimely death of Vice-Chairperson President Giuseppe Taranto.

MARCH
2023

CO-OPTATION OF A DIRECTOR

On 3 March 2023, the Board of Directors resolved to co-opt Chief Financial Officer Marco Carniani to the position of Vice-Chairman. Mr Carniani was confirmed as a director by the Shareholders' Meeting, held on 27 April 2023, which provided for the renewal of corporate offices.

PRESENTATION OF THE PERINI NAVI "GENESIS" FLEET

In March 2023, TISG presented the new Perini Navi fleet consisting of three lines of sailing yachts of 48, 56 and 77 metres. The fleet, called "Genesis", confirms the very high positioning of Perini Navi as a global player in large sailing yachts.

APRIL
2023

CELI ACQUISITION

On 17 April 2023, the Group announced the acquisition of 100% of the shares of the woodworking company Celi S.r.l. ("Celi"), in line with its strategy of internalising production processes with higher added value. The integration of Celi's transversal competencies within the Group will allow TISG to further consolidate its internal know-how and have greater control over its furniture and joinery activities, not only in terms of cost but also timing and quality.

APPOINTMENT OF NEW BOARD OF DIRECTORS AND PRESENTATION OF THE FIRST NFS

On 27 April 2023, TISG's Shareholders' Meeting appointed the new Board of Directors, composed by 7 members of which 3 are independent directors, and the new Board of Statutory Auditors. Furthermore, the first TISG's Non-Financial Statement (NFS) was presented to the Shareholders' Meeting, with the objective of representing the Group's sustainability roadmap, the achieved results, and the future objectives in a transparent way.

MAY
2023

ANNOUNCEMENT OF THE SALE OF THREE ADMIRAL 70-METRE GC-FORCE MODEL MEGA-YACHTS

In May 2023, TISG announced the sale of three Admiral 70-metre GC-Force model mega-yachts to a single customer, a European family office. The transaction confirms the positioning and validity of TISG's strategy, which focuses its core business on the construction of yachts from 50 to 100 metres and above, and provides greater long-term visibility to the order book.

M/Y ADMIRAL KENSHO, PROCLAIMED MOTOR-YACHT OF THE YEAR

Demonstrating the excellence of the yachts produced by The Italian Sea Group, on 20 May the 75-metre motor-yacht Admiral Kensho was proclaimed Motor-yacht of the Year at Boat International's prestigious World Super-yacht Awards 2023. During that same event, the yacht has also won in the "Displacement Motor-yacht 1,500 GT and Above" category.

OBTAINING THE FIRST ESG RATING

Confirming its commitment to the development of a sustainable business model, in June TISG was awarded an ESG rating of BBB in the high performance band by Cerved Rating Agency ("Cerved"), corresponding to a high capacity to manage environmental, social and corporate governance factors. The analysis carried out by Cerved highlighted the high capability to manage risk factors as well as ESG opportunities, placing TISG above the average of Companies in the sector and highlighting a high degree of awareness of ESG issues. In particular, risk management and objective planning resulted appropriately supervised through a high integration level of the sustainability topics into the Corporate Governance model.

JUNE
2023

NEUTRALISATION OF SCOPE 1 AND SCOPE 2 CO2 EMISSIONS IN 2022

In July 2023, TISG neutralised the Scope 1 and Scope 2 CO2 emissions (market-based) generated during the 2022 financial year. The neutralisation occurred through the cancellation of carbon credits generated by the VCS 535 - Akocak Hydroelectric Power Plant project in Turkey.

JULY
2023

PRESENTATION OF THIS IS IT AND THE ARTEXPLORER AT THE MONACO YACHT SHOW

In September, TISG took centre stage at the 32nd Monaco Yacht Show and promoted new stylistic paradigms in luxury yachting with the premiere of some of its newly launched yachts, including the 44-metre motor catamaran "This is it" and the 47-metre sailing catamaran "Artexplorer".

SEPTEMBER
2023

ISO 14001:2015 CERTIFICATION FOR THE MARINA DI CARRARA AND LA SPEZIA LOCATIONS

In October, TISG obtained ISO 14001:2015 certification, confirming its commitment to environmental sustainability and continuing to implement its ESG plan. Issued by RINA, one of the most authoritative accredited certification bodies at an international level, the certification was obtained for the Marina di Carrara and La Spezia shipyards, confirming the adoption of an effective environmental management system by the Company, which has always paid great attention to reducing the environmental impacts generated by its business, promoting a conscious and efficient consumption of resources and a meticulous waste reduction policy.

OCTOBER
2023

RENOVATION OF PERINI NAVI VIAREGGIO AND INAUGURATION OF THE NEW CELI HEADQUARTERS

In December, the renovation of one of Perini Navi's locations in Viareggio was completed and the brand's historic joinery workshop was restarted. The new headquarters of CELI 1920 was also inaugurated, following major renovations and the expansion of the production area from 10,000 to 40,000 square metres. Photovoltaic, thermo-solar and geothermal plants enable the self-production of green energy.

DECEMBER
2023

JOINED THE UN GLOBAL COMPACT

In 2023, TISG also joined the UN Global Compact, the world's largest initiative calling on companies to align their businesses and strategies with Ten universally accepted Principles in the areas of Human Rights, Labour, the Environment and Anti-corruption, and to take action to support the achievement of the UN Sustainable Development Goals (SDGs).

THE BRANDS

PICCHIOTTI

The Picchiotti name has been inextricably linked to the history of Italian and Mediterranean seafaring since 1575. It is a tradition that led from work boats to ocean-going sailing ships, then to military orders to finally arrive to the pioneering years of the first pleasure yachts. Since 2010, the Picchiotti name has returned to the contemporary yachting world with three ships in the Vitruvius line. Today, this tradition has merged into The Italian Sea Group.

Craftsmanship, attention to detail and the ability to combine tradition and innovation in a unique design - these are the hallmarks of Picchiotti and Made in Italy. Picchiotti has combined this with a continuous search for new construction techniques.

In fact, it was the first shipyard to create recreational motor cruisers in series such as the Giglio 10 metres, the Giannutri 14.50 metres, the Gorgona, the Giraglia or the Mistral.



ADMIRAL

As the flagship brand of The Italian Sea Group, Admiral is recognised and appreciated for its elegance, classicism and prestige. Founded in 1966, Admiral has launched 148 yachts over the years, fulfilling the dreams of the most demanding yacht owners.

The first wooden 18-metre Admiral was launched in 1966, while in the mid-1970s the first wooden 30-metre motor yacht was launched, very rare and prestigious for that time. At the beginning of the 1980s, the first aluminium and steel hulls

were built. The product range Admiral offers the market today includes super-yachts, mega-yachts and giga-yachts characterised by elegance, timeless style, and total customisation. Expertise, professionalism and unique infrastructure on the Mediterranean guarantee the highest quality standards in the design and production of yachts up to and over 100 metres.

Technical and stylistic innovation ensure a valuable added value to each of the brand's creations.



PERINI NAVI

Innovative and a source of inspiration for entire generations, Perini Navi has been a world leader in the design and construction of large modern sailing yachts for almost 40 years.

Founded in 1983 by Fabio Perini, who was the first to design and build automatic systems for sail plans and large yachts that could be manoeuvred by a small crew, Perini Navi charted a new course in the modern sailing yacht market. Its founder's vision led to the creation of a fleet of 60 sailing ships, jewels of the sea admired by yacht owners

and sailing enthusiasts all over the world; one of them is the legendary The Maltese Falcon, an 88-metre clipper that marked a revolution in sailing technology, introducing the world to the sail system now known as the Falcon Rig.

In 2021 Perini Navi became part of The Italian Sea Group, which will continue its historic tradition, combining it with the stylistic and technological innovation that is one of the Group's founding features.

TECNOMAR

Founded in Viareggio in 1987, Tecnomar initially distinguished itself for the production of 20-metre open powerboats characterised by high sportiness and innovative design. Shortly afterwards, with the aim of optimising the production cycle, the company moved its sales and production offices to the industrial area of Massa Carrara. To date, the Tecnomar brand has delivered 294 yachts and offers vessels up to 50 metres, whose distinctive features such as sportiness and cutting-edge design are supported by robust and reliable mechanical services.

Each model represents a design challenge balancing the elegance of the best Italian nautical tradition and the use of innovative technologies and materials.

Now known throughout the world is the partnership with the historic "Automobili Lamborghini" brand that led to the creation of the "Tecnomar for Lamborghini 63" yacht line, a project inspired by the performance of supersport cars that represents not simply an exercise in style and design, but the cutting edge of luxury speed boats.



NCA REFIT

Since 1942, NCA has specialised in the refit of super yachts and mega sailing and motor yachts and combines a range of exclusive services reserved for crews. Backed by the skills and expertise acquired over more than 70 years of experience in the industry, NCA Refit can count on a team of highly qualified engineers, architects and technicians. The unique characteristics of its infrastructure make NCA Refit one of the most important naval hubs in the Mediterranean. NCA Refit operates shipyards in Marina di Carrara, La Spezia and Viareggio covering a total of 136,000 square metres. NCA Refit relies on TISG's excellent infrastructure: these include a 200-metre

dry dock, the largest in the Mediterranean, a second 147-metre long dock, a sinking dock of up to 3,300 tonnes, two travel lifts of 260 tonnes and 820 tonnes, a keel pit and a 1,000 tonnes syncro lift.

NCA Refit also distinguishes itself from its competitors by the care and attention it pays to the crews of its customers. From 2019, with the inauguration of the "Village", the Company will in fact provide the crews, as well as its employees, with excellent services such as a Gourmet Restaurant, a Lounge Bar, a gym and a luxurious SPA.



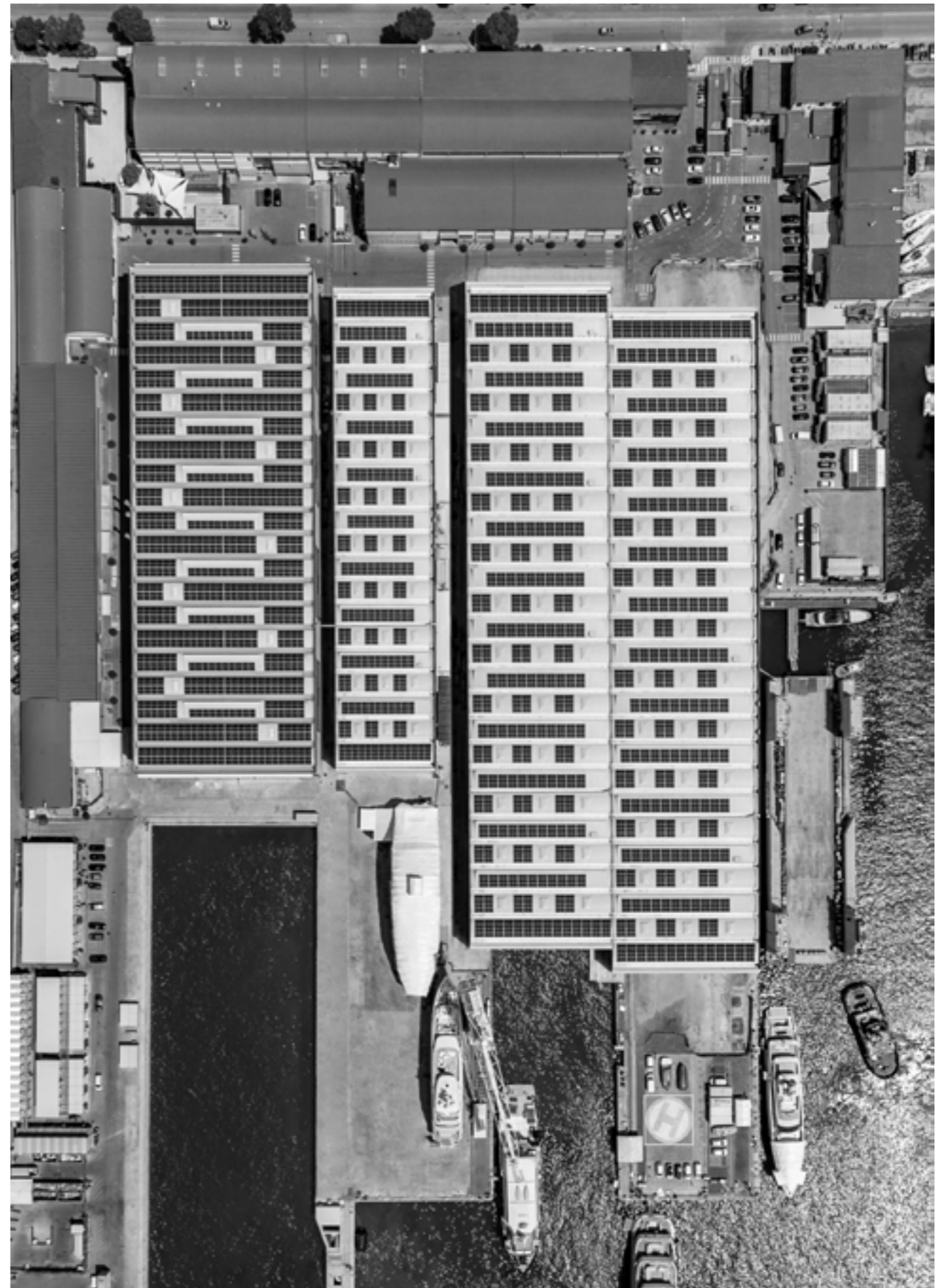
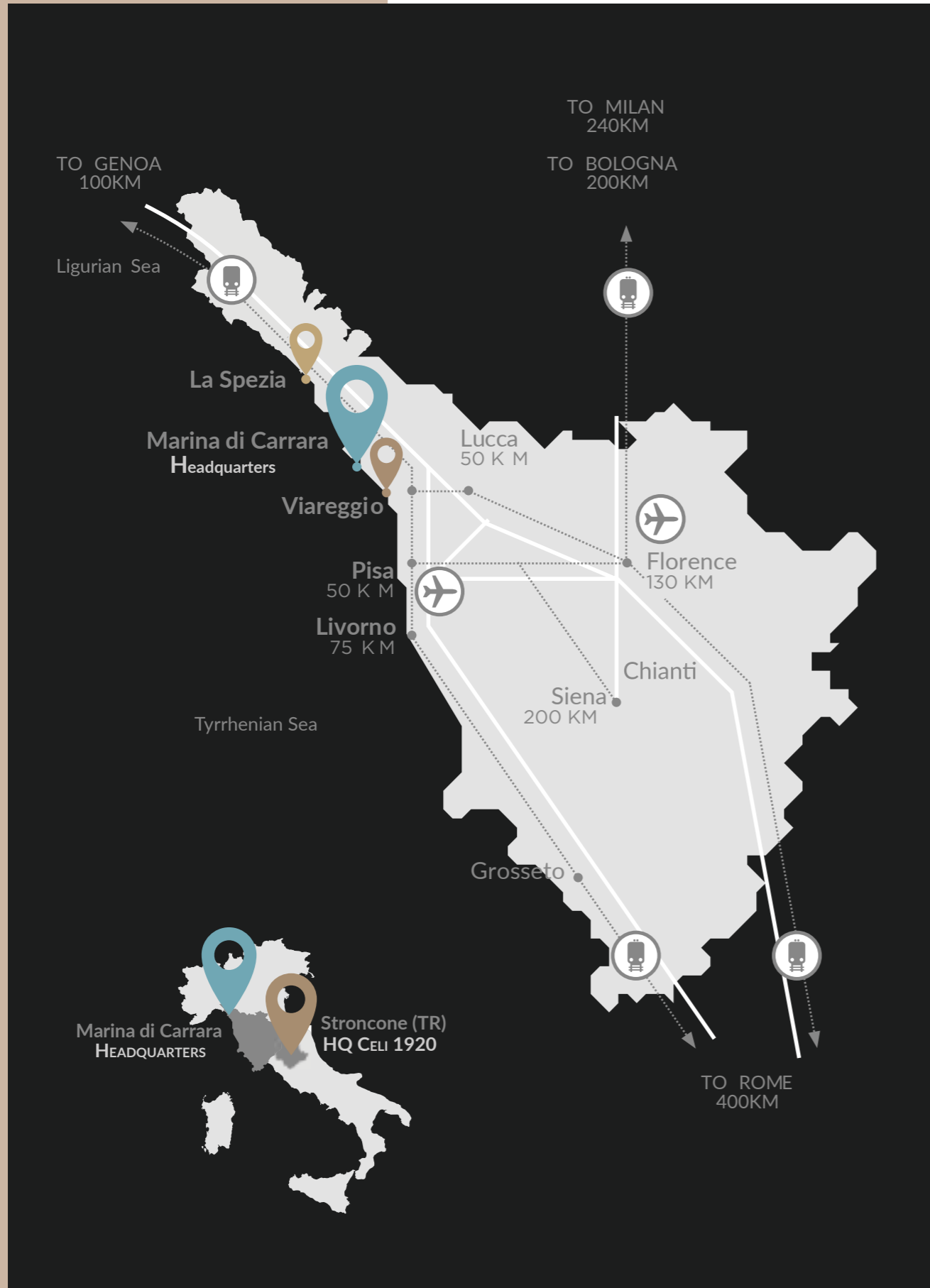
CELI 1920

Experience, craftsmanship and technology make the CELI 1920 joinery an international benchmark in the design and production of high quality furniture. Over time, CELI has combined precision in cabinetmaking with a rigorous construction method and the use of advanced production technologies, retaining all the values and qualities of "handmade" products.

Since its founding in 1920, CELI's aim has been to give impeccable technical answers and provide advanced solutions to achieve, on every occasion,

a result of excellence that stems from a great love of beauty and exclusivity.

Thanks to its long experience in cabinetmaking, rigorous construction methodology and ability to handle ever-increasing design complexity, CELI has brought ancient construction techniques back to life, restoring prestige to historic buildings such as theatres, museums, bank headquarters and courthouses, as well as creating cutting-edge solutions for hotels and showrooms, and of course yachts.

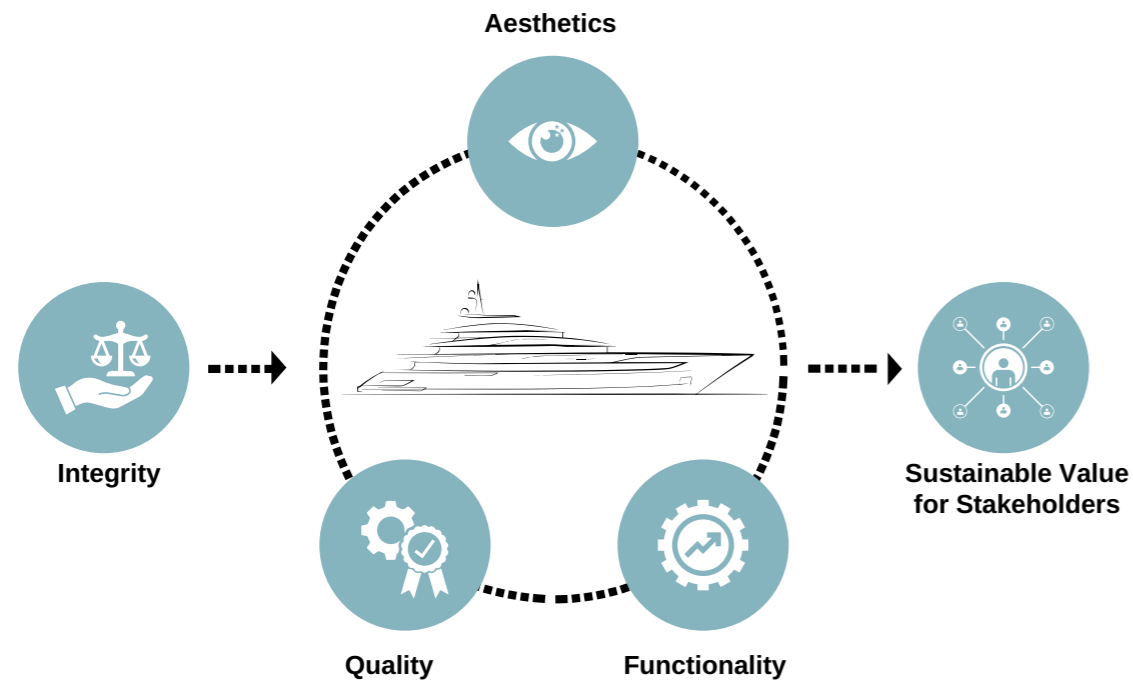


MISSION AND VALUES

OUR MISSION



Designing, challenging ourselves and taking our aspirations to ever higher levels are cornerstones of our company. The goal is to build yachts that are unique and identifiable for their unparalleled aesthetic, qualitative and functional characteristics, while maintaining the highest integrity and sustainability for the our stakeholders.



OUR VALUES

The need to live up to our high standards of professional and ethical behaviour remains at the basis of our actions and decisions. It is through constant and daily dedication that our values are put into practice, and it is through their implementation that employees, shareholders, customers, suppliers and the territory benefit.

INTEGRITY



Each of us, even in our own small and personal sphere, is responsible for high ethical and moral standards. It is profoundly important to us that we never abandon our commitments as conscientious citizens and employees, treating collaborators, customers, suppliers and stakeholders of the Group with respect.

SAFETY



The first step in safeguarding a healthy and safe working environment is to value employees, without compromising when it comes to their well-being and safety. It is the Group's constant commitment to set and maintain very strict criteria, which are continuously reviewed and modified to avoid any risk. The corporate principles must be actively observed by the employees themselves, who are responsible for their own safety and the safety of others.

QUALITY



Our every choice and action is guided by a relentless pursuit of quality. It is our standards, so inflexible and uncompromising, that lead to excellent products and services. It is our unending desire to always perfect ourselves that inspires confidence in our yacht owners when choosing us to build their yachts.

ART AND BEAUTY



A love of art and beauty pervades our corporate culture in every aspect and is revealed in our projects as well as in the environment in which we work. We breathe beauty to be able to create true works of art, jewels of the sea for our yacht owners. We are modern patrons who love to provide visibility and opportunities to young talents in contemporary art.

RESPONSIBILITY



We are aware of the responsibility we have towards our stakeholders and the community. It is essential for us to keep our promises and commitments, acting with full respect for others and the environment, with the aim of creating sustainable value in the long term.

RESEARCH AND PRODUCT INNOVATION

Always at the forefront of research and innovation, TISG has pioneered the creation of systems that have led to the definition of a new standard, also in terms of environmental responsibility.

Indeed, in 2016 it launched Quinta Essentia, a 55-metre Admiral-branded motor yacht that is the world's first in its size range with a hybrid propulsion system.

Over the years, it has continued to invest in R&D, going so far as to offer megayachts with advanced variable-speed diesel-electric propulsion systems, i.e., that produce only the energy required by the vessel, optimising consumption and limiting emissions, vibrations and noise pollution.

It also installs on board solar panels for green energy production, advanced catalytic filters, DPF (Diesel Particulate Filters) systems for particulate abatement and innovative exhaust gas treatment technology for reducing nitrogen oxide (NOx) emissions.



THE S/Y ARTEXPLOLER: DESIGN, ART AND ENVIRONMENTAL SUSTAINABILITY



At the Monaco Yacht Show 2023, TISG presented the world premiere of Art Explorer, one of the world's largest aluminium sailing catamarans.

With a length of 47 metres, an exceptional beam of 17.3 metres and an impressive all-carbon sail plan with a 55-metre high mast, Art Explorer is a unique, state-of-the-art project.

The superyacht was designed by architect Axel De Beaufort, who oversaw the interior and exterior design. The naval architecture is by Axel de Beaufort and Guillaume Verdier.

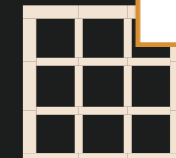
Art Explorer will be a true museum in navigation, the first and only one of its kind. For two years it will bring artistic experiences and strong environmental awareness around the world.

The flybridge will be used as an area for virtual exhibitions, workshops and conferences, while the main salon will

be transformed into an art gallery and will host "Icons", a digital exhibition on the representation of women in the Mediterranean managed by Noëmi Daucé, curator of archaeology at the Louvre Museum in Abu Dhabi.

The sustainability features that this extraordinary superyacht presents are absolutely cutting-edge:

- 60 square metres of solar panels have been installed on the deckhouse, allowing an instantaneous production of 12 kW, for a total accumulation of more than 60 kW per day;
- this system is supported by a lithium battery bank that enables zero-emission electric generation for more than 6 hours at full on-board load;
- the yacht has a "green" class notation and is equipped with catalytic filters to reduce emissions and particulates;
- all manoeuvres in and out of port and in protected areas will be carried out in full-electric mode.



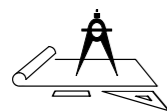
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SUSTAINABILITY OF TISG

SUSTAINABILITY OF TISG

CONTEXT ANALYSIS

The certainty of the pressing need to act against climate change and overcome sustainability challenges has driven the entire yachting industry to work towards greater environmental efficiency. Environmental awareness is also spreading fast among yacht owners, especially those belonging to the younger generation. In fact, several studies have confirmed that the average age of yacht owners will see a significant reduction in the near future, and the consumer in the 35-45 age bracket is well known to be very attentive to issues of technological and sustainable innovation, and it is also for this reason that it is important for the nautical sector to move towards actions aimed at achieving reductions in impacts (specifically, clearly environmental ones) compared to current levels. The industry has undergone a major shift towards environmentally friendly practices. Today, there is a growing awareness among yacht manufacturers, designers and owners of the urgent need to minimise environmental impact and promote sustainable practices. This paradigm shift is evident in various aspects of the industry, from the adoption of innovative propulsion systems and efficient energy technologies to the use of environmentally friendly materials and waste management strategies. The entire industry is moving in this direction, and the range of measures proposed for an improvement in sustainability and more environmentally friendly boat building is extremely varied. The environmental impacts generated by the marine sector are also prompting industry organisations, such as the International Maritime Organization (IMO), in line with international reduction programmes - the Paris Agreement and the European Green Deal - to set greenhouse gas reduction targets to combat climate change.



YACHT DESIGN

Innovation in yacht design is a key factor in improving their sustainability. Optimisation of hull lines and weight distribution, aimed at making the yacht as efficient as possible, results in lower fuel consumption and a reduction in its carbon footprint. Optimisation of the hull shape, together with efficient weight distribution and control, results in a significant reduction in fuel consumption and, consequently, emissions.



ALTERNATIVE PROPULSION

The yachting industry is working intensively to study, together with certification bodies and engine manufacturers, propulsion systems that can gradually replace traditional diesel engines. The transition to alternative propulsion systems, diesel-electric and electric in primis, is a challenge that involves not only yacht manufacturers, but the wider system that acts on yacht utilisation, in terms of procurement of alternative energy sources, disposal and end-of-life of the product.



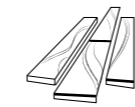
OPTIMISATION OF ENERGY USE FOR LIFE ON BOARD

Alternative fuels and propulsion represent only the tip of the sustainable yachting iceberg; in fact, one of the most significant challenges in terms of emissions is represented by the living part of ships, which can account for up to 75% of total consumption. Technological developments in this respect are beginning to make a difference, through the use of LEDs, occupancy sensors, solar panels and innovative solutions for air conditioning (HVAC), lighting and on-board entertainment systems.



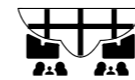
TREATMENT AND DISPOSAL OF WASTE WATER AND POLLUTANTS

A further point of attention is the disposal of waste water and pollutants on board, which requires complex systems and adequate crew training to avoid spills at sea or personal risks.



MATERIALI UTILIZZATI

In addition to structural design, the yachting industry is working hard on research and use of sustainable materials for yacht interiors and exteriors, such as the use of alternatives to teak and the use of paints that are not harmful to the marine eco-system.



PROCESSI E PRODUZIONE

The focus and attention of yacht manufacturers in this context does not stop at the product, but extends to production processes and energy use in facilities. The industry players have put in place several shipyard initiatives to better manage water resources and to protect the marine ecosystems in the vicinity of which the Companies operate, for the recovery of black and grey water, the proper disposal and recycling of materials, and the use of renewable energy sources (e.g., solar panels).



TISG STAKEHOLDERS

In carrying out its activities, The Italian Sea Group deals with numerous stakeholders, who are able to influence the company's operations more or less directly and who have an interest in the Organisation conducting its activities in a responsible and sustainable manner.

For this reason, TISG is committed to ongoing dialogue and engagement initiatives that enable a thorough understanding of its stakeholders' needs and expectations. These interactions are functional to various aspects such as, for example, the identification of the impacts generated by the Group on the environment and on people, an activity aimed at communicating TISG's work to the outside world in a transparent manner and with a view to continuous improvement.

The table below shows the expectations of the different stakeholder categories and the communication tools the Company uses according to the specific type of stakeholder.

STAKEHOLDER CATEGORY	ENGAGEMENT EXPECTATIONS AND OBJECTIVES	COMMUNICATION TOOLS
SHAREHOLDERS AND INVESTORS	Shareholders are economic / financial stakeholders and expect profitable business management that is sustainable in the long term.	Shareholders' Meeting, presentations and roadshows, Capital Markets' Day, conference calls for the presentation of financial results, constant and precise communication of price-sensitive information on the channels designated and approved by Consob and Borsa Italiana (SDIR), meetings and individual calls for in-depth analysis and sharing of strategies, website.
EMPLOYEES	Employees expect not only a working relationship characterised by fairness and stability, but also seek their own professional and personal growth. Attention to health and safety issues plays a key role.	Individual meetings with Managers and the HR Department, internal communication by email from Top Management and Management, TISG Academy.
CLIENTS	Clients expect a product of absolute excellence and delivered on time. The highest quality must pervade the entire process, from the first contact with the sales area, through the construction phase, to the after-sales and refit phase of the yacht.	Commercial presence at the most important yacht shows in the industry, partnerships with brokers, sharing of product information material, shipyard visits and individual meetings with the project team, constant dialogue with project managers, services offered by the "Village", events at TISG sites, assistance from the after-sales and refit team, website, social media channels.
SUPPLIERS	Suppliers expect a solid partner with whom they can build long-term relationships for mutual value creation and the achievement of ever higher quality standards.	Ad hoc contacts and meetings with the purchasing department and the heads of the business areas involved, calls, email communications.

CREDIT INSTITUTIONS	Credit institutions are looking for a solid and reliable partner to accompany them on a path of growth marked by transparency and fairness.	Ad hoc meetings and constant and precise communication and exchange of information.
COMMUNITY	The community expects that The Italian Sea Group's activities will have a positive impact on the territory and the allied industries, guaranteeing employment levels, operating with respect for the environment, safeguarding the health and safety of individuals, and supporting the most fragile.	Information disseminated in the press, meetings with local associations, dialogue with trade union representatives.
PUBLIC ADMINISTRATION	The Public Administration expects fairness in administrative-bureaucratic matters, as well as positive spill-over effects on the territory in terms of employment and the well-being of the local community.	Meetings, calls, email communication.
SUPERVISORY BODIES	The supervisory bodies expect strict compliance with the regulations and legal provisions in force, as well as a transparent dialogue with the company for any further information deemed appropriate.	Face-to-face meetings, calls, email communications, constant and precise communication of information on the channels set up and approved by Consob and Borsa Italiana (SDIR).
LOCAL, NATIONAL AND INTERNATIONAL PRESS	The press expects clear and comprehensive information and a transparent dialogue with the company.	Interviews, press releases, calls and meetings with journalists.
SCHOOLS AND UNIVERSITIES	The world of school and university expects a collaboration that can complement academic preparation with specific content from the world of work, facilitating the inclusion of young resources.	TISG Academy, training, internship and university orientation programmes.
TRADE UNION REPRESENTATIVES	Trade union representatives ensure the fair and continuous application of existing agreements and the applicable national collective agreement and seek a transparent interlocutor and an open and constant dialogue.	Ad hoc meetings, calls, email communication.
TRADE ASSOCIATIONS	The expectations of this stakeholder category concern active participation in the life of the association, to obtain the joint effort of the actors involved, maximise synergies and create sustainable value.	Ad hoc meetings, calls, email communication

MATERIALITY ANALYSIS AND SUSTAINABILITY CONTEXT

The assessment of materiality underpins The Italian Sea Group's sustainability strategy, as it ensures that the Group's sustainability efforts are directed towards the areas and issues of greatest impact, as well as ensuring appropriate and positive stakeholder relations. The objective of the materiality analysis is to identify and assess the issues that represent the organisation's most significant impacts on the economy, the environment, and people - including impacts on human rights - and that reveal its contribution to sustainable development.

Over the past two years, regulatory efforts by the European regulator, to strengthen sustainability reporting obligations and refine the concept and materiality process, have been significant. In particular, the Corporate Sustainability Reporting Directive (CSRD), due to come into force in 2024, focuses on the concept of "double materiality". In order to embark on a gradual path towards what will be the new obligations dictated by this legislation, in this second edition of the Group's Non-Financial Statement, TISG has voluntarily decided to carry out an initial preparatory double materiality exercise, providing information necessary to understand what its impact is on society and the environment and, conversely, how ESG criteria relating to material topics of sustainability influence its Enterprise Value.

There are in fact two parameters taken into consideration by the principle of double materiality: a materiality with an outward impact (so-called **impact materiality**, with an inside-out approach) and a materiality with an inward impact (so-called **financial materiality**, with an outside-in approach). The first focuses on the effects that the activities and processes implemented by The Italian Sea Group generate externally, on the social and environmental context, and in general on all stakeholders as a whole. The second parameter, on the other hand, analyses the impact of potential social and climatic risks that the company faces or could face, also considering the financial consequences that these risks could entail and that would inevitably influence the strategic and governance decisions of the Company.

In light of the regulatory changes that have taken place on the subject, and to signal the Company's commitment to substantiate sustainability reporting based on this principle, TISG has therefore conducted a thorough materiality assessment to strengthen the understanding of the company's impacts.

MATERIALITY PROCESS

Specifically, for this reporting, the materiality analysis already undertaken and reported for the previous NFS was refined and expanded. Since a Sector Standard is not available for the sector in which the Group operates, a **benchmark analysis** was carried out on a sample of 9 companies, in order to identify the environmental, social and governance issues that are most prevalent in the reference market, with the aim of identifying a set of significant issues for the sector.

The benchmarking was conducted according to the guidelines of the ISO 26000 standard and other authoritative methodological frameworks, which made it possible to identify the key areas and related sustainability issues, representative for the sector to be analysed. Competitor and comparable companies in the sample were analysed with reference to publicly available information (websites and other institutional documentation) and this analysis identified the most relevant sustainability issues for the sample, the main impacts, risks and opportunities connected to them, and best practices in the sector.

Specifically, analyses were carried out with respect to the following areas:

1. Governance
2. Economics

3. Environmental capital
4. Human capital
5. Relational capital
6. Infrastructure capital

Through an activity of consultation of the most authoritative international standards, such as GRI Standard and SASB (using the SASB Materiality Map), the topics that emerged from the benchmarking activity were then supplemented with additional topics relevant to the reference sector.

Subsequently, as far as impact materiality is concerned, in order to select the ESG issues and impacts that are truly material for the Group, an online "materiality questionnaire" was circulated, through which internal and external stakeholders expressed their assessment of the level of materiality of the non-financial impacts that the business activities of TISG and its value chain generate or could generate on the economic, environmental and social spheres (according to the items of significance and probability). At the conclusion of the process, the results achieved made it possible to identify and prioritise the 10 material topics and the respective impacts of The Italian Sea Group, as depicted in the materiality matrix and described in the list of material topics.



LIST OF MATERIAL TOPICS

The table below describes:

- the topics that emerged as material from the integration of impact and financial materiality analyses;
- the main impacts, positive and negative, actual and potential, generated by the company's activities on
- the economy, the environment and people, including impacts on their human rights;
- the main risks and opportunities that the Company may suffer or benefit from in relation to external events on its business activities;
- GRIs reported in this NFS and associated with each topic.

MATERIAL TOPICS	DESCRIPTION	CATEGORIES	RELATED IMPACTS, RISKS AND OPPORTUNITIES	GRI
Health and safety at work	Compliance with regulatory requirements on health and safety in the workplace and development of a system for identifying and verifying the related risks.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Occurrence of accidents, injuries, illnesses and damage to persons; • Risk associated with an increase in accidents at work and the consequent interruption/reduction of production capacity; • Risk of incurring greater costs related, for example, to compensation to workers, or increase in insurance premiums, or the imposition of corporate / disqualification / criminal sanctions deriving from non-compliance with laws and regulations; • Level of exposure to operational risks related to high rates of accidents, occupational diseases and absenteeism. 	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Reduction of accidents and better safety in the workplace; • Prevention of corporate / disqualification / criminal sanctions arising from non-compliance with laws and regulations (including of a voluntary nature); • Ability to positively influence company productivity and retention through constant monitoring of the work environments and implementation of the best safety standards on machines and plants. 	
Customer experience & satisfaction	Ensuring information and service to the customer by establishing a customer relationship based on trust, fairness and loyalty.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Loss of customer confidence and satisfaction due to inadequate service and lack of transparency in the information provided; • Risk of incurring greater costs related, for example, to penalties or to the imposition of corporate / disqualification / criminal sanctions deriving from non-compliance with laws and regulations; • Loss of stakeholder trust and erosion of the Group's reputational capital. 	GRI 418-1
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Attention to quality in the relationship with customers and in monitoring their satisfaction with the products offered; • Strengthening the Group's reputational capital in the eyes of its main stakeholders (e.g., customers, financial institutions and investors, etc.). 	
Business ethics and integrity	Carrying out business activities in accordance with principles of ethics, loyalty and fairness in compliance with laws, regulations, requirements and supplementary and improving company provisions.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Violation of laws or industry practices (active and passive bribery, anti-competitive behaviour and money laundering), resulting in legal implications for the organisation and damage to its stakeholders; • Risk of incurring greater costs related to the imposition of corporate / disqualification / criminal penalties deriving from non-compliance with laws and regulations; • Loss of stakeholder trust and erosion of the Group's reputational capital and the consequent possibility of losing market share. 	GRI 205-2 GRI 205-3
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Reduction of offences through the implementation of actions to monitor and disseminate a corporate culture based on ethics and legality; • Strengthening the Group's reputational capital in the eyes of its main stakeholders (e.g., customers, financial institutions and investors, etc.) and intercepting more business opportunities; • Strengthening and maintaining business continuity. 	
Responsible supply chain management	Adoption of procedures for the selection, qualification and control of suppliers, contractors and partners that influence business operations to ensure quality and sustainability of products and processes.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Violation of human and workers' rights along the supply chain and deterioration of the quality of the products supplied; • Risk associated with negative impacts along the value chain that may contribute to possible business continuity interruptions; • Loss of stakeholder trust and erosion of the Group's reputational capital and the consequent possibility of losing market share. 	GRI 204-1 GRI 308-1 GRI 414-1
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Sustainable supply chain management with a view to respect for human and workers' rights, transparency and traceability of the entire supply chain; • Optimisation of supply chain management resulting in reduced lead times and increased synergies; • Ability to access new markets. 	

Raw materials and supplies	Responsible management of materials used in company production processes.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Growth in the use of supplies and raw materials that are not properly traceable and sustainable. • Contribution to the waste of resources and inefficient use of materials; • Supply risk due to shortages and rising prices of raw materials; • Risk associated with loss of market share. 	GRI 301-1
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Increasing use of high quality and valuable materials from traceable sources and suppliers; • Efficient use of resources and reduction of costs; • Ability to access new markets and increase market share by reaching customers who are attentive to sustainability and choices related to materials; • Reduction of negative externalities and consequent decrease in costs. 	
Use of energy from renewable sources and energy efficiency	Contribution to the mitigation or prevention of the negative effects of climate change by reducing consumption, using renewable energy sources and increasing process efficiency to reduce waste and energy inefficiency.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Contribution to the increase of greenhouse gases due to high energy consumption from non-renewable sources for production purposes; • Risk associated with exposure to fluctuations in fossil fuel prices, resulting in cost increases and compromises to business continuity; • Risk of inefficiency related to excessive energy consumption; • Inability to adapt to possible future regulatory requirements regarding ecological transition, with consequent cost impacts. 	GRI 302-1 GRI 302-3
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Reducing the supply of energy from non-renewable sources during production processes and when using vessels, and reducing the company's contribution to climate change. • Ability to achieve the transition towards technologies with lower emissions and environmental impacts with sufficient timeliness and effectiveness, through an increase in consumption efficiency which also leads to savings on energy costs; • Group's ability to attract investment and access financial resources; • Possibility to positively influence business competitiveness through the reduction of energy costs and the development of innovative renewable technologies. 	
Diversity and inclusion	Development of employee potential and consequent increase in productivity; increase in reputation; increase in attractiveness and retention.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Incidents of discrimination and denial of equal opportunities for workers in terms of treatment, remuneration and benefits; • Level of exposure to operational risks and cost increases related to personnel turnover and insufficient levels of employee retention; • Loss of growth opportunities and lack of innovation due to poor development of human capital. 	GRI 405-1 GRI 406-1 GRI 401-3 GRI 405-2
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Creating an inclusive work environment that encourages respect, appreciation and fair treatment of diversity; • Development of employee potential and consequent increase in company productivity; • Strengthening the Group's reputational capital and consequently increasing its attractiveness and retention. 	
Innovation, research and development	Ability to create increasingly sustainable solutions through investment in research and development to improve technical capabilities and implement the use of cutting-edge technologies.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Inability to respond adequately to the more sustainable vessel requirements expressed by customers; • Risk of loss of market share due to inability to respond to new customer and market needs; • Operational risks related to technological obsolescence. 	GRI 3-3
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Positive contribution to the sector's technological growth with a view to sustainability and greater ability to respond to customer needs; • Strengthening and maintaining business continuity; • Propensity for innovation and investment, resulting in the strengthening or deterioration of the Group's competitive position and increase in market shares. 	
Employee wellbeing	Promoting a satisfying and incentivising working environment by paying attention to the needs of its workers and promoting their wellbeing through defined career paths and corporate welfare initiatives.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Negative spill-over effects due to the absence of good working conditions and incidents of human rights violations, forced and child labour. • Level of exposure to operational risks and cost increases related to personnel turnover and insufficient levels of employee retention; • Poor attractiveness of the Group to potential new resources. 	GRI 401-2 GRI 401-3
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Improving the corporate environment, the wellbeing of employees, including by protecting the freedom of association, collective bargaining and the right of workers' representation; • Improvement of the business environment and consequent increase in productivity; • Strengthening the Group's reputational capital and consequently increasing its attractiveness and retention. 	
Personnel training and development	Offering programmes to enhance the individual potential, training and professional development of workers that contribute to the overall growth of the Company.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> • Poor appreciation of people and failure to express their potential. • Risk of incurring greater costs related to the imposition of corporate / disqualification / criminal penalties deriving from non-compliance with laws and regulations; • Loss of growth opportunities and lack of innovation due to poor development of human capital. • Loss of stakeholder trust and erosion of the Group's reputational capital. 	GRI 404-1 GRI 404-2
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> • Improvement of workers' skills, attraction and retention of talent; • Strengthening the Group's reputational capital and consequently increasing its attractiveness and retention; • Increased productivity and improved innovation linked to a greater enhancement of employees' skills and knowledge; • Strengthening corporate know-how and organisational awareness. 	

Water resources management	Conscious use of water resources in the Organisation's production processes.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> Poor management of water resources within the production process and non-compliance with authorised limits; Risk of incurring greater costs related to the imposition of corporate / disqualification / criminal penalties deriving from non-compliance with laws and regulations, connected, for example, to pollution from possible discharges into the seas/oceans; Erosion of the Group's reputational capital and the consequent possibility of losing market share. 	GRI 303-3 GRI 303-4
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> Careful management of water resources and maintenance of high water quality standards; Saving water in production processes and thus reducing costs associated with consumption. 	
Gestione dei rifiuti ed economia circolare	Efficient recovery and re-use of materials to reduce the production of waste for disposal. Adoption of a circular economy model through the development of systems for the recovery and reuse of waste materials from the production cycle in order to reduce costs for both the company and the customer and reduce pressure on the environment.	NEGATIVE IMPACTS AND RISKS	<ul style="list-style-type: none"> Increased pollution from waste produced by the Company at the industrial level; Contribution to the waste of resources and inefficient use of materials; Risk associated with loss of market share. 	GRI 306-3 GRI 306-4 GRI 306-5
		POSITIVE IMPACTS AND OPPORTUNITIES	<ul style="list-style-type: none"> Contribution to the implementation of the circular economy model and reduction of pollution from waste produced by the company at an industrial level; Cost reduction related to proper and consolidated material recycling. 	

MATERIALITY MATRIX

The matrix below shows the topics described, positioned within the chart according to the priority given by the impact materiality analysis. The results of financial materiality are instead represented by the size of the circle corresponding to each topic.



In particular, looking at the matrix, we can see that:

- topics are highlighted with a different colour per type of area (governance, environmental capital, human capital, relational capital, infrastructure capital);
- on the “X” axis, the significance of TISG’s impacts on society and the environment (inside-out) from the perspective of internal stakeholders was represented;
- on the “Y” axis, the significance of TISG’s impacts on society and the environment (inside-out) from the perspective of external stakeholders was represented;
- the difference in the diameter of each topic bubble represents the topics with the most significant risks and opportunities for TISG value creation (outside-in approach);
- the material topics of Water resources management, Waste management and circular economy, and Raw materials and supplies received the highest relevance rating with respect to financial materiality among the topics submitted for analysis.

CONNECTION WITH MATERIALITY 2022

The material topics, and the associated impacts, risks and opportunities through the process described above, tend to be in line with the material topics of the previous reporting cycle. Compared to FY 2022, however, it should be noted that the results of the materiality analysis this year excluded:

- Economic value generated and distributed;
- Attention to air quality;
- Fight against climate change.

Aware of the relevance of these issues, the Company has decided to report on them in this document, in order to provide stakeholders with as complete and transparent a report as possible.

THE PILLARS AND GOALS OF SUSTAINABILITY

TISG’s ESG strategy is developed around its materiality matrix and is inspired by corporate best practices. The strategic directions set out below are integrated into all corporate departments and constitute management guidelines.



HEALTH AND SAFETY AND EMPLOYEE ENGAGEMENT

- Protecting the health, safety and psychophysical integrity of employees
- Enhancing human resources with training and development plans
- Maintaining an inclusive environment that respects gender diversity

PRODUCT QUALITY AND SUSTAINABLE SUPPLY CHAIN

- Highest quality of raw materials, products and processes
- Implementation of procurement processes based on legality, transparency and anti-corruption practices



REDUCTION OF GREENHOUSE GAS EMISSIONS

- Reduction of Scope 1 and Scope 2 GHG emissions
- Increased use of energy from renewable sources
- Alternative propulsion



RESPONSIBLE GOVERNANCE

- Composition of the Board of Directors, Committees, policies and certifications
- Stakeholder engagement and transparency on strategy and quantitative goals
- Short and long-term remuneration of executives with strategic responsibilities based on the achievement of specific goals linked to the strategic plan

ACHIEVEMENTS

In line with the pillars of its ESG strategy, during 2023 TISG worked towards achieving the goals defined in its three-year sustainability plan 2023-2025. Below is a summary of the main results achieved:

ENVIRONMENT

- Achievement of ISO 14001:2015 certification for the Marina di Carrara and La Spezia shipyards, one year ahead of schedule;
- Increasing the percentage of energy from renewable sources;
- Offsetting of Scope 1 and Scope 2 emissions generated in 2022;
- Installation and activation of photovoltaic systems at the facilities in Marina di Carrara, La Spezia and Terni (CELI 1920).

SOCIAL

- Mapping the supply chain from an ESG perspective;
- Reverse Factoring agreements to facilitate suppliers' liquidity;
- Increase of training hours for employees, grown from an average by gender and by level of 3.5 hours per person to an average of 9 hours per person;
- Increase in the percentage of women in managerial positions: the number of female managers more than doubled;
- Company climate survey involving all group employees in Italy and Turkey;
- Project NewGen.

GOVERNANCE

- Well-structured governance and careful sustainability governance;
- Adhesion to the UN Global Compact;
- Adoption of a Supplier Code of Conduct;
- Adoption of a policy for the management of conflicts of interest.

SUSTAINABILITY PROGRAMME

In 2022, The Italian Sea Group planned an ambitious sustainability programme for the three-year period 2023-2025. Specifically, below are the objectives and related targets broken down by area.

E - ENVIRONMENT

TARGET	2023	2024	2025
ISO certification 14001 – Environmental Management System	Procedure Commencement	Obtaining	Keeping
Increase of % of energy from renewable source compared to the total consumption	>95%	>95%	>95%
Offsetting of emissions Scope 1&2	Carbon Neutral	Carbon Neutral	Carbon Neutral

S – SOCIAL

TARGET	2023	2024	2025
Analysis, ranking and monitoring of suppliers	Analysis and mapping of top 25	Mapping of top 50	Mapping of top 75
Increase in employees training hours	> 6 h/y per employee	> 7 h/y per employee	> 8 h/y per employee
Increase of % of women in managerial positions	Hire/promote female manager: 25% of the total per year		> 12%
Reducing gender pay-gap for employees	Increase remuneration for female employees in the company, on an annual basis: 1-2% for middle managers and managers 3% for clerks and workers		
Questionnaire on employee satisfaction	Company climate survey	Climate survey + target definition based on the analysis	Climate survey + target definition based on the analysis

G - GOVERNANCE

TARGET	2023	2024	2025
Adopting a Long Term Incentive Plan	Adoption and allocation	Update and new targets for subsequent cycles	Update and new targets for subsequent cycles
Adhesion to the UN Global Compact	Adhesion	Required annual reporting	Required annual reporting
Adoption and publication of the Supplier Code of Conduct for Suppliers and Operational Procedures	Adoption of the Code and the Procedures	Application and update	Application and update
Adoption of a Policy on Management of Conflict of Interest	Adoption of the Policy and monitoring	Application and update	Application and update





GOVERNANCE,
ETHICS AND INTEGRITY

GOVERNANCE, ETHICS AND INTEGRITY

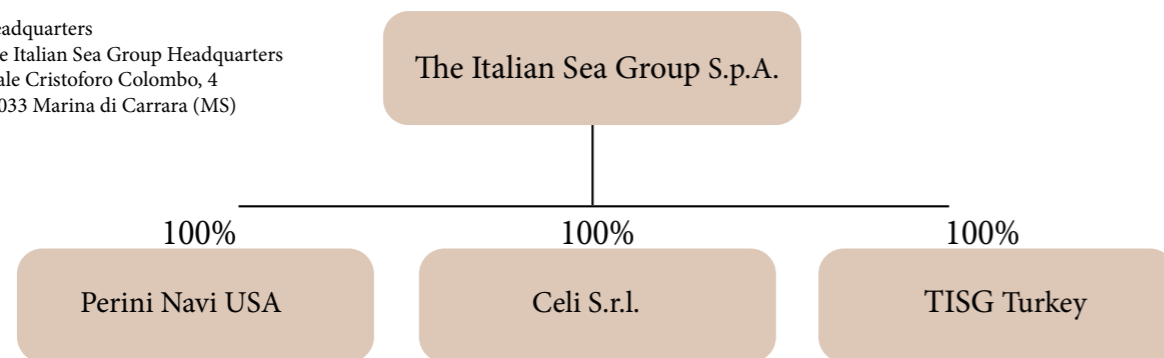
The Italian Sea Group has developed a governance system geared towards creating sustainable value, controlling impacts, as well as maintaining relationships of trust with its stakeholders.

Today, the shares of The Italian Sea Group are traded on Euronext Milan, a regulated stock market managed by Borsa Italiana S.p.A. Following the listing on the stock exchange in June 2021 and the new governance structure required by Borsa Italiana regulations for listed companies, the Company has incorporated many of the recommendations in the Corporate Governance Code approved by Borsa Italiana S.p.A. into the definition of its governance.

This made it possible to establish, among other things, a governing body with cross-functional skills and balanced in terms of independence of the directors, in line with the recommendations of the Corporate Governance Code.

THE STRUCTURE OF THE GROUP

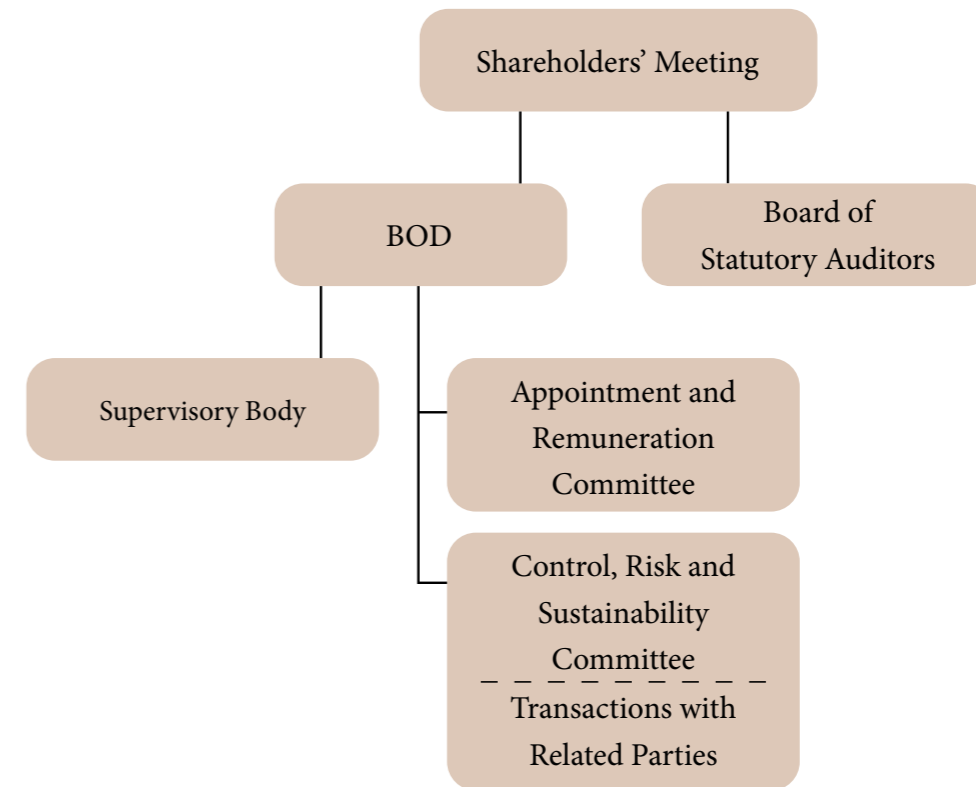
Headquarters
The Italian Sea Group Headquarters
Viale Cristoforo Colombo, 4
54033 Marina di Carrara (MS)



CORPORATE GOVERNANCE

The Corporate Governance of The Italian Sea Group is structured according to the traditional model and includes the following bodies:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Supervisory Board;
- Legal auditors company.



GOVERNANCE AND CONTROL BODIES

THE SHAREHOLDERS' MEETING

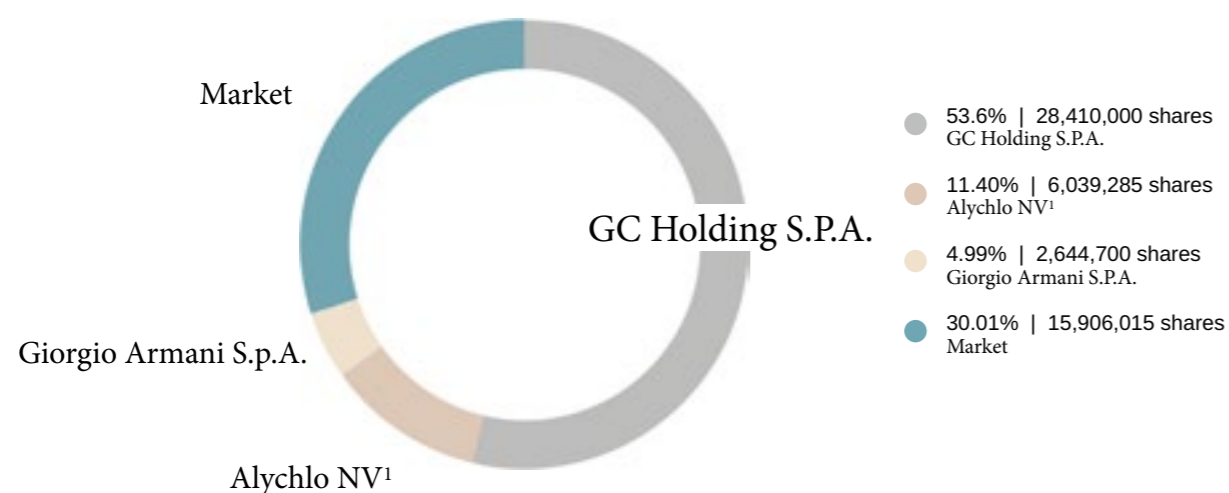
The structure of the Group and its shareholders, as at 31/12/2023, is as follows:

- the subscribed and paid-up share capital is Euro 26,500,000 divided into ordinary shares admitted to trading on Euronext Milan on 8 June 2021 without indication of par value.
- the Company's majority Shareholder is GC Holding S.p.A., which holds 28,410,000 shares, equal to 53.6% of the share capital at the date of publication of this document, while the "free float", shares held by the market, is 35%.

The majority shareholder, GC Holding S.p.A., is an expression of the Group's founder Giovanni Costantino, Chief Executive Officer of The Italian Sea Group, which in turn owns 100% of it.

The Group's other stable shareholders, who invested in the Company in order to enhance its long-term growth, include Alychlo NV, a family office reporting to Belgian entrepreneur Marc Coucke, and Giorgio Armani S.p.A., both cornerstone investors on the occasion of the IPO.

SHAREHOLDER	NUMBER OF SHARES	% OF CAPITAL
GC HOLDING S.p.A.	28,410,000	53.60%
ALYCHLO NV ¹	6,039,285	11.40%
GIORGIO ARMANI S.p.A.	2,644,700	4.99%
MARKET	15,906,015	30.01%
TOTAL NO. OF SHARES	53,000,000	100.00%



The Shareholders' Meeting meets to periodically resolve on matters defined in the Company's Articles of Association and in accordance with the laws in force. The main tasks of the Shareholders' Meeting are the appointment of the Board of Directors, the Board of Statutory Auditors and the approval of the annual Financial statements.

Responsibility for the management of the company lies with the Board of Directors, while the supervisory functions are entrusted to the Board of Statutory Auditors and the Supervisory Board, in accordance with their respective remits. The statutory audit of the accounts, as well as auditing, are entrusted to the Auditing Firm, appointed by the Board of Directors.

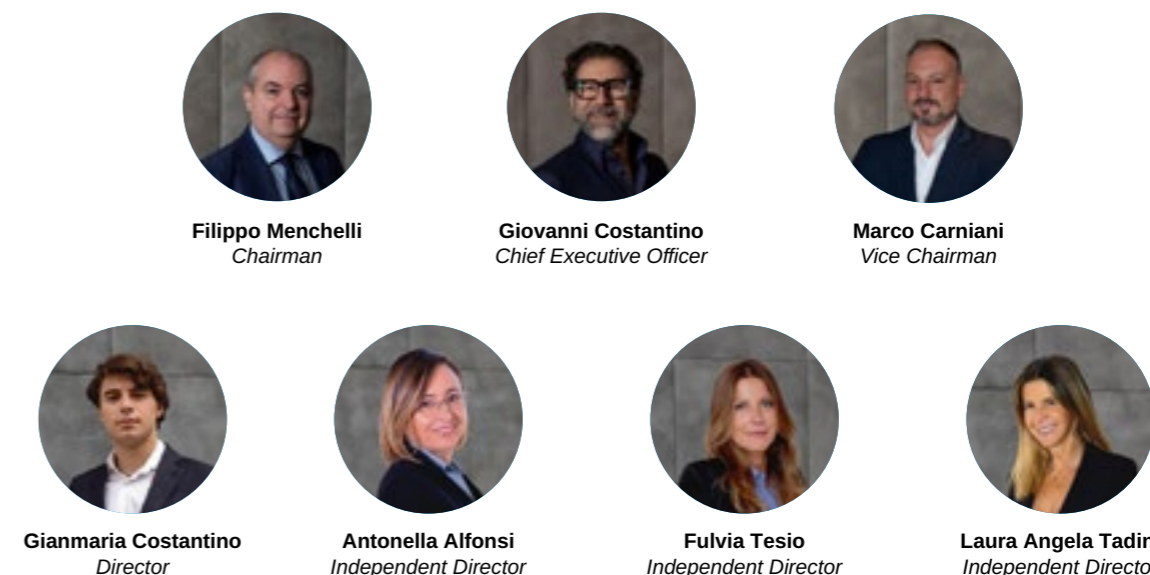
¹The figure of 11.40% includes shares allocated directly and indirectly to the Belgian entrepreneur Marc Coucke and has been rounded up.

THE BOARD OF DIRECTORS

The Board of Directors is the collegiate body invested with the broadest powers for the ordinary and extraordinary management of the Company. The body is empowered to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those reserved by law and the Articles of Association to the Shareholders' Meeting.

It was appointed by the Shareholders' Meeting in April 2023 and holds office for three years. As of the date of approval of this document, there are seven members of the Board of Directors, of which one is executive and six non-executive; of these, three are independent. In relation to the presence of the least represented gender, the current composition includes three out of seven members belonging to the female gender, in line with the recommendations of the Corporate Governance Code, which provides that 1/3 of the members of the Board of Directors belong to the least represented gender (Ref. GRI Content Index).

BOARD OF DIRECTORS



OFFICE	NAME	GENDER	AGE BAND	% ATTENDANCE AT BoD MEETINGS (2023) ²
CHAIRMAN	FILIPPO MENCHELLI ³	MALE	>50	100%
CHIEF EXECUTIVE OFFICER	GIOVANNI COSTANTINO	MALE	>50	100%
VICE CHAIRMAN	MARCO CARNIANI ⁴	MALE	30-50	100%
DIRECTOR	GIANMARIA COSTANTINO	MALE	<30	100%
INDEPENDENT DIRECTOR	ANTONELLA ALFONSI	FEMALE	>50	100%
INDEPENDENT DIRECTOR	FULVIA TESIO	FEMALE	>50	92%
INDEPENDENT DIRECTOR	LAURA ANGELA TADINI	FEMALE	>50	100%

² As of 27 April 2023, the date of appointment of the Board of Directors in its current formation.

³ The Chairman Filippo Menchelli also holds the position of Chief Business Officer, with responsibility for Purchasing and Project Management.

⁴ The Vice-Chairman Marco Carniani also holds the position of Chief Financial Officer and Financial Reporting Manager in charge for the drawing up of accounting documents.

The company's website⁵ lists the role, independence, if any, and curriculum vitae of each director.

In March 2024, the Company's Board of Directors conducted the annual Board Evaluation for the financial year 2023, the results of which were presented to the Board of Directors and documented in the Corporate Governance Report for the financial year 2023.

Lastly, on 24 January 2023, the Board of Directors formalised the Policy for the management of dialogue with Institutional Investors and general Shareholders (Shareholder Engagement Policy). On the same date, the body also approved the Policies on Human Rights, Diversity & Inclusion and the Environmental Policy⁶.

BOARD COMMITTEES

The Group's internal board committees were set up with the aim of supporting the Board of Directors in the implementation of strategies and to ensure the achievement of results.

Specifically, in line with the provisions of the regulations on listed companies and the Corporate Governance Code of Borsa Italiana S.p.A., the Company has set up two internal board committees: an Appointments and Remuneration Committee and an Audit, Risk and Sustainability Committee, which is also responsible for activities concerning related party transactions.

On 24 January 2023, the Company's Board of Directors also resolved to attribute to the existing Audit and Risk Committee, in addition to its current duties, also propositional, advisory and preliminary functions regarding Sustainability, in order to promote the progressive integration of environmental, social and governance factors into the Company's strategy, including, but not limited to, the preliminary investigation and monitoring of sustainability plans and the implementation and updating of the annual Non-Financial Statement (Ref. Sustainability Governance).

To this end, the name of the committee was changed to "Risk Control and Sustainability Committee", confirming its pre-existing composition.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors shall monitor compliance with the law and these Articles of Association, compliance with the principles of correct management and, more specifically, adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning.

The body was appointed by the Shareholders' Meeting on 27 April 2023 and will remain in office until the date of the Shareholders' Meeting convened to approve the 2025 financial statements. The Board of Statutory Auditors is composed of three Standing Statutory Auditors and two Alternate Statutory Auditors. All members of the Board of Statutory Auditors meet the requirements of integrity and professionalism required by Article 2399 of the Italian Civil Code.

OFFICE	NAME	% ATTENDANCE AT BoD MEETINGS (2023) ⁷
CHAIR	ALFREDO PASCOLIN	100%
STANDING STATUTORY AUDITOR	BARBARA BORTOLOTTI	100%
STANDING STATUTORY AUDITOR	FELICE SIMBOLO	100%

Like the Board of Directors, the Board of Statutory Auditors carried out its self-assessment for the financial year 2023 with reference to the adequacy of its composition and the professional skills present within it, as well as the functioning of its meetings. The results of the annual self-assessment by the Board of Statutory Auditors were then forwarded to the Board of Directors.

SUSTAINABILITY GOVERNANCE

Given the importance of Sustainability issues, in order to direct the Company's actions on a path of integrating sustainability within business processes and manage risk profiles, in addition to the reporting path aimed at the approval and publication of the first Non-Financial Statement, the Company has equipped itself with a specific governance structure, dedicated to sustainability management. Specifically, the BoD delegated⁸ to the Chief Executive Officer the responsibility for implementing the sustainability guidelines, which will be defined from time to time by the Board of Directors, as the body with strategic supervisory functions, and entrusted the Audit, Risk and Sustainability Committee with the investigative and propositional functions regarding sustainability.

The Board is responsible for approving the Non-Financial Statement and the information contained therein, as well as for identifying and providing strategic guidance on sustainability. On the other hand, the Chief Executive Officer is responsible for implementing all the initiatives and actions necessary for the identification of Sustainability topics, for the collection of the necessary data and for reporting on them according to the methods that will be deemed most appropriate, as well as for implementing the activities necessary for the achievement of the strategic objectives defined by the Board of Directors. The Board then stipulated that the Chief Executive Officer be supported in his sustainability activities by the Sustainability Team.

⁵ Website: Investor - Corporate Governance - Board of Directors.

⁶ These policies are available on the Company's website in the Investor - Corporate Governance - Policies and Procedures documents section.

⁷ As of 27 April 2023, the date of appointment of the Board of Statutory Auditors in its current formation.

⁸ The delegation was formalised by a resolution of the Board of Directors on 15 March 2023, which also established the Sustainability Team.

THE FUNCTIONS OF THE AUDIT, RISK AND SUSTAINABILITY COMMITTEE

The Committee performs propositional and advisory functions to the Board on sustainability matters, in order to promote the progressive integration of environmental, social and governance factors in company's operations to aimed at creating sustainable value for shareholders and other stakeholders in the medium to long term.

The Committee, in assisting the Board of Directors, in cooperation with the relevant corporate departments:

1. examines the Company's business plan in advance, including an analysis of topics relevant to long-term value generation, in coordination with the internal departments overseeing risk control and corporate governance;
2. formulates proposals for the integration of Environmental, Social and corporate Governance aspects, including climate change issues, into the overall business strategy;
3. examines, evaluates and makes proposals to the Board of Directors on the group's environmental and social strategy, including climate change strategies, annual objectives and targets to be achieved, taking into account potential projects on these issues, and monitors their implementation over time;
4. issues its opinion on the sustainability plan aimed at ensuring the creation of value for the generality of stakeholders, in the medium to long term, consistent with the principles of sustainable development;
5. monitors the risks and opportunities related to climate change as well as all initiatives undertaken in this area;
6. expresses guidelines on the annual and multi-annual sustainability goals to be achieved, on the initiatives and programmes promoted by the Company aimed at their achievement, on the integration of sustainability into business processes, and periodically monitors their progress;
7. monitors the Company's positioning in the financial markets with regard to sustainability, with particular reference to the Company's position in the main sustainability indices;
8. supports the dissemination of the culture of sustainability among employees, shareholders and, more generally, stakeholders;
9. monitors the preliminary activities for the preparation of the Non-Financial Statement and provides its preliminary opinion on the relevant draft for approval by the Board of Directors;
10. monitors national and international sustainability initiatives and the Company's participation in them, as well as regulatory developments and best practices in the field, in order to consolidate the Company's reputation for sustainability;
11. performs any further tasks assigned to it by the Board of Directors.

As far as its remit is concerned, the Committee provides the Board of Directors with its assessments on the suitability of periodic, financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved, verifying its consistency with the objectives set out in the sustainability plan.

THE SUSTAINABILITY TEAM

The Italian Sea Group has also set up a Sustainability Team, coordinated by the ESG & Corporate Affairs Manager, with the aim of defining an organisational system that is able to reconcile economic objectives with the social and environmental objectives of the reference territory, in accordance with Italian, European and international standards and regulations

In particular, the Team has instructive, propositional and operational tasks with regard to social responsibility and sustainability activities, aimed at implementing the sustainability plan and preparing the annual Non-Financial Statement. The Sustainability Team's mission also includes checking the consistency of TISG's objectives and management with environmental, social and corporate sustainability criteria, monitoring the Company's social and environmental issues, as well as identifying sustainability projects and initiatives.

The Sustainability Team deals specifically with:

- assessment of risks affecting the sustainability of the company and monitoring of related performance;
- definition of the sustainability programme, consisting of environmental, social and governance objectives;
- implementation of specific policies required by international sustainability assessment standards and organisations;
- definition and coordination of stakeholder listening and involvement activities;
- preparation of the sustainability report and implementation of the related internal and external communication activities.

The Team is permanently composed of representatives of the main corporate departments who are also asked to represent contiguous departments by process, but provides for the extension to other departments that interface with stakeholders or processes that need to be involved.

The Sustainability Team is also tasked with promptly reporting to the Board of Directors on the results achieved, the outcomes of monitoring and verification activities and any problems and critical issues that emerge, so that the Board can take the necessary initiatives. Information flows to the Board of Statutory Auditors, the Auditing Firm and the Supervisory Board were also implemented.

ETHICS, RESPONSIBILITY AND TRANSPARENCY

The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at allowing - through an adequate process of identification, measurement, management and monitoring of the main risks - a sound, correct and coherent management of the company in accordance with its objectives.

TISG's Board of Directors is responsible for the internal control and risk management system, defining the system's guidelines, verifying its adequacy, effectiveness and proper functioning, so that the main corporate risks are identified and mitigated. The establishment and operational maintenance of the internal control system is the responsibility of the Chief Executive Officer and the Financial Reporting Manager (for TISG the Chief Financial Officer) for their respective areas of responsibility. The internal control system is completed with the Organisational Model adopted pursuant to Legislative Decree No. 231/2001, aimed at preventing the commission of the predicate offences that could abstractly entail the Company's liability.

ORGANISATIONAL MODEL 231 AND ANTI-CORRUPTION

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

Since 2015, TISG has had an Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (hereinafter the "Model"), which was subsequently updated in 2020 and most recently on 27 October 2022.

The Model is aimed at preventing the commission of offences that may entail the liability of the Company and was adopted on the basis of the Confindustria Guidelines, pursuant to Article 6 of Legislative Decree No. 231/2001, which provides that the Model may be drafted "on the basis of codes of conduct drawn up by associations representing entities". The implementation of the Model is a significant improvement of TISG's internal control system, in line with best practices, and aims to further strengthen the internal control and risk management system.

In particular, by adopting the Model, the Company therefore intends to pursue the following objectives:

- prohibit conduct that may constitute the offences referred to in Legislative Decree No. 231/2001;
- involve all stakeholders, such as employees, customers, suppliers, partners, independent contractors, etc., so that they respect the ethical principles that inspire the Company in the performance of their duties;
- identify and assign responsibilities and powers to each organisational unit, bearing in mind respect for the principle of separation of functions, according to which no individual may carry out an entire management or decision-making process in complete autonomy;
- implement a structured and organic system of procedures and activities to be put in place to prevent the commission of the offences provided for in the Decree.

In the context of its Organisational Model, the Group has mapped out the areas at risk of commission of corruption offences, and has established specific principles of conduct to which TISG managers and employees are bound in order to avoid the commission of offences. With regard to this aspect, of the training organised by TISG on the Organisational Model 231/2001, a large part was reserved for training on corruption offences and the related safeguards. No cases of corruption involving the company and/or its employees have been recorded.

An integral part of the Model, moreover, pursuant to the provisions of Article 6, paragraphs 2-bis and 2-ter of Legislative Decree No. 231/2001, is the system for reporting internal violations (Ref. The whistleblowing procedure). Responsibility for supervising the implementation of and compliance with the principles of the Model is entrusted to the Supervisory Board (SB), whose members are appointed by the Board of Directors by means of a specific resolution, within which the remuneration due for the performance of the assigned task is also determined. The Supervisory Board plays an important role in anti-corruption activities by collecting the information and data that may enable it to identify potentially risky conduct, particularly with regard to the Public Administration - not only in Italy - but also with regard to private persons.

The SB remains in office for a period of three years, with the possibility of renewal. The SB currently in office, appointed on 22 December 2015 and renewed by resolution of the Board of Directors on 24 March 2022, consists of three members (Chair and two members). As provided for in the Corporate Governance Code, a member of the Company's control body was included in the SB in order to ensure coordination between the various parties involved in the internal control and risk management system.

OFFICE	NAME
CHAIR OF THE SUPERVISORY BOARD	ANNALISA DE VIVO
MEMBER	CARLO DE LUCA
MEMBER	FELICE SIMBOLO

THE WHISTLEBLOWING PROCEDURE

The Italian Sea Group's "Whistleblowing Procedure", the update to which was approved by the Board of Directors on 7 November 2023, governs the process for handling whistleblowing reports concerning the Group. Following the evolution of the legislation on whistleblowing, it became necessary to amend the Whistleblowing Procedure. In addition, the Company has set up an external platform for whistleblowing reporting, in line with what is suggested by the regulations.

In November 2023, the TISG Board of Directors also resolved to set up a "Whistleblowing Committee" to which the role of recipient and manager of whistleblowing reports was attributed, composed of two members of the TISG Supervisory Board, including the Chair, and the Internal Audit manager.

Whistleblowing reports may be made, also anonymously, by any employee, independent contractor, supplier, consultant, as well as third parties in business relations with the Company and by anyone who has an interest of their own and/or of third parties or becomes aware of alleged irregularities concerning the Group. Whistleblowing reports may relate to the commission of an offence relevant for the purposes of Legislative Decree No. 231/2001, or a violation of the Organisational Model and Code of Ethics, or even violations of company procedures and policies.

The procedure also ensures the absolute confidentiality of the whistleblower and the persons who are the subject of the whistleblowing report. In this respect, it is reiterated that, pursuant to The Italian Sea Group's Code of Ethics, no negative consequences derive from anyone who has made a whistleblowing report in good faith, and the confidentiality of the identity of whistleblowers is ensured in accordance with specific internal procedures, without prejudice to legal obligations.

The Report of the Board of Statutory Auditors indicates the number of whistleblowing reports received and provides an account of the investigations carried out by the Board itself. In particular, there were no whistleblowing reports during 2023.

CODE OF ETHICS AND PROTECTION OF HUMAN RIGHTS

THE CODE OF ETHICS

An important part of the internal control system is represented by the Code of Ethics implemented by the majority shareholder of The Italian Sea Group, which outlines the fundamental principles and guidelines aimed at inspiring the activities and guiding the conduct of all group companies, their employees, as well as all those with whom the group interacts.

The updated version of the Code of Ethics was approved by the Board of Directors of GC Holding S.p.A. on 27 October 2022 and is an integral part of The Italian Sea Group's Organisational Model 231/2001⁹.

With the Code of Ethics, the Parent Company disseminates to all levels a culture characterised by an awareness of the existence of rules and the assumption of a control-oriented mentality with the aim of:

- efficiently managing activities;
- providing accurate and complete accounting, financial and management data;
- protecting the corporate assets;
- ensuring compliance with laws and company procedures;
- managing the assumed risks in a careful and precise manner;
- generating reasonable and adequate profits to support the operations conducted;
- ensuring maximum attention to occupational health and safety profiles;
- encouraging the fight against corruption and money laundering;
- ensuring confidentiality and respect for privacy in all business transactions;
- recognising the fundamental importance of environmental issues and taking them into account in all activities;
- promoting transparency both internally as well as towards third parties with whom the group comes into contact, respecting the confidentiality of information;
- having a transparent and respectful management of the regulatory deadlines of all tax and fiscal obligations.

In particular, it should be noted that the Company has defined in its Code of Ethics the safeguards in place to prevent acts of corruption, which are transmitted to all employees and external personnel who work with the Company, both when they are hired and when entering into supply or sales contracts.

POLICY ON THE PROTECTION OF HUMAN RIGHTS

The Italian Sea Group has adopted a specific Policy on the protection of human rights, aware of the benefits of an international and social order in which rights and freedoms are fully realised. The Italian Sea Group applies the necessary diligence in identifying circumstances and areas in which the risk of human rights violations may be exacerbated, contributing to the promotion and defence of the full respect for human rights.

TISG's human rights policy is aimed at combating all forms of discrimination, guaranteeing civil and political, economic, social and cultural rights and labour rights. The Policy is made available to all employees, independent contractors and partners at the beginning of the employment relationship and is available on the corporate website. The Group is committed to monitoring and updating, if necessary, the systems aimed at ensuring respect for Human Rights, in line with the evolution of legislation and international principles. Those who believe there have been violations of the Policy are required to report the incident to the Legal Affairs Department at the email address affarilegali@theitalianseagroup.com, or via the mailbox located near the attendance reader at the main office in Marina di Carrara, Viale Cristoforo Colombo, 4.

⁹ All the Boards of Directors of GC Holding's Subsidiaries are required to formally accept the Code of Ethics and make it an integral part of the way they conduct their activities.

POLICY ON THE PROTECTION OF DIVERSITY AND INCLUSION

The Group firmly promotes respect for the dignity of others and in no way tolerates discrimination of a sexual, ethnic, religious, political, social or any other nature; therefore, in accordance with the Group's Code of Ethics, on 24 January 2023 the Board of Directors approved the Policy on the Protection of Diversity and Inclusion.

The Italian Sea Group is committed to the creation of a healthy working environment that aims to promote the physical and psychological wellbeing and personal growth of the individual in the name of equal opportunities and mutual respect; it therefore aligns itself with Convention 111 and the Philadelphia Declaration of the ILO, which state that "all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity".

With this policy, The Italian Sea Group is committed to:

- abolishing any form of discrimination;
- promoting equal opportunities and reducing the gender pay gap;
- creating an inclusive working environment.

The Policy provides for the possibility, in line with the Policy on the Protection of Human Rights, to report any violations to the Legal Affairs Department at the email address affarilegali@theitalianseagroup.com, or via a mailbox located at the main office in Marina di Carrara, Viale Cristoforo Colombo, 4. To date, there have been no cases of discrimination recorded within the company.



THE ITALIAN SEA GROUP

4

ECONOMIC
RESPONSIBILITY

ECONOMIC RESPONSIBILITY

BUSINESS PERFORMANCE

During the year, the Group realised Total Revenues of Euro 364 million, an increase of 24% compared to Euro 295 million in the previous year. EBITDA stood at Euro 62 million, a significant improvement of 32% compared to Euro 47 million as of 31 December 2022; the EBITDA Margin reached 17% compared to 15.9% in 2022 while EBIT reached Euro 49 million, an improvement of 33% compared to Euro 37 million in 2022, with a margin on revenues of 13.5% compared to 12.6% in the previous year. The group realised a Net Profit of Euro 37 million, a significant increase of 54% compared to Euro 24 million as at 31 December 2022. During the year, investments amounted to Euro 11 million, of which Euro 5.6 million was dedicated to increasing the production capacity of CELI 1920. The Net Financial Position at 31 December 2023 was positive by Euro 2 million compared to a Net Financial Debt of Euro 11 million at 31 December 2022. The total value of the order book as at 31 December 2023 was Euro 1,265 million.

ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

TISG recognises the importance of balancing the distribution of the Value generated by its activities to the stakeholders who have directly or indirectly contributed to its creation.

The analysis of Economic Value generated and distributed highlights the flow of resources produced by the company and directed to its employees, suppliers, shareholders and lenders, public administration and the community, as well as those retained by the company to finance its business and development activities.

ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS (Euro/000)	2021	2022	2023
A. Economic Value generated	190,280	298,777	368,624
B. Economic Value distributed	165,881	256,363	312,780
Operating costs	140,209	222,115	267,995
Salaries and employee benefits	22,117	29,562	38,649
Payments to capital suppliers	3,087	4,228	5,528
Payments to the Public Administration (including the Port Authority)	374	387	549
Investments in the community	94	71	59
(A-B) Economic Value retained	24,399	42,415	55,844

The Economic Value produced in 2023 amounts to Euro 368.624 million, while the Economic Value distributed amounts to approximately Euro 312.780 million. The Retained Economic Value, Euro 55.844 million, is the difference between value generated and value distributed.

The Economic Value distributed in 2023 is divided among the following stakeholders:

- The largest amount, Euro 267.995 million, relates to costs incurred for the purchase of materials and services necessary for business operations;
- Approximately Euro 38.649 million was distributed to employees for salaries, social security and pension contributions;
- Euro 5.528 million refers to payments to capital providers, shareholders and lenders, in the form of profits and interest;
- Euro 549 thousand was paid to the public administration in the form of taxes;
- Euro 59 thousand is the investment in the community.

TAXONOMY - ACCORDANCE WITH REGULATION (EU) 2020/852

The Italian Sea Group reports in the following paragraph the information in compliance with Regulation (EU) 2020/852 as a company subject to Regulation 2016/254 on the obligation to publish a Non-Financial Statement (NFS).

The Taxonomy Regulation identifies uniform EU-wide criteria for defining eco-sustainable economic activities in relation to the six environmental objectives:

1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (EC);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

For FY 2023, the KPIs of Turnover, CapEx and OpEx, as defined by Delegated Regulation (EU) 2021/2178 as amended by Regulation (EU) 2023/2486, associated with **eligible** activities and **aligned** with climate **mitigation and adaptation** objectives. Furthermore, this is the first year for which reporting relating only to **eligibility** is also foreseen for the other **four environmental objectives**.

Eligible activities relating to the mitigation and adaptation objectives correspond to any activity explicitly included in the list of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 as amended by Delegated Regulation (EU) 2023/2485 regardless of whether that economic activity meets one or all of the technical screening criteria set out in the document. With regard to the four additional environmental objectives, eligible activities are listed in Annexes I to IV of Delegated Regulation (EU) 2023/2486, which respectively determine activities associated with the sustainable use and protection of water, the transition to a circular economy, the prevention and reduction of pollution, and the protection and restoration of biodiversity and ecosystems.

Aligned activities correspond to environmentally sustainable activities under Article 3 of Regulation (EU) 2020/852 that jointly meet the following criteria:

- **substantial contribution** to the achievement of one or more of the environmental objectives;
- do no significant harm to any of the other environmental objectives (“**DNSH**” principle¹⁰);
- compliance with **minimum safeguards**¹¹.

In order to comply with the Regulation, TISG started the process of reviewing its activities in 2023, structuring the process in three main phases:

- identification of eligible activities;
- identification of aligned activities;
- calculation of Turnover, CapEx and OpEx KPIs.

TISG conducted an analysis of its economic activities, assessing consistency with the descriptions reported in Regulation (UE) 2021/2139, Regulation (EU) 2023/2485 and Regulation (EU) 2023/2486 in relation to its business activities and activities related to business operations.

Following this preliminary screening, the economic activities eligible for the Taxonomy were defined. Please note that the activities mapped in the table below refer to The Italian Sea Group.

#	ACTIVITIES PURSUANT TO REGULATION (EU) 2021/2139, REGULATION (EU) 2023/2485 and REGULATION (EU) 2023/2486
CCM 6.12	Retrofitting of sea and coastal freight and passenger water transport
CCM 9.3	Professional services related to energy performance of buildings

To complete the analysis conducted in compliance with Regulation (EU) 2020/852, the verification of the alignment of eligible activities includes the evaluation of activities in the light of the criteria of substantial contribution, “DNSH” criteria, criterion related to Minimum Safeguards.

With reference to the criterion on **Minimum Safeguards** under Article 18 of Regulation (EU) 2020/852, the assessment was conducted taking into account compliance with the main international guidelines on human rights (including labour and consumer rights), corruption, taxation and fair competition.

The procedure included the analysis of **substantial contribution** criteria and the “**DNSH**” (Do No Significant Harm) **criteria**. As anticipated, the former aim to verify that the activity brings a concrete benefit to the relevant environmental objectives; the latter, on the other hand, aim to establish that none of the other objectives are negatively affected.

With regard to the objectives affected by the identified activities, some substantial contribution criteria were met. Finally, it is specified that the technical screening criteria of Delegated Regulation (EU) 2021/2139, as amended by Regulation (EU) 2023/2485, and Regulation (EU) 2023/2486 on eligible activities identified by TISG provide for a robust climate risk assessment to examine the relevance of climatic and physical risks to economic activity.

¹⁰ “Do No Significant Harm”

¹¹ The following guidelines can be used to assess compliance with minimum safeguards: OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, International Labour Organisation’s (“ILO”) declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions, International Bill of Human Rights.

For the purposes of the analysis, The Italian Sea Group evaluated the classification of climate-related hazards, presented in Appendix A of Annexes I and II of Regulation (EU) 2021/2139 and Annex III of Regulation (EU) 2023/2486. The Company does not consider these risks to be significant in relation to the scope of eligible activities, however, to date, no structured, quantitative analysis has been conducted in this regard.

As a result of these analyses and considerations, conducted with a prudential approach, none of the eligible activities were found to be Taxonomy-aligned.

INFORMATION ON THE BOOK VALUES CONSIDERED TO SUPPORT THE CALCULATION OF KPIS

KPIs are calculated in accordance with the accounting criteria defined in Annex I of Delegated Regulation (EU) 2021/2178 as amended by Regulation (EU) 2023/2486. The table below summarises the indicators for activities eligible for all six environmental objectives¹².

#	Eligible activities pursuant to Regulation (UE) 2020/852	2023		
		Turnover	CapEx	OpEx
CCM 6.12	Retrofitting of sea and coastal freight and passenger water transport	0.143%	-	0.091%
CCM 9.3	Professional services related to energy performance of buildings	-	-	0.004%
TOTAL		0.143%	-	0.096%

In particular, the **denominator** of the KPIs corresponds to the items set out below, while the **numerator** corresponds to the portion of the denominator that meets the appropriate criteria presented in the Delegated Regulations.

As regards **turnover**, the net revenues pursuant to Article 2, point 5, of Directive 2013/34/EU were considered to calculate the denominator. Turnover includes revenues recognised in accordance with International Accounting Standard (IAS) No. 1, point 82, letter a), adopted with Regulation (EC) No. 1126/2008 by Commission.¹³ In order to avoid any possible double counting inter-company matches have been eliminated and do not contribute to the determination of the KPI.

For the definition of the denominator of the **CapEX** KPI, additions to tangible and intangible assets during the year considered before depreciation, amortisation, write-down and any revaluation, including those resulting from restatements and reductions in value, were included for the year in question, and changes in fair value were excluded.¹⁴

¹² More details can be found in the annexed tables in the Regulation.

¹³ In compliance with point 1.1.1. defined in Delegated Regulation (EU) 2021/2178.

¹⁴ In accordance with point 1.1.2. defined in Delegated Regulation (EU) 2021/2178.

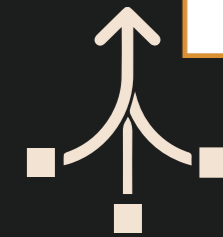
For the purpose of defining the denominator of the **OpEx** KPI, non-capitalised direct costs related to research and development, maintenance and repair as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment, necessary to ensure the continuous and effective operation of these assets, were included.¹⁵

With respect to the individual activities considered, below is a summary of the cost items included in the **numerator** of the indicators:

- **CCM 6.12 - Retrofitting of sea and coastal freight and passenger water transport:** turnover refers to “Refit Revenues”, while operating costs refer to the installation of filters and new insulation, the construction of frames for supporting and fixing various components, and temporary air extraction systems.
- **CCM 9.3 - Professional services related to energy performance of buildings:** the associated costs refer to the energy diagnosis consultancy conducted in Marina di Carrara and La Spezia.



¹⁵ In accordance with point 1.1.3. defined in Delegated Regulation (EU) 2021/2178.



5

RESPONSIBLE
VALUE CHAIN
MANAGEMENT

RESPONSIBLE VALUE CHAIN MANAGEMENT

In the implementation of the project, TISG purchases raw materials and services from its own suppliers or indirectly from subcontractors.

The main types of supplies include:

- hulls and carpentry;
- engines, machinery and handling;
- electrical, piping and HVAC (Heating, Ventilation, Air Conditioning) systems;
- exterior and interior painting;
- fittings;
- insulation and caulking.

SELECTION AND QUALIFICATION OF SUPPLIERS

The Company's objective is to select suppliers who become reliable partners capable of continuously supporting the Company's business, thus enabling it to fully satisfy the end Customer. All suppliers must sign and comply with the TISG Code of Ethics, which they receive at the beginning of the collaboration. They must also complete and sign a questionnaire with questions on all ESG topics.

The TISG Quality Manual also provides that suppliers are assessed on their ability to provide products and services that comply with the requirements defined by the Company. In addition, the Company decided to formalise an Integrated Management System for Quality and Safety at Work in accordance with UNI EN ISO 9001:2015 (ISO 9001) and UNI ISO 45001:2018 (ISO 45001). All the controls provided for by Legislative Decree No. 81/2008 on occupational health and safety are applied to the supply chain. More generally, the following are assessed: the legal and corporate situation, economic-financial stability, production capacity, the ability to comply with legal and TISG requirements on health and safety in the workplace and compliance with current legislation on social ethics and environmental safety.

The Quality Department, with the direct involvement of its Director, conducts initial audits at the premises of suppliers and sub-contractors. A positive outcome of the audit determines the inclusion of the supplier or contractor in the Company's Supplier Pool; a negative outcome means that the collaboration cannot proceed. In some cases, where minor non-conformities are found, the Group offers the supplier the opportunity to reapply after the non-conformities have been resolved. The audit includes a comprehensive checklist of aspects to be verified, ranging from the tidiness and cleanliness of the working environment, organisational, technical and quality aspects, to the control of materials and manufactured products. Supplier performance is subsequently monitored in relation to on-time delivery, production capacity and product conformity.

The Company, in order to allow its own personnel and that of the contractors to correctly perform all the phases of production and delivery of the product, has defined and made available, as an integral part of the Integrated Management System for quality and safety at work, a set of work documents (Specifications, Drawings, Work Instructions, Tests, Memoranda) that describe the specific activities for the realisation and control of the product and the related equipment to be used.

The Company implements a purchasing policy with its Suppliers such as to achieve:

- relationships based on mutual cooperation, oriented towards continuous improvement;
- the measuring of the quality of supplies;
- the constant checking of the quality of supplies based on data obtained from the quality survey of purchased products; from the performance of services provided on site; from any second-party inspections at suppliers' production facilities. In relation to the selection of service providers, this is directly initiated by the manager of the requesting department, taking into account the requirements set out in the Code of Ethics and the Passive Cycle Procedure.

SUPPLY CHAIN MAPPING FROM AN ESG PERSPECTIVE

During 2023, TISG launched the complete mapping of its Italian and foreign supply chain from an ESG perspective. All suppliers were asked to complete a questionnaire containing questions on environmental, social and governance issues. The mapping revealed a certain awareness of ESG topics, especially among the larger suppliers. However, the analysis shows that there is room for improvement in TISG's supply chain enterprises, especially those that are artisanal and small in size, in terms of reporting on ESG topics, sustainability governance and safeguards in place, such as certifications.

The mapping, which will be an ongoing commitment to new and existing suppliers, will make it possible to raise the supply chain's awareness of ESG topics and accompany suppliers who need support on the sustainability path.

SUPPORTING THE PRODUCTION CHAIN

TISG's commitment focuses on the small local enterprises¹⁶ and suppliers that are an integral part of the nautical production chain. For the fiscal year 2023, 30% of the budget spent was allocated to suppliers located in the Ligurian-Tuscan nautical district.

NUMBER OF SUPPLIERS	FY 2023	
	n.	% of total
Located in Italy (including local)	1,445	74%
of which are local	620	30%
Located in the rest of Europe	178	7%
Located in the rest of the world	121	19%
TOTAL SUPPLIERS	1,744	100%

Since 2021, the Group has been entering into Factoring agreements with various institutions to give suppliers the opportunity to finance their working capital through easy and immediate access to liquidity. This agreement allows the supplier to enter into a contract with the factoring institution and directly assign its invoices to The Italian Sea Group to the factoring institution. On the due date of these invoices or in advance, if requested, the supplier receives payment, while TISG reimburses the institute, which in turn offers the possibility of a deferment of payment terms. As of 31 December 2023, the total ceiling made available to the TISG supply chain amounts to Euro 59 million.

¹⁶ By local enterprises we mean companies in the Ligurian-Tuscan nautical district, which stretches across the provinces of Genoa, La Spezia, Massa Carrara, Lucca and Livorno.

CUSTOMER SATISFACTION

Customer satisfaction is one of the pillars on which TISG's business is founded and the goal to which every activity is aimed, throughout the design and construction of the yacht up to after sales and refit interventions. From first contact to delivery, TISG strives to ensure that the yacht-building process is an exciting journey that meets customer satisfaction in every detail. In addition, the satisfied yacht owner returns to the shipyard for refit activities in the years following the delivery.

Maximum availability, technical expertise, absolute quality of materials and workmanship: this is what the customer experiences on the way to obtaining the yacht of his/her dreams.

In order to guarantee maximum customer satisfaction, TISG has set up a Quality Department consisting of more than 25 highly specialised engineers and technicians, who follow the construction process in all its phases, carrying out daily on-board inspections and reporting possible improvements to the Production Department.

In addition, to meet the ever-increasing need for product control and verification, and to guarantee the most efficient support system for the Customer even after delivery, The Italian Sea Group has decided to adopt a computerised control system that allows for the monitoring of every single design, production and after-sales activity. Our technical department, production department, quality department and after-sales department can monitor and interact with all suppliers and people involved in the construction at any time. The software, which can be accessed on various user interface levels, allows any technical and production information to be uploaded and direct contact to be established among the various interlocutors.

The information on each order carried out within the shipyard is always accessible and archived in a progressive manner. Every access on board is constantly monitored by special turnstiles and monitors that mark the daily countdown to launch, an indispensable objective that dictates production rhythms and allows for realignment in the event of delays.

Once the yacht has been delivered, the After Sales Department is at the customer's disposal to promptly handle any further requests.

The Italian Sea Group has also adopted an integrated management system for quality and safety at work that is certified and compliant with UNI EN ISO 9001:2015 and UNI ISO 45001:2018 standards in order to efficiently and effectively support its processes, facilitate the activities necessary to comply with regulatory and other requirements applicable to its activities, and ensure the correct and continuous adoption of the most suitable measures to guarantee high quality standards.





SOCIAL
RESPONSIBILITY

SOCIAL RESPONSIBILITY

PERSONNEL MANAGEMENT POLICY

The personnel management policy of The Italian Sea Group is functional to the pursuit of the corporate objectives linked to sustainable development, as well as to the creation of value for all the Group's stakeholders. The culture of respect for the individual is considered a founding value for the Company and, together with the complex of relational, intellectual, organisational and technical skills of each employee and independent contractor, constitutes a fundamental asset for the pursuit of corporate objectives. Moved by the awareness that people represent an organisation's most valuable asset, TISG is therefore committed to attracting the best talents and to retaining and motivating its resources, fostering both their professional development and personal growth, and providing incentive systems aimed at guaranteeing adequate levels of commitment and retention as envisaged by the company's rewarding policy. This policy, in particular, provides for:

- an **annual salary review system**, which is an organisational process through which the Company reviews and evaluates salaries on an annual basis, drawing inspiration from principles of fairness, competitiveness and meritocracy in line with the Company's values, governance and remuneration policy)
- a **short-term variable remuneration system** provided for the managerial population and represented by the individual "MBO" - Management by Objectives - reward system. The MBO system has the function of promoting the achievement of annual business objectives and provides for the assignment of a certain number of measurable objectives reported from time to time in the individual sheets shared with the interested parties at the beginning of each new period. The MBO system is extended to Executives with strategic responsibilities and other managers with technical and management coordination roles.
- a **variable long-term remuneration system** represented by the "Long Term Incentive Plan 2026-2028" for executive directors, general managers and executives with strategic responsibilities
- a **"life-long learning" system** involving the organisation on an annual basis of professional and managerial training and development programmes through the use of the TISG Academy.

The TISG Academy is a project created with the aim of cultivating the company's human capital and countering the rampant phenomenon of the "talent shortage" and is dedicated to the realisation of paths of excellence for company employees and graduates from Italian universities. The training programmes, which are carried out by external and internal lecturers, cover both technical topics related to the yachting sector and aimed at the acquisition of so-called "hard skills" as well as less sectoral topics aimed at fostering the development of "soft skills" that are essential to ensure the development of managerial career paths. The lowest common denominator of the annual training programmes is the constant focus on technical and aesthetic quality, the founding values of the corporate philosophy.

TISG is committed to stimulating actions and behaviours aligned to its values, in compliance with the principles of inclusion and diversity, equal opportunities, meritocracy and fairness, as set out in the Group's Code of Ethics.

In the philosophy of The Italian Sea Group, work is not only the application of man's physical and intellectual faculties to the production of a good or a product; work is also a tool, a guarantee of possibilities, a set of values; it is the path along which the individual can achieve his/her goals of professional and personal growth and fulfilment.

As at 31 December 2023, 658 people are employed by The Italian Sea Group. This number has steadily increased over time, for both men and women, as shown in the tables in the following sections.

Women represent about 16% of the total resources, and belong, like men, mostly to the office employee category and to the age band of thirty to fifty.

With reference to the employment contracts of its employees, it should be noted that the Group applies the National Collective Bargaining Agreement for Industrial Metalworkers to all its personnel, with the exception of:

- employees working in the hospitality sector of the Village in Marina di Carrara (MS), to whom the National Collective Bargaining Agreement for Trade and Services is applied;
- employees of Celi Srl, a company acquired by The Italian Sea Group in April 2023, for whom the National Collective Bargaining Agreement for Wood and Furniture is valid.

RECRUITMENT ACTIVITIES

In the interest of the best performance in all areas of the company, TISG is committed to structuring a resource recruitment process based on the objective assessment of professional skills, potential and personal characteristics, in order to ensure the best possible placement and future growth of the resource.

During the process of searching for, selecting and hiring new resources, the company department involved observes guidelines based on objectivity, respect for the candidate and his or her personal data, the enhancement and integrity of the person and the prohibition of any form of discrimination. In fact, the selection of employees and independent contractors is carried out without any discrimination with respect to the private sphere and opinions of the candidates, and aims at recruiting resources that correspond to the profiles actually necessary for the company's needs, avoiding favouritism and facilitations of any kind, and inspiring its choice exclusively through the criteria of professionalism and competence.

These commitments and guidelines are set out and detailed in the Human Resources Management Process Procedure (compliant with ISO 9001 and ISO 45001) No. 621 Rev. N, issued on 30 October 2021 and contained within the Group Code of Ethics in the section "Principles of conduct in relations with employees and independent contractors", and in the Diversity and Inclusion Policy.

The Policy described herein applies to all selection processes involving employees of any contractual classification level and job description, apprentices, independent contractors and curricular and extracurricular trainees, and envisages a selection process divided into successive steps involving the HR department, the direct manager of the vacant organisational position, the Manager of reference and the CEO.

As already expressed, every process is based exclusively on objective and meritocratic assessment criteria, aimed at avoiding any form of prejudice for the company or discrimination against candidates.

THE PHASES OF THE RECRUITING PROCESS

The process starts at the end of each year with the analysis of personnel needs. In this phase, the HR department gathers the needs of each business sector by conducting a joint analysis with the sector Manager/Director of the needs in terms of personnel implementation requirements in relation to expected workloads. At the end of the analysis conducted on all company sectors, the labour cost budget proposal for the following year is drawn up and submitted to the CEO for approval, and the subsequent recruiting activity is planned. Once the positions in the organisation chart for which the selection is to be launched have been identified, the curricular and personal characteristics of the candidates are defined, together with the Manager of the business sector concerned.

Following the identification of vacant positions in the organisation chart, the HR department develops recruiting activities according to the following guidelines:

- **Step 1:** preliminarily, in order to favour job rotation processes with a view to fostering the continuous growth of personnel and in line with the principles of internal mobility, the possible presence in the workforce of personnel with the required characteristics is verified. In particular, mobility is encouraged, including inter-departmental mobility, on the basis of egalitarian and inclusive criteria. The primary objective of this activity is to foster personnel retention, accommodating, where possible, requests for professional growth and building career paths based on the skills and abilities possessed, prospects and general objectives;
- **Step 2:** if no personnel with the required characteristics are found within the workforce, external selection is initiated by screening the spontaneous applications received by the company and/or by publishing a job advertisement on the main online and offline recruitment channels that are most functional to the search and/or by entrusting a specific assignment to a head-hunting company of proven reliability and capacity;
- **Step 3:** candidates deemed suitable are called to participate in a series of individual interviews (in person or alternatively with video links) with both the HR Department and the Manager of the relevant area in order to discuss their rationale for the placement, technical skills and personal characteristics;
- **Step 4:** once a suitable candidate has been identified, the HR department draws up a special request for authorisation to hire, to be submitted to the CEO, indicating the company position for which the job is being sought, the main information on the candidate's contractual status, a summary description of the skills and experience possessed, and the proposed salary and contractual framework, which must be in line with the market and the company's internal balances. The candidate's assessment sheet and Curriculum Vitae are attached to the hiring request;
- **Step 5:** once the CEO's authorisation has been obtained, the HR department hands the candidate a binding employment proposal containing the main features of the employment relationship. If the proposal is accepted, the HR department then takes charge of all the necessary formalities for the activation of the employment relationship, also through the collaboration of an external consulting firm, and supports the resource in the process of insertion in the Company (so-called On-Boarding).

During 2023, TISG increased its workforce due to intensified production activity and the increased need for professionals in all departments. The new entrants belong mainly to the age bands 30-50 and under 30. The acquisition of Celi Srl in April 2023 also contributed to a substantial increase in the total number of employees.

In this regard, it should be noted that in order to streamline processes, the Group has implemented measures to internalise activities that were previously outsourced to external suppliers. This is precisely where the acquisition of Celi Srl, a well-known manufacturer of luxury wooden furniture located in Terni and employing 62 people at the time of its acquisition in April 2023, fits in. In addition, new resources were hired following the relaunch of the Hub Perini Navi in Viareggio, where the brand's historic joinery workshop was located.

PERSONNEL COMPOSITION

As previously indicated, as at 31 December 2023, the total number of Group employees amounted to 658, a significant increase over the previous year (+29% compared to 2022 figures). Of these, the vast majority are employed on a full-time, permanent contract. In fact, the company's desire is geared towards the retention of its employees through the offer of stable, long-term contracts.

On the other hand, fixed-term contracts are proposed in cases where it is necessary to fill a certain job position in the face of work peaks, as well as in the case of new workers, whose placement is sometimes preceded by an internship period of up to 6 months.

The significant increase in the total number of resources employed by the Group is mainly attributable to the acquisition of Celi Srl.

TYPE OF CONTRACT	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
PERMANENT EMPLOYEES	263	32	295	375	56	431	447	82	529
FIXED-TERM EMPLOYEES	64	14	78	58	21	79	102	27	129
TOTAL EMPLOYEES	327	46	373	433	77	510	549	109	658

FULL TIME AND PART-TIME	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
FULL TIME EMPLOYEES	327	41	368	432	70	502	546	101	647
PART-TIME EMPLOYEES	0	5	5	1	7	8	3	8	11
TOTAL EMPLOYEES	327	46	373	433	77	510	549	109	658

In addition to the above-mentioned employees, there are 28 further resources, i.e., 27 interns and trainees (16 men and 11 women), most of whom are recent university graduates or new high school graduates on their first work experience, as well as a self-employed worker with whom the company has signed a CO.CO.CO [collaborazione coordinata e continuativa (coordinated and continuous collaboration)]¹⁷ type contract.

As regards the two-year period prior to this reporting exercise, the types of contract found in the workforce were, respectively: in 2021, 10 apprentices, 5 project employees and 13 trainees; in 2022, there were 7 apprentices, 6 project employees, and 14 trainees, plus one on-call employee¹⁸.

The analysis of the Group's population by gender shows a clear majority of employees belonging to the male gender, resulting mainly from the characteristics of the marine construction sector, especially with reference to the category of shipyard workers¹⁹. In contrast, the gender discrepancy is smaller if only the office-workers category is taken into account (employees belonging to the least represented gender are about 29% of the total).

In relation to managerial positions (executives and middle managers), there is also a predominance of the male gender; however, a positive sign is shown by the increase in the number of women in the role of managers, from 3 to 7 out of a total of 49 in 2023, i.e., around 14%.

Employees ²⁰ by professional profile and gender	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	19 5.1%	0 0.0%	19 5.1%	21 4.1%	2 0.4%	23 4.5%	23 3.5%	2 0.3%	25 3.8%
Managers	23 6.2%	3 0.8%	26 7.0%	35 6.9%	3 0.6%	38 7.5%	42 6.4%	7 1.1%	49 7.4%
Office employees	150 40.2%	39 10.5%	189 50.7%	211 41.4%	68 13.3%	279 54.7%	226 34.4%	92 14.0%	318 48.3%
Workers	135 36.2%	4 1.1%	139 37.3%	166 32.5%	4 0.8%	170 33.3%	258 39.2%	8 1.2%	266 40.4%
TOTAL	327 87.7%	46 12.3%	373 100%	433 84.9%	77 15.1%	510 100%	549 83%	109 17%	658 100%

¹⁷For the present reporting cycle, it was not possible to collect precise information on the number of contractors and sub-contractors (categories included among the non-employees within the meaning of GRI disclosure 2-8), as there is currently no precise system in place to track their presence, in addition to the fact that the number of such persons tends to be highly variable throughout the year. It is an explicit commitment of the Company to work in the near future on the implementation of a mechanism to better track this information, in view of subsequent reporting cycles.

¹⁸With a view to greater adherence to the reference standard, for 2023, the contract types that had been reported "unpacked" for the previous two-year period were incorporated among employees, with the exception of interns, trainees and self-employed workers, counted, as per the standard, among non-employees (GRI 2-8).

¹⁹The company does not require employees to specify their gender, but obtains the information indirectly via the tax code. For this reason, no employee falls into the "other" or "not reported" categories.

²⁰The company does not require employees to specify their gender, but obtains the information indirectly via the tax code. For this reason, no employee falls into the "other" or "not reported" categories.

Nonetheless, the company population is evenly distributed among the main age bands, with the largest increase recorded over the three-year period in the 30-50 age band, which shows an increase in absolute value from 216 in 2021 to 333 in 2023, or about 54% more than the three-year total.

EMPLOYEES BY AGE BAND AND GENDER	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	52 13.9%	18 4.8%	70 18.8%	73 14.3%	26 5.1%	99 19.4%	134 20.4%	39 5.9%	173 26.3%
30-50	191 51.2%	25 6.7%	216 57.9%	251 49.2%	46 9.0%	297 58.2%	276 41.9%	57 8.7%	333 50.6%
>50	84 22.5%	3 0.8%	87 23.3%	109 21.4%	5 1.0%	114 22.4%	139 21.1%	13 2.0%	152 23.1%
TOTAL	327 87.7%	46 12.3%	373 100.0%	433 84.9%	77 15.1%	510 100.0%	549 83.4%	109 16.6%	658 100.0%

The Group's activities are not subject to significant seasonal variations; therefore, changes in the workforce are correctly represented by annual dynamics.

To complete the overview of the workforce numbers, below are the figures for the protected categories hired by the Group as at 31 December 2023.

PROTECTED CATEGORIES BY PROFESSIONAL PROFILE AND GENDER	2023		
	Men	Women	Total
DIRECTORS	0 0.0%	0 0.0%	0 0.0%
MANAGERS	1 0.2%	0 0.0%	1 0.2%
OFFICE EMPLOYEES	6 0.9%	1 0.2%	7 1.1%
WORKERS	7 1.1%	0 0.0%	7 1.1%
TOTAL	14 2.1%	1 0.2%	15 2.3%

Among them, 1 person (0.2%) belongs to the under-30 age band, 4 people (0.6%) are between 30 and 50 years old, and the remaining 10 are over 50 years old (1.5%).

DIVERSITY AND EQUAL OPPORTUNITIES

TISG sees diversity as an opportunity to draw new stimuli and culturally enrich the company: it rejects any form of discrimination or harassment and actively strives to develop and maintain an inclusive working environment and a corporate climate of tolerance and respect for human dignity. That is why the Company has adopted the above-mentioned Diversity and Inclusion Policy, and actively promotes these values by opting for selection processes that aim to reduce diversity based on gender, age or other criteria, and by promoting a fair and inclusive working environment.

The development of people and their diversity is an essential element of The Italian Sea Group's human resources management and broader ESG strategy. The Group is aware that companies that manage to express a high degree of diversity - of gender, age, cultural and professional background - have a broader spectrum of views, opinions and experiences, bringing greater value to decision-making. The Italian Sea Group promotes the conditions to remove cultural, organisational and material obstacles that limit the full expression of people and their full development within the organisation.

With this in mind, in particular, The Italian Sea Group supports gender equality and considers the contribution made by its employees, regardless of their gender, to be equally strategic to the creation of value for the company and the community.

In addition, during 2023, the Group prepared offers for professional development programmes aimed at fostering the growth and advancement of women and young professionals within the Company.

PARENTAL LEAVE AND EQUAL PAY

All personnel management processes, from selection to career development, must ensure equal opportunities and equal remuneration for equal roles and responsibilities. The Group constantly monitors the relevant indicators to ensure equal treatment and internal development.

The Italian Sea Group pursues, among other things, gender balance and the overcoming of any stereotype, discrimination or prejudice. It therefore undertakes to implement concrete initiatives aimed at raising awareness at all levels to overcome discriminatory attitudes and prejudices, even unconscious ones; to promote policies and actions aimed at fostering equal opportunities, the balancing of life and work time, the sharing of family responsibilities and the removal of potential obstacles.

In correlation with the approaches presented, data on parental leave and gender pay equality are given below:

PARENTAL LEAVE	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Number of employees entitled to parental leave	327	46	433	77	549	109
Number of employees who took parental leave	6	2	7	2	12	4
Total number of employees entitled to return to work after parental leave in the reporting period	6	2	7	2	12	4
Total number of employees who returned to work after parental leave	6	2	7	2	12	4
Number of employees who returned to work at the end of parental leave and were still employed 12 months after return	-	-	5	2	-	-
Rate of return to work	100%	100%	100%	100%	100%	100%
Retention rate	100%	100%	71.5%	100%	-	-

The Return-to-Work Rate is calculated as the total number of employees who actually returned to work after parental leave divided by the total number of employees who should have returned to work after taking parental leave.

The Retention Rate is calculated as the total number of employees still employed 12 months after returning to work following parental leave divided by the total number of employees who returned to work following parental leave in the previous reporting period.

RATIO OF BASIC SALARY AND WOMEN'S/MEN'S SALARY BY CATEGORY ²¹	2021		2022		2023	
	Women / Men		Women / Men		Women / Men	
	Basic salary	Remuneration ²²	Basic salary	Remuneration ²³	Basic salary	Remuneration
DIRECTORS	-	-	0.95	-	0.81	0.69
MANAGERS	1.36	-	0.94	-	0.93	0.92
OFFICE EMPLOYEES	0.96	-	0.90	-	0.82	0.81
WORKERS	0.88	-	0.80	-	0.85	0.84

The disparity in salaries in the executive category is mainly due to different roles, responsibilities and managerial powers, as well as the number of employees managed. These factors result in significantly different base salaries and other remuneration items (e.g., bonuses, non-competition covenants...) for the same classification.

The Group's remuneration policies are detailed in the document Policy on remuneration and compensation paid, which can be found on the companies' website, Investor - Corporate Governance - Shareholders' Meeting section.

²¹The figures in the table do not take into account employees of TISG Turkey and the top management of TISG S.p.A.

²²Data on the ratio of women's to men's salary by category are not available due to a limitation in the data tracked by the management systems used. The company made a commitment, starting in 2023, to adopt effective tools to track this figure for the reporting fiscal year.

The figures for 2023 were estimated by recalibrating the monthly salaries of employees on the basis of 12 monthly salaries, in order to obtain a comparable figure for all employees, even for those who joined the company during this reporting year.

²³See above.

TRAINING AND RESOURCE DEVELOPMENT

The Italian Sea Group considers the training of its resources a priority, both to foster their professional development and personal growth, and to impart to them the knowledge necessary to achieve the expected performance.

The process for defining the training activities to be implemented jointly involves the HR department and all other areas of the company, which are involved according to the topics to be trained, and consists of the following phases:

- analysis of the needs of individual departments;
- design of the intervention, through the definition of content and teaching methods;
- delivery of the training;
- assessment of results.

In addition to the training provided on a voluntary basis, to meet the needs of the business, TISG is also very scrupulous in planning compulsory training on privacy (European Regulation 2016/679 GDPR on privacy and national legislation: fulfilments and operating instructions), the Organisation, Management and Control Model adopted by the Company pursuant to Legislative Decree No. 231/2001 (General Part and Special Part) and the Whistleblowing System, and Health and Safety in the workplace (Ref. H&S personnel training).

During 2023, all employees were involved in compulsory training courses administered through an external provider via a dedicated online platform. The service made it possible to follow the courses and take the test also remotely and at different times, so that all the personnel involved could organise and plan their activities autonomously, in order to reconcile work and training needs.

TRAINING HOURS	2021			2022			2023		
	Men	Women	Average hours	Men	Women	Average hours	Men	Women	Average hours
DIRECTORS	9	/	0.4	4.5	/	0.2	92	0	3.7
MANAGERS	57	3	1.4	103.5	/	2.7	272.5	54.5	6.7
OFFICE EMPLOYEES	990	186	4.8	1,207.5	291	5.4	3,100.5	976.5	12.8
WORKERS	64.5	/	0.4	45.0	/	0.3	1,773.5	48.0	6.8
AVERAGE HOURS BY GENDER	2.7	3		3.2	3.8		9.5	9.9	

THE TISG ACADEMY

In order to guarantee optimal management of training programmes and ensure the highest level of quality, the Group established the TISG Academy in 2021. Specifically, this initiative was created with the aim of making the Group's skills and know-how available to all employees through training courses provided to them on a voluntary basis.

Prestigious Italian universities, such as the Faculty of Naval Engineering at the University of Trieste and the Faculty of Naval and Nautical Engineering at the Universities of Genoa and La Spezia, are also taking part in the project, making their teaching personnel available and opening the courses to students, who are awarded academic credits. The programme, organised in semesters, features a full agenda of sessions on technical topics related to the yachting world, such as safety, design, painting, plant engineering, and, depending on the

subject matter, the choice of speakers ranges from the aforementioned university professors to TISG managers. The Academy's training activity plays a key role in deepening specific topics according to business needs and cultivating a pool of talent that will be the new yachting professionals in the near future.

The relationship between the Group and the Universities, in addition to enriching the Academy's offer, contributes to the creation of a point of contact between the two realities, which facilitates the insertion of young talents into the world of work, thanks to a greater awareness of areas of interest and personal aptitudes, through a progressive knowledge of the activities and the company.

Below are the topics covered in the training courses held by the TISG Academy over the last three years.

2021	2022	2023
Legislation	Legislation	Legislation
Furnishing	Furnishing	Batteries: regulations and installation solutions
Corrosion	Emissions and pollution	Insulation/caulking and soundproofing
Electrical and plumbing plants	Electrical and plumbing plants	Gas in cylinders
Quality	Hydrogen propulsion	Lighting technology
Fire-fighting system	Fire-fighting system	Project engineering and feasibility: interiors
Ventilation and air conditioning (HVAC system)	Hybrid-electric propulsion	Ventilation and air conditioning (HVAC system)
Painting	Painting	Basic design principles
Vibration and sound insulation	Thermodynamics	Various classes

THE NEWGEN PROJECT

In 2023, The Italian Sea Group launched NEWGEN, a project designed to integrate new graduates into the Group's workforce, which will continue on an annual basis for at least the next 5 years.

The project envisages a 6-month internship in the Group's Quality department for 10 recent university and high school graduates mainly from the region, selected on the basis of academic and aptitude requirements. During their time in the company, the students will have the opportunity to come into contact with all areas of the company and will be able to follow, after a preparatory phase, ad hoc

pathways that will direct them towards specific activities and other company departments to which they will be assigned at the end of the project.

The NEWGEN project is an important preparatory opportunity for the inclusion in the world of work of talented young people who wish to embark on a path of growth in a cutting-edge company. The absolute focus on quality is one of TISG's core values; this is why the company has decided to start this growth path from the department that is its guarantor, so that young resources can feel an active part of the system right from the start and share TISG's work philosophy.

EMPLOYEE WELLBEING

In the full knowledge that the wellbeing and quality of life of employees inside and outside the company positively influences productivity as well as retention, TISG offers its people a stylish, comfortable working environment with state-of-the-art facilities.

At the end of 2023, a climate survey was launched to find out the opinion of all Group personnel on aspects concerning the organisation, the working environment and the relationship with colleagues and managers. The survey involved all employees, trainees and independent contractors of all group companies, in Italy and abroad. The opinions were collected strictly anonymously in an online platform, accessible via a link shared with employees via email and a QR code posted on company notice boards.

The survey saw a participation rate of 76% of employees, well above the average for comparable companies in terms of type and number of employees; this rate denotes a high level of engagement of the company population. The results of the survey showed a considerable polarisation of responses within the areas of excellence and positivity.

In particular, **2 factors out of 11** were identified as **areas of excellence**: “**being a sponsor**” (i.e., the perception of pride in working in the company and the sense of belonging) and “**role clarity**” (i.e., the perception of one’s contribution and responsibilities). This demonstrates that the company has solid strengths recognised by the majority of employees on which it can continue to develop its organisation to achieve its business goals, relying on a motivated workforce that is proud of its position and aware of the importance of its role within the company context.

As many as **7 out of 11 of the factors** analysed were in the area of **positivity**. These factors relate to the following areas: Empowerment, Reward systems, Leadership styles, Team work, Development and training, Clarity of strategic corporate objectives, Involvement. Of these 7 factors, 2 - Team work and Involvement - are at the threshold of excellence.

Only 2 out of eleven factors were found to be worthy of further investigation, although they were far from the so-called critical area. In this case, the results of the survey suggest, on the one hand, improving the process by which both individual and corporate successes are celebrated externally and, on the other hand, to more effectively balancing the division of work between and within departments. In particular, this latter aspect reflects the company’s very positive momentum following the major business development strategy that has resulted in a significant expansion of the business, with a consequent increase in the number of activities to be managed and developed.

In this regard, the company has already taken actions aimed, on the one hand, at streamlining production processes and, on the other, at continuing to expand its workforce through new entries of both young talent and highly qualified personnel.

In conclusion, the organisational climate analysis provided a valuable database for the company, allowing it to have a full awareness of its strengths and what should be optimised. By using these results strategically, the company will be able to develop interventions aimed at promoting an even more positive, inclusive and success-oriented working environment for its employees, as well as defining future strategies for improving business processes.

THE TISG VILLAGE

The Company makes available to all employees the “The Village” area, a building within the company perimeter of Marina di Carrara that houses a SPA and a gym, available free of charge to employees. The property also offers a restaurant that, for lunch, is available to employees, as well as guests and customers, while in the evening it transforms into a luxury restaurant that is only accessible to employees, their families and VIP card holders.

These environments are aimed at creating a corporate climate that not only satisfies the gastronomic needs of employees but also promotes health and physical wellbeing; they help create a positive atmosphere and support a healthy

lifestyle, reflecting the company’s commitment to the overall wellbeing of its employees.

The dedicated team of people has technical and professional skills aimed at offering the best possible service to employees and all VIP Card holders.

In particular, the Village team is composed of highly qualified professionals with extensive experience in luxury venues in Versilia. The gym has a personal trainer who creates customised fitness programmes for employees, tailored to their individual needs and goals, and who also provides health and fitness advice to encourage active and sustainable lifestyles.



HEALTH AND SAFETY AT WORK

The Company takes great care to ensure that suitable health and safety conditions are constantly maintained in its workplaces. To this end, TISG is committed to:

- complying with applicable laws, regulations and all applicable requirements in order to prevent accidents in the workplace;
- periodically assessing the risks to health and safety in the workplace with the consequent elimination of the risks identified or, where this is not possible, their reduction to a minimum in relation to the knowledge acquired and technical progress;
- maintaining the Integrated Quality and Safety Management System, compliant with international standards UNI EN ISO 9001 and ISO 45001, for the control of occupational health and safety aspects and the continuous improvement of the system;
- making both internal personnel and contract personnel individually responsible for work safety through their respective employers, to achieve a model of widespread responsibility and intelligence;
- maintaining an active dialogue and collaboration with workers' representatives, civil society, local authorities, trade associations, supervisory authorities and any other interested party, in order to make the company's approach to worker health and safety clear and transparent.

In this regard, the company's objectives are to:

- increase the culture of safety by involving all internal and external human resources (suppliers and contractors) through training and enhancing their specialist knowledge and information;
- improve the dissemination and quality of communication regarding safety and company work procedures both within the company and externally;
- adapt risk assessment with reference to the progress of assessment techniques and technical-scientific research, and improve the time and manner in which it is updated to support the dynamics of production and personnel deployment;
- maintain appropriate procedures for identifying and resolving emergency situations.

SAFETY MANAGEMENT AND ORGANISATION SYSTEM

As mentioned, as of 2012, the management of worker health and safety in The Italian Sea Group complies with the provisions of the ISO 45001 standard, which applies to all The Italian Sea Group employees at the Marina di Carrara and La Spezia plants.

The management system integrates internal and external expertise in the Prevention and Protection Service.

The external structure is entrusted with regulatory compliance audits, specific studies and the preparation of training programmes and protective measures, while internal resources are assigned the tasks of supervision, implementation of measures, direct management of communication with internal and subcontracted personnel.

Resources collaborate actively with frequent training, coaching and information meetings to provide continuous feedback on various topics and projects. The HR department deals with the management of training, health suitability, collaborating with the Prevention and Protection Service for the definition of training needs, the distribution of PPE, emergency²⁴ personnel and the risk profile by job. The Prevention and Protection Service assists the HR office in relations with the RLS [Workers' Safety Representative]²⁵ and the Competent Doctor.

The Italian Sea Group also maintains a constant dialogue with the trade unions, represented through the RSUs [Rappresentanza Sindacale Unitaria, (Unitary Trade Union Representative)], on issues related to workers' health and safety - a factor of fundamental importance for the creation of a safe and sustainable working environment. Collaboration between stakeholders is essential to effectively identify and address occupational health and safety risks.

In particular, the Company organises regular meetings with the trade unions to discuss these issues. This commitment is an expression of an approach based on transparency, information sharing and the active participation of workers in decisions that directly affect their wellbeing. Through the Company's open discussion and collaboration with trade unions and workers, it is possible to develop targeted strategies and policies to address these challenges and the risks associated with occupational safety in a preventive manner.

Workers are often the first line in identifying workplace risks, and by involving them in the decision-making process, a sense of individual responsibility and active participation in promoting a safe working environment is fostered. Also thanks to the dialogue with trade unions, the Company remains constantly up-to-date and acts in compliance with occupational health and safety laws and regulations, avoiding legal sanctions and ensuring a working environment that meets the highest standards.

Ultimately, ongoing dialogue enables continuous improvement of safety protocols and company policies, and information exchanged during meetings can guide the implementation of improvement practices over time.

ACCIDENTS AND OCCUPATIONAL DISEASES

The company assesses accidents on a monthly basis by means of special indicators in the "company dashboard" codified in the safety management system.

In the event of an accident, the internal report is forwarded to the prevention and protection service, which is called upon to carry out an initial investigation and issue, where appropriate, corrective actions. In some cases, documents in the form of safety notes are issued to disseminate information and recommended mitigation actions in the appropriate circles.

Top management is involved in monitoring accident (and occupational disease) trends and is made aware of any corrective action taken by the company.

²⁴ The emergency service is staffed by in-house personnel. The facility provides a dedicated fire-fighting personnel with training in first aid aspects as well. The organisation of fire-fighting personnel is assigned to the facility manager. In the logic of improving intervention times, the company's objective is to spread fire-fighting and first aid preparation to an increasing number of production workers.

²⁵ The Workers' Safety Representative (RLS) is elected within the trade union representation. The RLS is guaranteed training, access to company documents and the working environment. The RLS is trained by a training Body not connected to the RSPP to ensure full independence of judgment.

The company indicators of the Integrated Quality and Safety Management System include the **Injury Frequency Index** (IFI), the **Injury Severity Index** (IGI) and the **Injury Index** (total hours injured/total hours worked) (II), which are monitored on a monthly basis, to keep accident trends under control and trigger appropriate corrective actions after each event.

In 2023, the number of accidents at work decreased compared to the previous year, while the number of hours worked increased by about 23%; this led to a significant reduction in accident rates.

ACCIDENTS ²⁶	2021	2022	2023
Total No. of accidents at work	23	18	15
No. of accidents with serious consequences ²⁷	-	-	-
Total hours worked	647,231	820,902	1,010,854
Rate of work-related injuries	35.5	21.9	14.8
Rate of occupational accidents with serious consequences	-	-	-

The main types of accidents are related to falls from heights or depend on foreign bodies (typical of grinding), and are determined on a historical basis in shipbuilding.

No accidents with serious consequences were recorded during the three-year period.

OCCUPATIONAL DISEASES ²⁸	2021	2022	2023
No. of deaths caused by occupational diseases	-	-	-
No. of cases of occupational diseases	6	5	5

Within the framework of worker health promotion, a doctor with a specialisation in occupational medicine is responsible for carrying out health surveillance in the Company, on the basis of an up-to-date health protocol and with reference to the results of the risk assessment, in the drafting of which he/she is personally involved.

The main types of occupational diseases that can arise from the activities performed by Group workers are hearing impairment, pathologies resulting from manual handling of loads, exposure of the upper limbs (hand and arm) to vibrations, noise or indoor pollutants (wood dusts, Chromium VI, solvents, general dusts and welding fumes).

PERSONNEL TRAINING IN H&S

On the subject of worker Health and Safety training, this is provided with the direct involvement of figures such as the Prevention and Protection Service Manager (RSPP), the supervisors, the Workers' Safety Representative (RLS), managers and fire and first aid officers.

Courses on these topics are intended to make workers aware of the possible consequences of their actions with regard to the health and safety of themselves and all their co-workers, and to highlight the importance of applying the relevant regulations and scrupulously observing company procedures.

During 2023, TISG continued to invest in training for occupational risks, distinguishing between general and specific risk training. The HR Department draws up a training plan, also on the indications received from the RSPP and company managers.

MANDATORY TRAINING H&S	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
TOTAL	1,523	32	1,555	121	49	170	2,045	76	2,121

²⁶ The data on accidents and hours worked concern the parent company TISG S.p.A. The figures take into account both employed and non-employed workers, while they do not take into account commuting workers.

²⁷ Accidents with serious consequences: accidents at work that lead to death or injury from which the worker cannot recover, does not recover or it is unrealistic to expect that he or she will fully recover to the state of health prior to the accident within 6 months.

²⁸ The data on registered occupational diseases do not take into account non-employed personnel. Most occupational diseases relate to asbestos exposure risk present until 1978.



7

SUSTAINABILITY
FOR THE TERRITORY

SUSTAINABILITY FOR THE TERRITORY

PROMOSTUDI

Through the TISG Academy, The Italian Sea Group supports Promostudi La Spezia, a participatory foundation that, since 2002, coordinates and manages the La Spezia University Campus at which three-year and master's degree courses at the University of Genoa are held. Set up at the initiative of the main local institutions, Promostudi represents an important example of public-private business and counts among its Founding Members the Municipality of La Spezia, the Carispezia Foundation, the Chamber of Commerce of the Riviera di Liguria, Confindustria La Spezia, the Port Authority of the Eastern Ligurian Sea and the University of Genoa. Around 1,200 students from all over Italy and abroad are currently enrolled at the Polo University of La Spezia and around 300 new enrolments are recorded annually.

TISG collaborates with the University Campus to offer students highly specialised courses of study that are consistent with the demands of the labour market and facilitate their integration into the productive reality.

The current educational offering of the La Spezia University Campus features four three-year degree courses and three master's degree courses, highly specialised in economics, engineering and nautical design topics and responding to the needs of the local industrial fabric.

THE PORTO DEI PICCOLI [THE CHILDREN'S PORT]

During 2023, TISG supported the Porto dei Piccoli, a non-profit association that offers play and educational support in paediatric facilities, at home and in the local area - to children and young people with illnesses and their families.

The mission of the Porto dei piccoli, an association founded in 2005 from an idea of Gloria Camurati Leonardi, is to bring the sea and the culture of the port to all children and young people facing illness, so that through play they can rediscover moments of serenity and recreation. Starting from a ward of the Gaslini Institute in Genoa, in 17 years of activity the association has involved more than 11,000 children and young people in different Italian regions and initiated collaborations with some of the main Italian paediatric centres. Il Porto dei Piccoli caters for every child, regardless of the type of illness, paying special attention to the entire family unit and guaranteeing 365 days a year, free of charge and through its team of professionals, the appropriate support for the children in its care. The contribution made by TISG was mainly directed towards the activities the association carries out in the area.





CONVIVERE

During 2023, TISG supported **Convivere**, the festival on interculturalism that has been held every second weekend in September in the historic centre of Carrara since 2006.

Each edition deals with a theme, looking at the most topical issues related to the coexistence of cultural, religious and political identities.

TISG was the Main Sponsor for the evening of Friday 8 September 2023, supporting the music and spoken word show "A Man Called Bob Dylan" by Davide Van de Sfroos and Andrea Mirò.

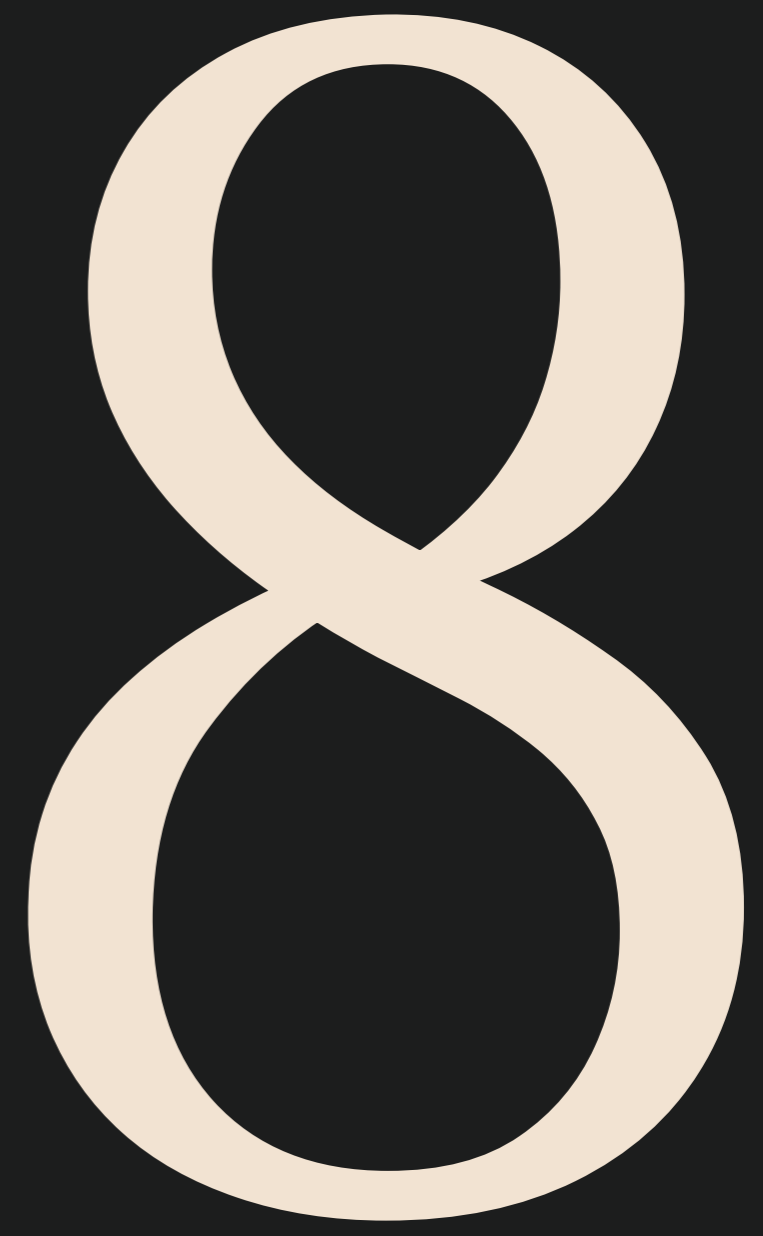
NIAF – NATIONAL ITALIAN AMERICAN FOUNDATION

In 2023, TISG supported NIAF - National Italian American Foundation, to support Made in Italy in the USA. Another Italian sponsor was Automobili Lamborghini, along with other important companies.

The NIAF is a non-profit organisation with no political affiliations, founded in 1975 with headquarters in Washington DC. It is the largest representative of the more than 20 million Italian Americans living in the United States and aims to keep their rich cultural heritage alive, as well as to ensure that the entire community never forgets the contribution Italians have made to the history and progress of the United States.

To celebrate the great heritage that unites Italy and the United States, the NIAF organises its Anniversary Gala every year in Washington DC, attended by the President of the United States, prominent political, financial and cultural figures, distinguished Italian-Americans and some 1,200 guests from the United States and Italy.

On this occasion, the Foundation awarded honours to eminent Italian and Italian-American personalities who have distinguished themselves in their professional or civic roles.

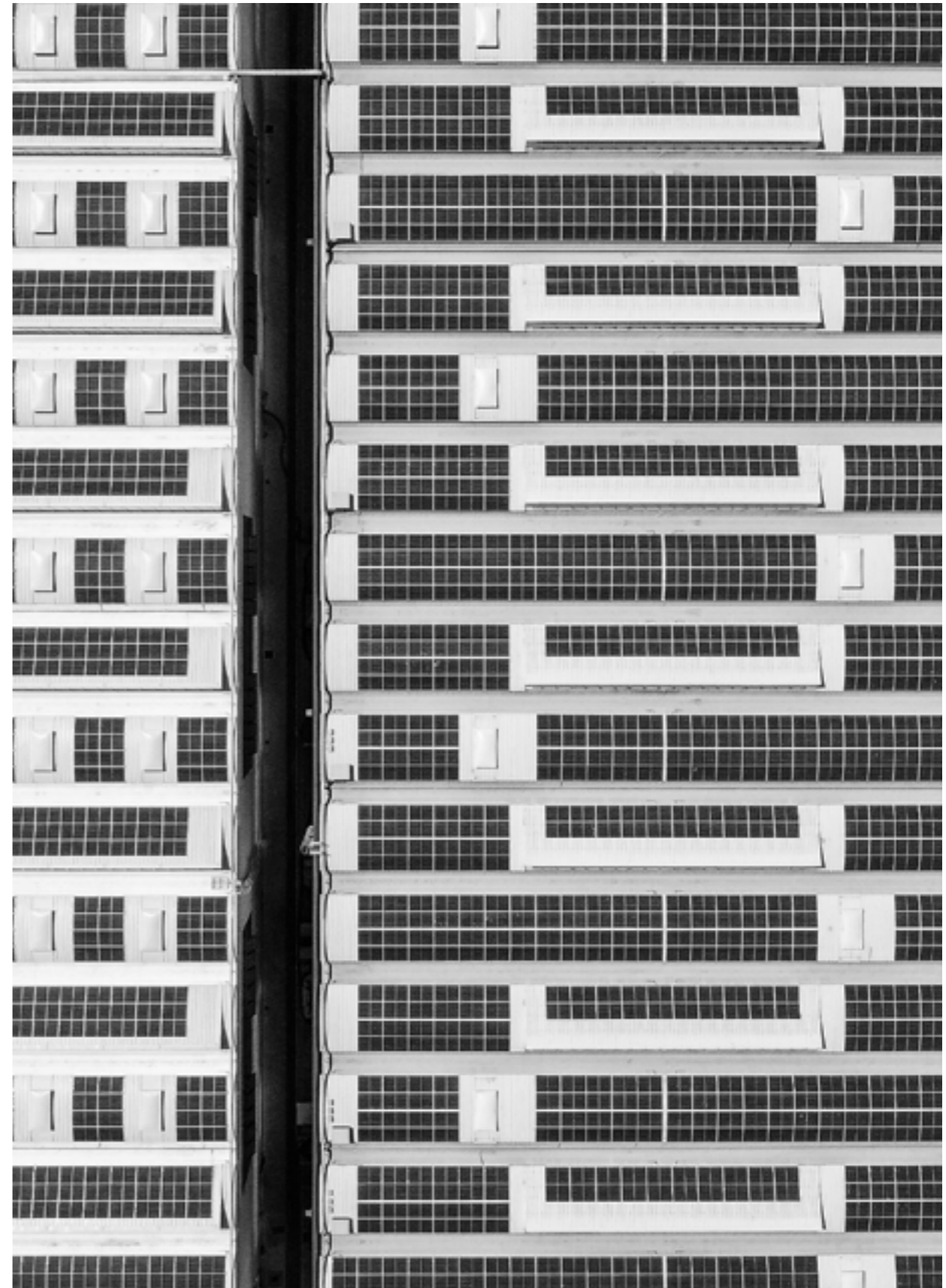


ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL RESPONSIBILITY

The Italian Sea Group considers environmental protection an indispensable aspect of long-term sustainable development and sound business management. The Italian Sea Group, in particular, undertakes to:

- comply with all environmental laws and regulations;
- ensure an effective monitoring system of the environmental aspects related to its production activities and the services provided;
- continuously improve its environmental performance through the setting of measurable targets;
- make efficient use of resources, with particular reference to waste management, energy consumption and raw materials used in production activities;
- monitor atmospheric emissions and water discharges to protect the quality of the air and marine environment;
- progressively reduce direct and indirect greenhouse gas emissions to help slow the phenomenon of climate change;
- take all necessary measures to prevent environmental accidents, with particular attention to the spillage of hazardous substances;
- raise the awareness of its employees on environmental topics and encourage them to apply good environmental practices;
- raise awareness and monitor its suppliers so that they act in full respect of the environment and in accordance with the Company's environmental policy.



FACILITIES AND PRODUCTIVE PROCESSES

The Italian Sea Group's production capacity is distributed in Italy among Marina di Carrara, La Spezia and Terni, as well as several facilities in Turkey, managed by a network of local partners involved in the construction of the hulls and superstructures of the ships and coordinated by the 100% owned subsidiary TISG Turkey.

In Marina di Carrara (the Company's headquarters), TISG boasts an area of around 120,000 square metres. The yard is equipped with 12 production slots for yachts over 50 metres long, two dry docks and a sinking dock with a capacity of up to 3,300 tonnes. In addition, the facilities can accommodate 25 Refit orders up to 140 metres.

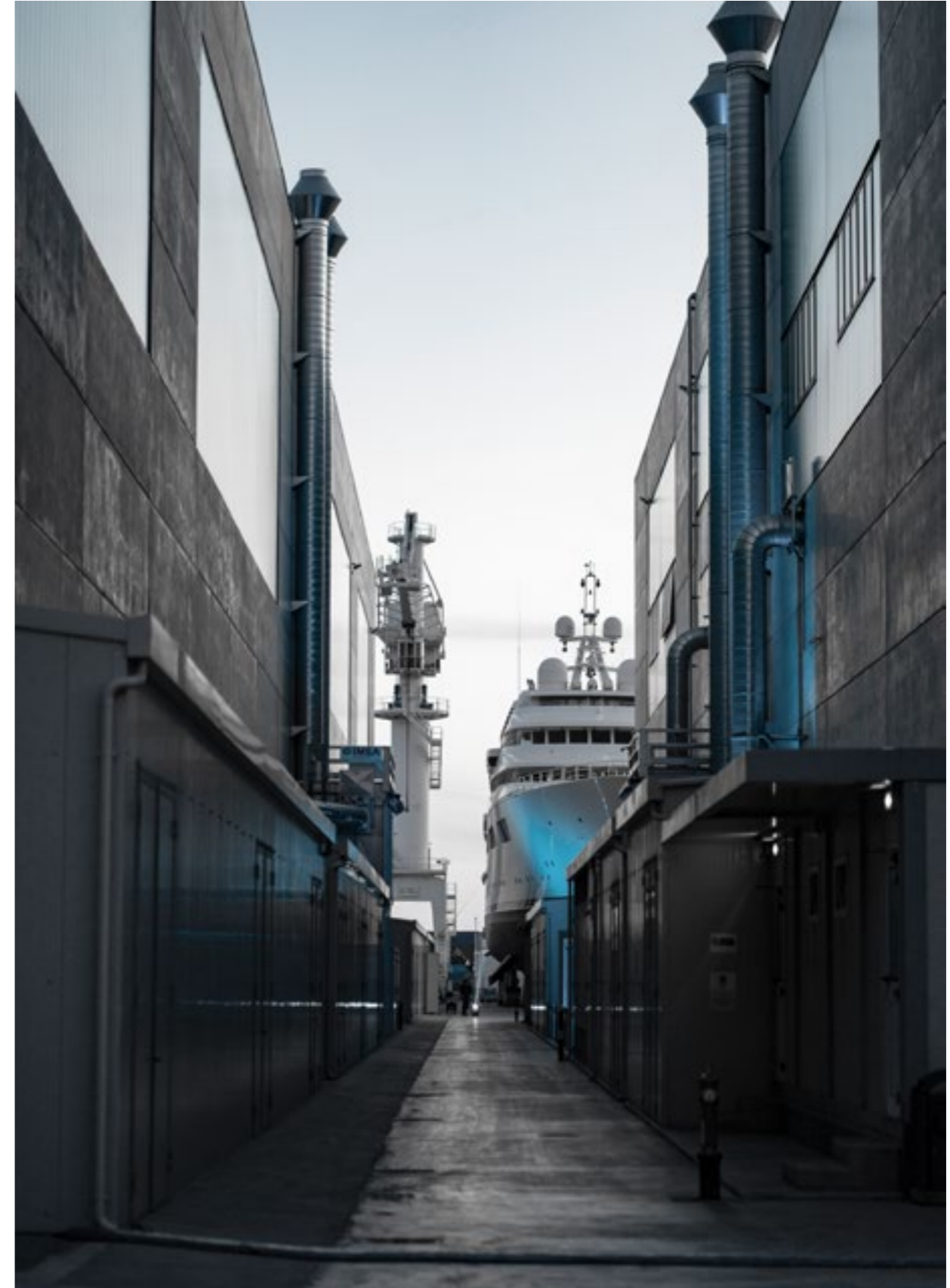
The production site in La Spezia, resulting from the acquisition of Perini Navi, covers an area of over 30,000 square metres and is equipped with an 820-tonne travel lift and a 260-tonne travel lift. The yard has three sheds that can simultaneously accommodate 3 Shipbuilding orders up to 60 metres and 14 Refit orders of around 60 metres. In addition, the facility houses the entire production chain for the construction of Tecnomar for Lamborghini 63 brand speedboats.

With reference to the Viareggio site, deriving from the acquisition of the Perini Navi complex, we report the sale of the building destined for the company's offices, which took place in 2023, while at the time of writing, there are ongoing negotiations for the sale of the shipyard. Under TISG's management, the area occupied by the Viareggio-based brand's historic joinery workshop has been completely renovated and has become a hub for joinery and a commercial flagship, inaugurated on 14 March 2024 and destined to continue to bring prestige to the Perini Navi brand in the historic location where it was born and from which it has become famous throughout the world.

Following the acquisition of CELI 1920 and with the aim of covering up to 70 per cent of TISG's requirements, the production capacity of the Terni site was significantly expanded, with the purchase of two additional warehouses, to reach a total area of around 30,000 square metres.

Production begins exclusively upon signing the contract with the final customer (Ultimate Beneficial Owner - UBO) and consists of several months of technical design. The Company has an in-house Style Centre, consisting of around thirty specialised architects who interpret the customer's wishes in terms of specifications, layout and design. At this stage, should the customer request it, the Company often collaborates with internationally renowned "archistars". The hull and superstructure of the ships are produced in Turkey through a network of local partners, and then reach the Italian production sites, where the outfitting activities (installations and furnishings) are handled before launching and delivery.

With a view to having greater control over the quality and timing of production orders, over the years The Italian Sea Group has internalised some of the most value-added activities in the production chain, such as: the Steelworks, an in-house workshop where all steel finishes are made which are then assembled on the yachts under construction; Upholstery, a division that makes all leather and fabric upholstery and all upholstery details of the designs in progress; Outfitting Carpentry, dedicated to the assembly of technical elements on board, and, during the last year, Woodworking, through the acquisition of CELI.



MANAGEMENT SYSTEM AND ENVIRONMENTAL PERFORMANCE

In order to improve its performance, The Italian Sea Group monitors the significant environmental impacts arising from its activities, identified through materiality analysis and assessed by the Single Environmental Authorisations [Autorizzazioni Uniche Ambientali] issued to shipyards.

On 16 October 2023, The Italian Sea Group also obtained ISO 14001:2015 certification, confirming its commitment to environmental sustainability and continuing in line with the Company's ESG programme implementation plan. Issued by RINA, one of the most authoritative accredited certification bodies at international level, the certification was obtained specifically for the Marina di Carrara and La Spezia shipyards, and is in addition to the other certifications the Company already holds: ISO 9001:2015 Quality Management System and ISO45001:2018 Occupational Health and Safety Management System.

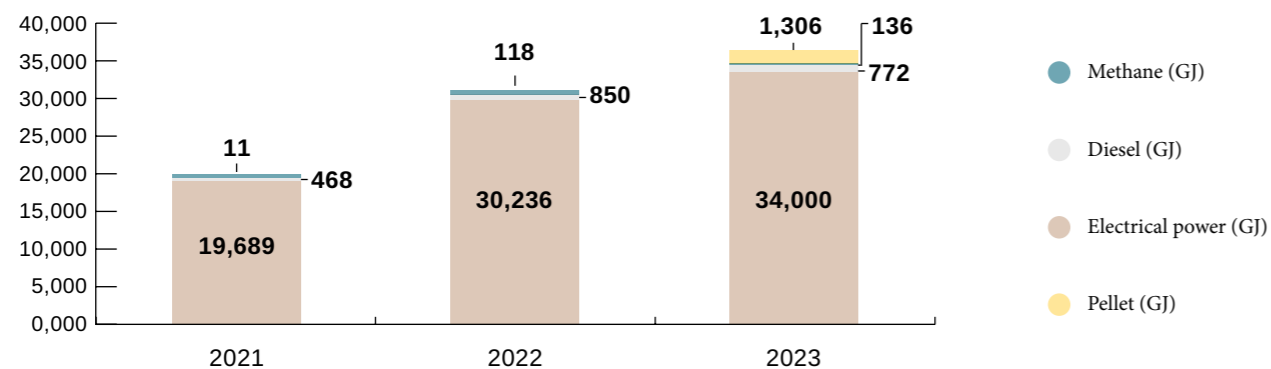
The Italian Sea Group has always paid great attention to reducing the environmental impacts generated by business, promoting a conscious and efficient consumption of resources and a meticulous waste reduction policy. Indeed, the Group believes that the creation of an increasingly sustainable business cannot disregard the systemic management of environmental aspects. By obtaining ISO 14001 certification, the Company has taken a further step towards improving its environmental performance and creating sustainable value for all stakeholders and the entire community in which the Company operates.

ENERGY CONSUMPTION AND RENEWABLE SOURCES

TISG's energy consumption is mainly determined by electricity, diesel used to power forklifts in the shipyards, and methane for heat generation. The tables below also show a small percentage of pellet consumption, which is used entirely at the Celi facility to fuel a stove.

The steady growth in energy consumption in absolute terms over the three-year period under consideration, which began in the previous year and consolidated during this reporting year, is attributable to the progressive increase in the Group's production activities, as well as the acquisition of the CELI joinery workshop.

TOTAL ENERGY CONSUMPTION (GJ)



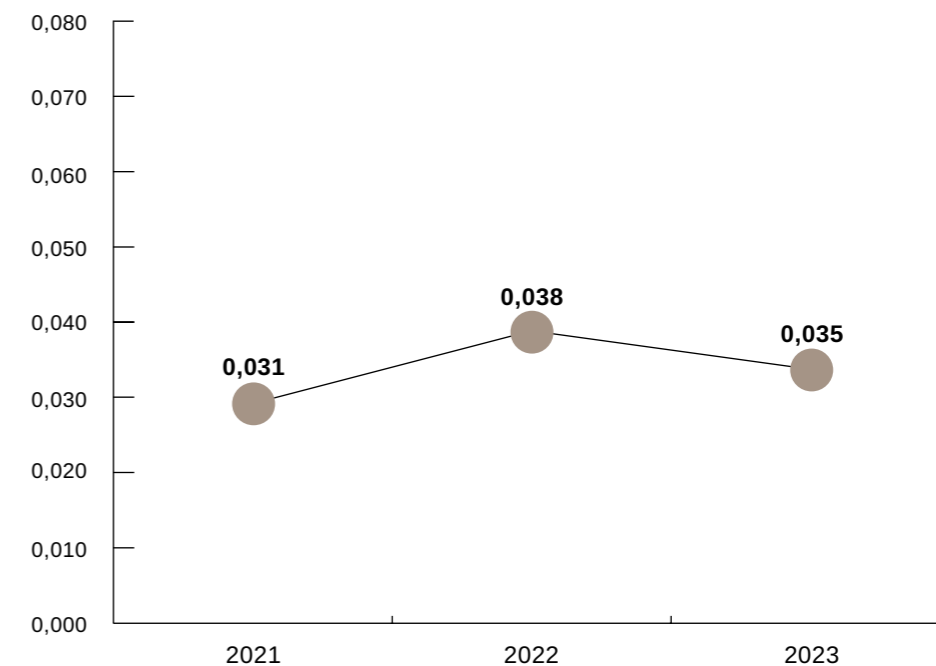
ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES	UdM	FY2021	FY2022	FY2023
Electricity taken from the grid	GJ	17,088	2,951	1,262
Diesel for internal handling	GJ	468	850	772
Methane for heat generation	GJ	11	118	136
TOTAL	GJ	17,568	3,919	2,170

ENERGY CONSUMPTION FROM RENEWABLE SOURCES	UdM	FY2021	FY2022	FY2023
Pellet	GJ	-	-	1,306
Electricity taken from the grid	GJ	2,601	24,960	25,425
Electricity from photovoltaic system	GJ	-	2,325	7,313
TOTAL	GJ	2,601	27,285	34,044

KPI - Percentage of electricity consumed from renewable sources	13.2%	82.0%	96.3%
KPI - Percentage, of total energy consumed, from renewable sources	12.9%	87.1%	90.4%

The energy intensity index, calculated as total energy consumption per hour worked, dropped slightly in 2023. The reason for this is the 23% increase in hours worked.

KPI - TOTAL ENERGY INTENSITY INDEX (GJ/H)



ENERGY EFFICIENCY OF FACILITIES BY MEANS OF SOLAR PANELS

As part of the TISG 4.1 investment plan, the Group confirmed its commitment to reducing the impact of its activities with regard to the environment, proceeding with the company's ecological transition through the energy efficiency project for its facilities.

The plan, which was later extended to the La Spezia shipyard, included the installation of a photovoltaic system on 4 sheds inside the Marina di Carrara yard, for which a contract was signed with EDP Energia Italia, a subsidiary of the global group EDP, the world's fourth-largest producer of wind power solutions, present in Italy since 2019. The 7-year agreement covers the installation, operation, maintenance and monitoring of the photovoltaic solution.

The system allows electricity to be produced directly, thus substantially reducing energy costs. The installation covers an area of 22,000 square metres on which 5,375 panels were installed for a total production capacity of 2,571 MWh/year, equivalent to 25% of the shipyard's total energy consumption. The energy produced is used to power the production cycle of the ships, the heating and air conditioning systems of the offices, the lighting system and other needs of the shipyard.

The project also envisages the future installation of 22kW electric columns that will power the charging of 6 parking spaces.

It is estimated that the use of the solar panels will help reduce CO2 emissions by 1,208 tonnes each year, equal to the carbon dioxide "captured" by some 7,500 trees, and will also provide The Italian Sea Group with significant cost savings. During 2023, the use of photovoltaic panels enabled the self-production of 7,313.19 GJ of electricity, over 214% more than the previous year, and corresponding to 21% of the Group's total energy consumption.

WATER WITHDRAWALS AND DISCHARGES

TISG has a very waste-conscious corporate philosophy also when it comes to water consumption. For this reason, it optimises the use of seawater instead of freshwater wherever the type of activity makes it possible.

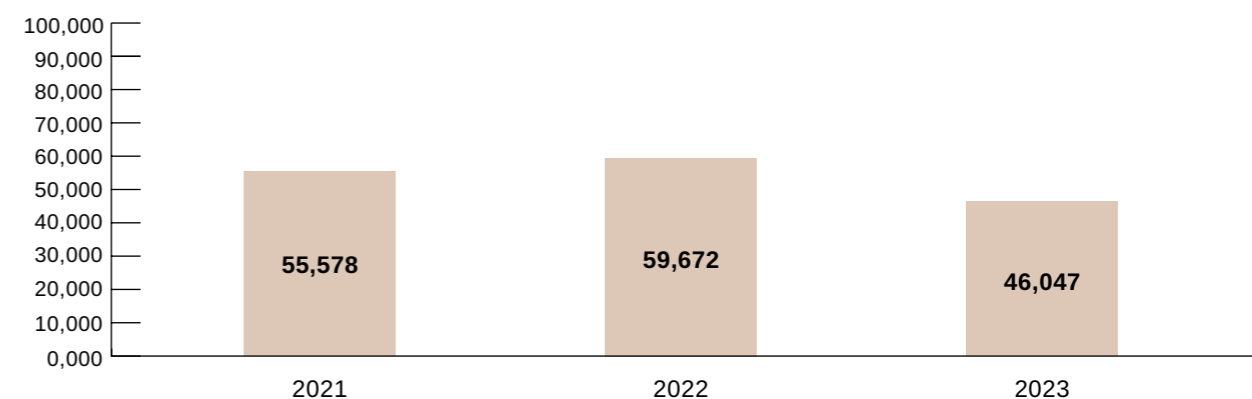
Noteworthy is the fire-fighting system at the Marina di Carrara shipyard, which uses only seawater, as well as the cooling of the yachts' systems and the water-tightness tests of the yachts' bodies.

The trend in water withdrawals was also driven by the increase in production activities, with a total withdrawal for FY 2023 of 46.05 ML. The water resources withdrawn all come from aqueducts; furthermore, the Group's shipyards are not located in water-stressed areas.

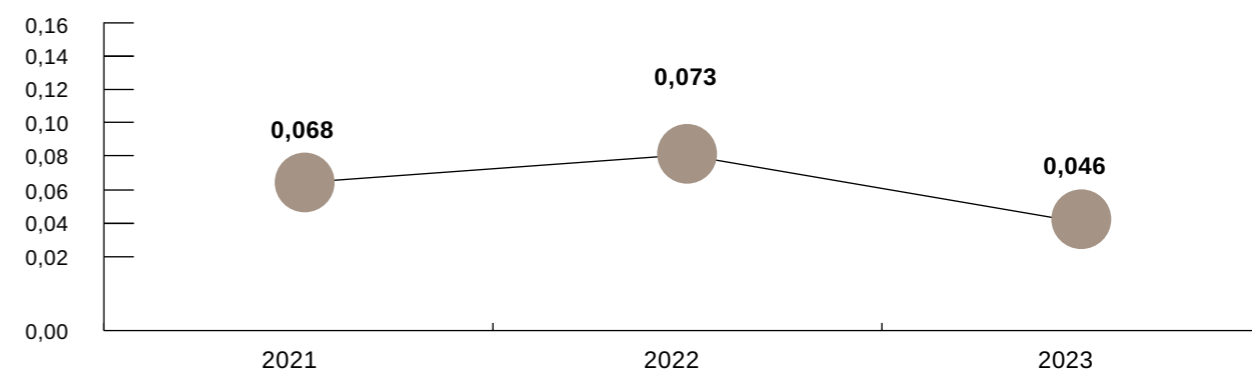
WATER WITHDRAWALS			FY2021		FY2022 ²⁹		FY2023	
TYPE			All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
WATER WITHDRAWAL BY SOURCE	Water resources withdrawn from the aqueduct (mc)	Fresh water (<1000 mg/L total dissolved solids)	55,578	-	59,672	-	46,047	-
		Other water types (>1000 mg/L total dissolved solids)	-	-	-	-	-	-
TOTAL WATER WITHDRAWALS (mc)			55,578	-	59,672	-	46,047	-

It is specified that consumption is reported net of cubic metres recharged to boats in REFIT.

WATER WITHDRAWALS (mc)



KPI - WATER WITHDRAWALS (mc/h)



²⁹Water withdrawal data with respect to FY 2022, and all related data (water discharges, water withdrawals per hour worked, scope 3 emissions), were recalculated in order to ensure greater transparency and precision. Last year, in fact, the reported information was partly estimated on the basis of the bills available at the date of the NFS. The recalculation was performed according to the same methodology used for the calculation of the FY 2023 figures.

Water discharges are conveyed into the sewerage system and followed the same trend as water withdrawals, with a discharge volume of 46.05 ML.

RAW MATERIALS AND SUPPLIES

For the construction of the hulls and superstructures of its yachts, the Group uses mostly steel and aluminium, 100% recyclable materials, while the use of fibreglass is limited to a small percentage of production, dedicated to the fast yachts of the “Tecnomar for Lamborghini 63” line.

The following tables show the main raw materials and supplies used. Their values refer to gross purchases, i.e., including quantities of offcuts and production scraps, which are made when orders are signed.

The high steel figure for 2021 reflects the acquisition of new orders, which in that year concerned large yachts. The significant increase in the amount of wood used in 2023 compared to the previous two years can be attributed to the acquisition of the Celi joinery.

MATERIALS USED BY WEIGHT OR VOLUME	UoM	FY2021	FY2022	FY2023 ³⁰
Plastic	t	9.90	9.90	11.56
Aluminium	t	227.10	319.40	200.0
Steel	t	962.80	756.80	690.0
Wood	t	-	30.00	93.17
TOTAL	t	1,199.8	1,116.1	994.7

MAIN CHEMICAL SUBSTANCES USED	UoM	FY2021	FY2022	FY2023
Paints	ML	17.2	9.2	11.2
Oils and grease	ML	2.8	1.2	9.3
TOTAL	ML	20.0	10.4	20.5

PAPER CONSUMPTION (RECYCLED)	UoM	FY2021	FY2022	FY2023
Paper	t	5.4	7.5	7.3
TOTAL	t	5.4	7.5	7.3

³⁰It is specified that the figures for purchased supplies are estimated on the basis of the economic amounts derived from the purchase invoices.

WASTE MANAGEMENT

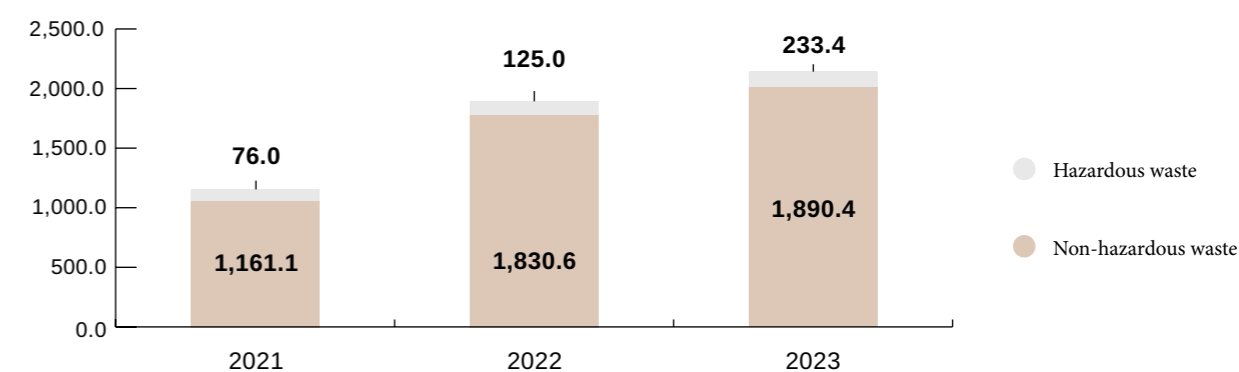
The Italian Sea Group uses an advanced waste management system consisting of a dedicated ecological oasis with individual disposal islands categorised by material and strict internal controls during storage.

Below are details of the volumes of waste produced broken down by hazardousness and destination or not for disposal during the reporting period. It is specified in advance that both recovery and disposal are carried out at a site outside the company.

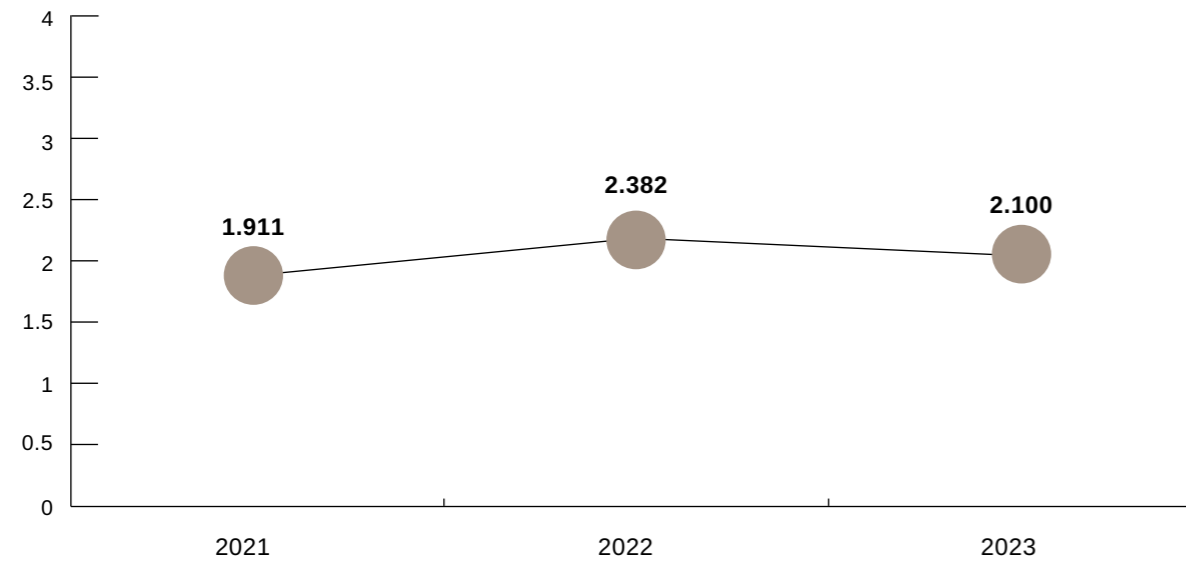
It is also specified that the increase in the amount of hazardous waste is caused by the significant increase in production activities. On the other hand, it should be noted that the decrease in non-hazardous waste is due to an efficiency increase in the management of general and non-production waste

WASTE GENERATED	UoM	FY2021	FY2022	FY2023
Non-hazardous waste	t	1,161.1	1,830.6	1,890.4
Hazardous waste	t	76.0	125.0	233.4
TOTAL	t	1,237.1	1,955.6	2,123.8

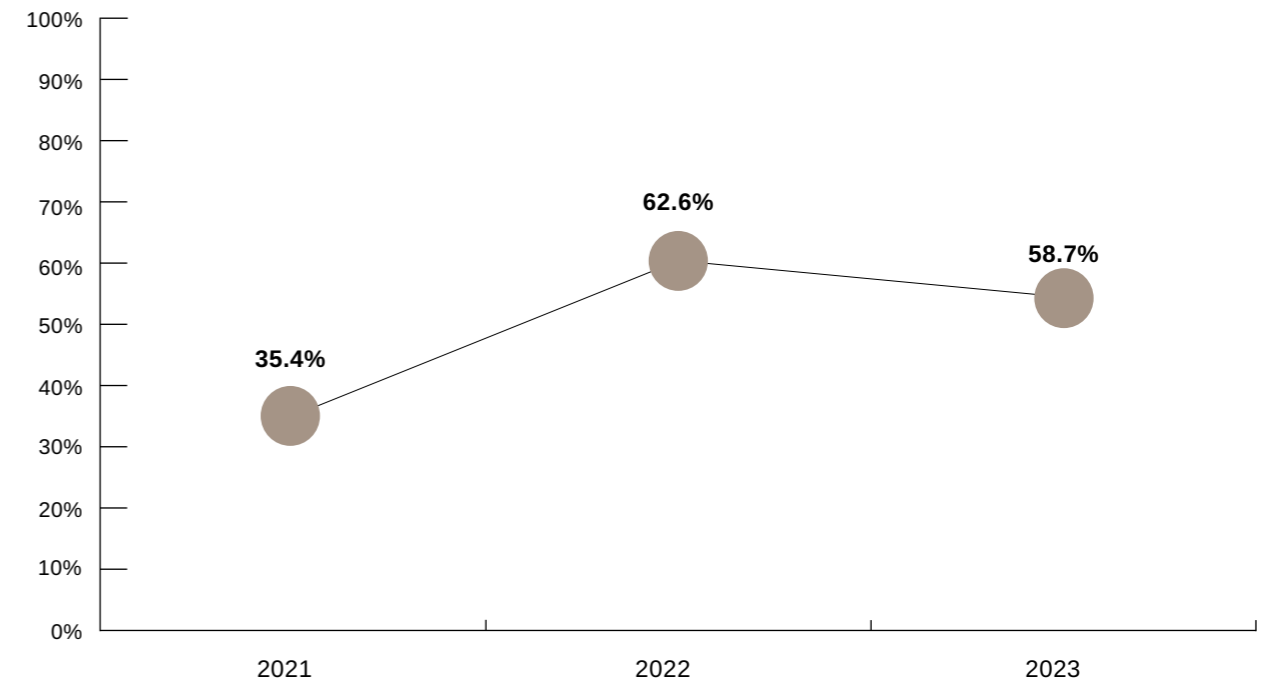
TOTAL WASTE (t)



KPI - KG TOTAL WASTE PER HOUR WORKED (Kg/h)



KPI - WASTE FOR RECOVERY (%)



WASTE FOR RECOVERY	UoM	FY2021	FY2022	FY2023
Non-hazardous waste	t	382.3	1,183.9	1,230.6
Hazardous waste	t	55.9	39.4	15.1
TOTAL	t	438.2	1,223.2	1,245.8

EMISSIONS

ATMOSPHERIC EMISSIONS

TISG's production activity generates emissions into the atmosphere originating from the method of expulsion of pollutants to the outside. The emissions concern:

- different phases of production processes;
- methane gas thermal power plants.

EMISSIONS FROM PRODUCTION PROCESSES	UoM	FY2021	FY2022	FY2023
VOC	Kg	307.0	419.0	862.0
Dusts	Kg	66.0	81.0	43.0

EMISSIONS FROM THERMAL POWER PLANT ³²	UoM	FY2021	FY2022	FY2023
CO (Carbon Monoxide)	Kg	0.3	3.5	4.1
NOx (Nitrogen Oxide)	Kg	0.8	10.8	12.5

With regard to emissions from production processes, the values reported are an annual projection of real data with pollutant concentrations measured over 1 hour of operation at peak load. The estimate is therefore overestimated, as it takes into account a continuous operation of all chimneys at the same time and under the same conditions of maximum load for a time of 8 hours per day for 200 days per year.

WASTE FOR DISPOSAL	UoM	FY2021	FY2022	FY2023
LANDFILL ³¹	t	799.0	671.3	878.0
Non-hazardous waste	t	778.9	628.7	659.8
Hazardous waste	t	20.1	42.6	218.2
ENERGY RECOVERY	t	0.0	61.1	0.0
Non-hazardous waste	t	0.0	18.0	0.0
Hazardous waste	t	0.0	43.1	0.0
TOTAL	t	799.0	732.4	878.0

³¹The waste assessed as destined for disposal at landfill also takes into account the waste at CELI's site referring to "Other Disposal Operations".

³²The emission factors used to calculate kg of CO and NOx are taken from the EMEP/EEA Air pollutant emission inventory guidebook 2019 (table 1.A.4.a.i Commercial / institutional: stationary).

GREENHOUSE GAS EMISSIONS

TISG monitors direct and indirect greenhouse gas emissions according to the Greenhouse Gas (GHG) Protocol, distinguishing emissions into categories or Scopes.

- Scope 1³³ : direct emissions deriving from sources owned and controlled by the organisation. In the case of TIGS, these are those due to heat production from methane gas-fired power stations and emissions from internal site handlings;
- Scope 2: indirect emissions resulting from the production of electricity taken from the grid and consumed by the organisation;
- Scope 3³⁴ : other indirect emissions. As with the previous report, TISG assessed emissions from the extraction and transport of methane and diesel used, the disposal of waste produced, water consumption (water withdrawal and treatment), business travel and paper consumed.

SCOPE 1	UoM	FY2021	FY2022	FY2023
Emissions from thermal plants due to methane combustion	tCO2e	0.7	6.7	7.7
Emissions due to internal handlings	tCO2e	28.7	53.0	54.5
Emissions from pellet combustion	tCO2e	-	-	3.9
TOTALE SCOPE 1	tCO2e	29.4	59.7	66.0
SCOPE 2 - MARKET BASED	UoM	FY2021	FY2022	FY2023
Emissions for electricity consumption - location based ³⁵	tCO2e	1,585.5	2,178.1	2,289.8
Electricity consumption emissions - market based ³⁶	tCO2e	2,176.7	374.2	160.2
TOTALE SCOPE 1 + SCOPE 2 (LOCATION BASED)	tCO2e	1,614.9	2,237.8	2,355.9
TOTALE SCOPE 1 + SCOPE 2 (MARKET BASED)	tCO2e	2,206.0	433.9	226.3

³³ The emission factors used to calculate tCO2e are taken from the Defra 2021, 2022 and 2023 databases (UK Department for Environment, Food and Rural Affairs).

³⁴ See above.

³⁵ The conversion factors used for the calculation of Scope 2 according to the location-based method are taken from Report 386/2023 published by ISPRA.

It is specified that the data made available by ISPRA are expressed in CO2 only and do not include other greenhouse gases in the carbon dioxide equivalent (CO2e). In the text, it was decided to retain the unit of measurement (CO2e) to ensure uniformity and clarity, given also the negligible impact of non- CO2 greenhouse gases in electricity production.

³⁶ The emission factors used for the calculation of Scope 2 according to the "market-based" method are the European Residual Mixes "AIB" that are the most up-to-date (2022).

Consistent with the GRI Standards, indirect GHG emissions (Scope 2) related to the purchase and consumption of electricity were calculated through both the location-based and market-based approaches.

While the "location-based" methodology considers the average greenhouse gas emission intensity of the networks on which energy consumption occurs using mainly network average emission factor data, the "market-based" methodology considers emissions from electricity that the organisation has intentionally chosen through a contract. During the last fiscal year, these values were respectively at 2,289.8 tCO2e and 160.2 tCO2e.

SCOPE 3	UoM	FY2021	FY2022	FY2023
Methane	tCO2e	0.1	1.2	1.3
Diesel	tCO2e	7.0	12.6	13.2
FUELS USED - extraction and transport	tCO2e	7.1	13.8	14.6
Waste Disposal	tCO2e	373.2	342.0	456.9
Recovered waste	tCO2e	9.3	26.0	26.5
WASTE PRODUCED - disposed of and recovered³⁷	tCO2e	382.5	368.0	452.1
Water taken from the aqueduct	tCO2e	8.3	8.9	8.1
Treated waste water	tCO2e	15.1	16.2	9.3 ³⁸
WATER CONSUMPTION - withdrawal from aqueduct and treatment	tCO2e	23.4	35.0	33.4
Air flights	tCO2e	41.0	103.9	175.6
Travelling by train	tCO2e	0.2	0.5	0.1
Travel by ship	tCO2e	0.1	0.2	0.2
Car trips	tCO2e	124.6	181.7	205.3
BUSINESS TRAVEL³⁹	tCO2e	165.9	286.3	381.2
Paper consumption	tCO2e	5.0	6.9	6.6
MATERIALS	tCO2e	5.0	6.9	6.6
TOTAL SCOPE 3 EMISSIONS	tCO2e	583.8	710.0	903.1
TOTAL SCOPE 1 + SCOPE 2 (MARKET BASED) + SCOPE 3	tCO2e	2,789.9	1,143.9	1,129.3

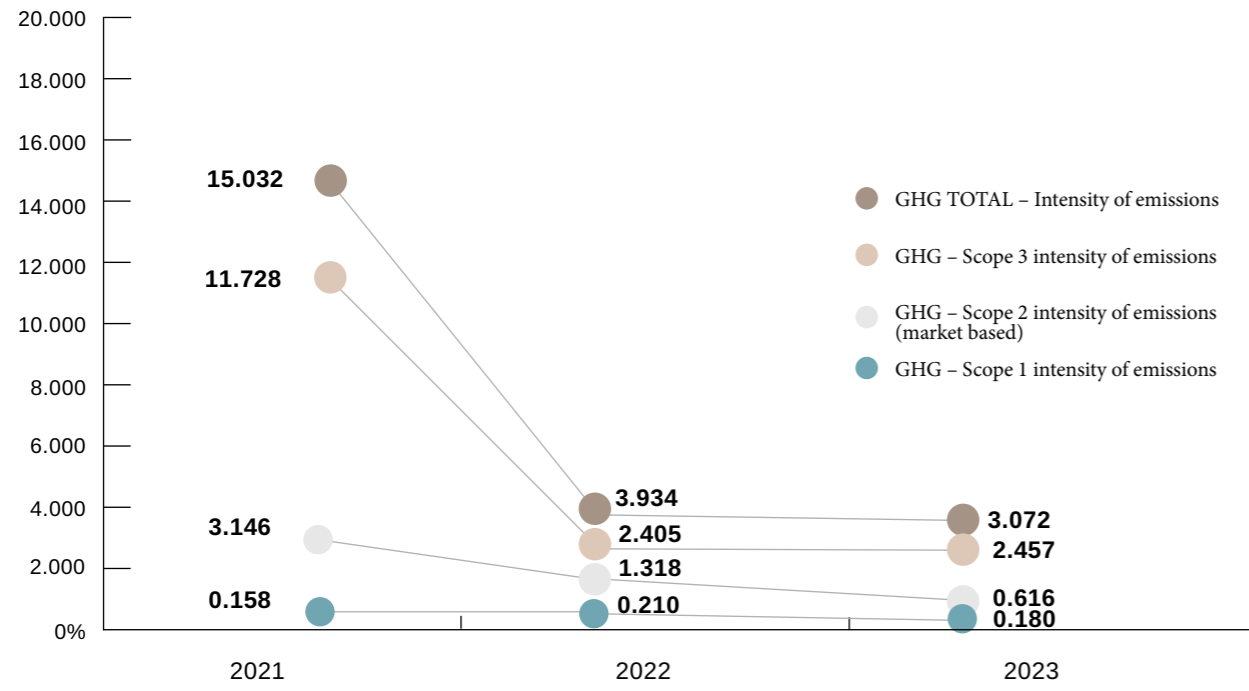
³⁷ The emission factors used for the calculation of emissions from waste generated are those referring to the Commercial and industrial waste category, in particular, combustion and landfill, for recovered and landfilled waste, respectively.

³⁸ It should be noted that the tonnes of CO2 equivalents relating to water discharges decreased in FY 2023 more than proportionally to the volumes relating to water discharges in 2022, due to an update in DEFRA emission factors, which forecast a much lower value for 2023 than the previous year.

³⁹ The tCO2e corresponding to business travel were calculated on the basis of estimated km travelled considering distances as the crow flies.

It should be noted that total Scope 3 emissions are higher than the same data for last year due to a general increase in consumption, but mainly due to the incidence of emissions deriving from business travel (in particular from air and car travel) and from disposed waste.

GHG EMISSION INTENSITY (tCO₂e/EURO ML REVENUES)



METHODOLOGICAL NOTE

This Consolidated Non-Financial Statement (NFS) has been prepared in accordance with the Global Reporting Initiative's 'GRI Sustainability Reporting Standards', using the 'with reference to' reporting option, and represents The Italian Sea Group's second year of sustainability reporting.

To define the content and quality of the reporting, the Company followed the principles set out in the GRI Standards 2021, which provide a set of criteria for selecting the information to be included in the report and how it should be presented.

Accuracy. Economic data refer to the audited Consolidated Financial Statements, while the accuracy of environmental, health and safety data is derived from the existence of ISO 9001 and ISO 45001 certified management systems. Social data, on the other hand, are mainly extracted from TISG's operational systems. All estimated data are appropriately indicated in the text with footnotes.

Balance and clarity. The structure of the NFS was defined to make the information contained therein easy to identify by stakeholders. The document opens with the Chief Executive Officer's letter and consists of 8 sections: Identity and Strategy; TISG Sustainability; Governance, Ethics and Integrity; Economic Responsibility; Responsible Value Chain Management; Social Responsibility and Sustainability for the Territory. Finally, the document closes with the Taxonomy Annex, the Methodological Note, the GRI Content Index and the audit report by an independent third party. The level of detail of the information was chosen so as to make the NFS understandable, accessible and usable by the different stakeholders.

Comparability. In order to enable stakeholders to analyse changes in the company's performance, the NFS presents, in addition to the data for the fiscal year ending 31.12.2023 and subject to reporting, also, where available, data for the two-year period 2021 - 2022. In addition, internationally accepted units of measurement were used, consistency was maintained in the methods used to calculate the three-year data, and absolute values, percentages and normalised data were reported to allow comparisons.

Completeness. The NFS is designed to allow stakeholders to have a complete picture of the company's activities. The information contained herein refers to: the Parent Company The Italian Sea Group SpA, with shipyards in Marina di Carrara and La Spezia, TISG Turkey Yat Tersanecilik Anonim Sirketi and CELI S.r.l. The Group's financial statements also consolidate Perini Navi USA, which, in contrast, the NFS does not consolidate, as it is a company without a registered office, employees (the Sole Director has a role as an employee of TISG) and assets. However, with regard to TISG Turkey Yat Tersanecilik Anonim Sirketi, the employees (centrally managed by TISG) are included in the scope of this document, but not the environmental impacts of the activities, as they are managed by contractors in their own facilities. With reference to CELI S.r.l., the company has been included in the reporting boundary since its acquisition in April 2023. The recommendations issued by the European Securities and Markets Authority (ESMA) with regard to disclosure under Article 8 of the Taxonomy Regulation and on climate change issues were taken into account when drafting the document. In particular, the NFS includes the information required by Article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called "Taxonomy Regulation") and the related Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486.

For the sake of completeness, the following table shows the NFS themes - as identified by Legislative Decree No. 254/16 - side-by-side with the material topics reported by TISG, the GRI Standards indicators used, the perimeter of the topic's impact and the reporting limitations on the perimeter.

Topics (Legislative Decree No. 254/16)	Material topics from TISG	GRI Standards	Perimeter of impacts		Reporting limitations
			Internal	External	
Environmental	Use of energy from renewable sources and energy efficiency	GRI 302 - Energy	TISG Group	Suppliers	Reporting not extended to TISG Turkey and Perini USA and the TISG shipyard in Viareggio as the environmental impacts are minor
	Waste reduction and circular economy	GRI 306 - Waste	TISG Group	Suppliers	
	Raw materials and supplies	GRI 301 - Materials	TISG Group	Suppliers	
Social	Supporting the community and the local area	GRI 413: Local communities	TISG Group	Local communities	-
	Innovation, research and development	-	TISG Group	-	-
	Responsible supply chain management	GRI 204 - Procurement Practices	TISG Group	Suppliers	-
	Customer experience e satisfaction	GRI 418: Customer privacy	TISG Group	Customers	-
Related to personnel	Health and safety at work	GRI 403: health and safety at work	TISG Group	Suppliers/contractors	-
	Employee wellbeing	GRI 401 - Employment	TISG Group	-	-
	Personnel training and development	GRI 404: Training and education	TISG Group	-	-
Human Rights	Protection of diversity and non-discrimination	GRI 405: Diversity and equal opportunities	TISG Group	Suppliers/contractors	-
		GRI 406: Non-discrimination	TISG Group	Suppliers/contractors	-
Anti-corruption	Ethics and integrity in business	GRI 205: Anti-corruption	TISG Group	-	-

Context of sustainability. At the beginning of the chapter “Sustainability of TISG”, the yachting industry’s context was defined with particular reference to environmental sustainability. TISG then carried out the analysis of impacts, according to the impact materiality approach, and of risks and opportunities, in an initial financial materiality exercise.

Timeliness. The NFS is published annually and in alignment with the timelines defined for financial reporting. The information contained within the document refers to the time period between 1 January 2023 and 31 December 2023.

Verifiability. The Company has put in place internal controls and organised documentation to prepare for the assurance activity. The NFS was audited by an independent third party (BDO Italia S.p.A) in accordance with the principles and guidelines contained in the International Standard on Assurance Engagements 3000 - Assurance Engagement other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) of the International Auditing and Assurance Standards Board (IAASB).

ANNEXES

TEMPLATES PURSUANT TO ANNEX II OF DELEGATED REGULATION (UE) 2021/2178

ANNEX I: KPI TURNOVER

Financial Year 2023	Year			Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) Turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
Economic activities (1)		Euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0,00	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%				
Of which enabling	0,00	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%	E			
Of which transitional	0,00	0%	0%							-	-	-	-	-	-	0%		T		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				AM; N/A M	AM; N/A M	AM; N/A M	AM; N/A M	AM; N/A M	AM; N/A M											
Retrofitting of sea and coastal freight and passenger water transport	CC M 6.12	Euro 525,400	0.143%	AM	N/A M	N/A M	N/A M	N/A M	N/A M							0.53%				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	Euro 525,400	0.143%	100%	0%	0%	0%	0%	0%								0.53%				
Turnover of Taxonomy-eligible activities (A.1 + A.2)	Euro 525,400	0.143%	100%	0%	0%	0%	0%	0%								0.53%				
B. ATTIVITA' NON AMMISSIBILI ALLA TASSONOMIA																				
Turnover of Taxonomy-non-eligible activities	Euro 367,073,600	99.857%																		
Total (A+B)	Euro 367,599,000	100%																		

ANNEX II: KPI CAPEX

Financial Year 2023	Year			Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
Economic activities (1)		Euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.00	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%				
Of which enabling	0.00	0%	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%	E			
Of which transitional	0.00	0%	0%							-	-	-	-	-	-	0%		T		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.00	0%	0%	0%	0%	0%	0%	0%	0%							0%				
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)	0.00	0%	0%	0%	0%	0%	0%	0%	0%							0%				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities	Euro 162,158,000	100%																		
Total (A+B)	Euro 162,158,000	100%																		

ANNEX III: KPI OPEX

Financial Year 2023	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
Economic activities (1)		Euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%			
Of which enabling		0.00	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	0%	E		
Of which transitional		0.00	0%	0%						-	-	-	-	-	-	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL				
Retrofitting of sea and coastal freight and passenger water transport	CCM 6.12	Euro 278,430	0.091%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.35%			
Professional services related to energy performance of buildings	CCM 9.3	Euro 13,050	0.004%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		Euro 291,480	0.096%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.35%			
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		Euro 291,480	0.096%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.35%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		Euro 304,520,520	99,90 4%																
Total		Euro 304,812,000	100%																

TEMPLATES EX ANNEX XII DELEGATED REGULATION (EU) 2021/2178

Activities related to nuclear energy		
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	NO
2	It carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the help of the best available technology.	NO
3	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	NO
Fossil gas activities		
4	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	NO
5	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cool and power generation plants using gaseous fossil fuels.	NO
6	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	NO

The Italian Sea Group, as it does not have economic activities referred to in Annexes I and II, Sections 4.26, 4.27, 4.28, 4.29, 4.30 and 4.31 of Delegated Regulation (EU) 2021/2139 (i.e., activities related to nuclear energy or fossil gases), does not submit Forms 2, 3, 4, 5 of Annex XII of Delegated Regulation (EU) 2021/2187.

GRI CONTENT INDEX

DECLARATION OF USE

The Italian Sea Group has reported in this non-financial disclosure the information contained in the GRI Content Index for the period 01/01/2023 - 31/12/2023 according to the option "with reference to GRI Standards".

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD

DISCLOSURE	CHAPTER AND NOTES
GRI 2: General Information 2021	
2-1 Organisational Details	Methodological note Governance, ethics and integrity
2-2 Entities included in the organisation's sustainability reporting	Methodological note
2-3 Reporting period, frequency and point of contact	Methodological note
2-4 Restatement of information	The restated data, compared to the NFS 2022, only concern water withdrawals and discharges and further calculations related to them. Any changes have been appropriately indicated in the note.
2-5 External assurance	Methodological note
2-6 Activities, value chain and other business relationships	Identity and strategy
2-7 Employees	Personnel composition
2-8 Workers who are not employees	Personnel composition
2-9 Governance Structure and Composition	Governing and audit bodies
2-10 Nomination and selection of the highest governance body	Governing and audit bodies
2-11 Chair of the highest governance body	Governing and audit bodies
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance
2-13 Delegation of Responsibility for managing impacts	Sustainability Governance
2-14 Role of the Highest Governance Body in Sustainability Reporting	Sustainability Governance
2-19 Remuneration policies	Information concerning the definition of remuneration is available online in the document "Remuneration Policy compensation paid"
2-20 Process to determine remuneration	Information concerning the definition of remuneration is available online in the document "Remuneration Policy compensation paid" Diversity and equal opportunities
2-22 Statement on Sustainable Development Strategy	Letter from the CEO
2-23 Policy Commitments	Identity and strategy
2-24 Embedding policy commitments	Sustainability of TISG
2-26 Mechanisms for seeking advice and raising concerns	Ethics, responsibility and transparency
2-27 Compliance with laws and regulations	During the last three years, there were no significant cases of non-compliance with laws and regulations.
2-29 Approach to stakeholder engagement	TISG stakeholders
2-30 Collective bargaining agreements	Personnel composition

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Process
	3-2 List of material topics	Materiality Process
	3-3 Management of material topics	Materiality Process
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Value generated and distributed to stakeholders
GRI 204: Procurement practices	204-1 proportion of spending on local suppliers	Supporting the production chain
GRI 205: Anti-Corruption 2016	205-2 communication and training on anti-corruption regulations and procedures	Ethics, responsibility and transparency
	205-3 confirmed incidents of corruption measures taken	During the last three years, there have been no confirmed incidents of corruption
GRI 301: Materials	301-1 materials used by weight or volume	Raw materials and supplies
GRI 302: Energy 2016	302-1 energy consumption within the organisation	Energy consumption and renewable sources
	302-3 Energy intensity	Energy consumption and renewable sources
GRI 203: Water and waste water 2018	303-3 Water withdrawal	Water Withdrawals and Discharges
	303-4 water discharge	Water Withdrawals and Discharges
GRI 305: Emissions 2016	305-1 direct greenhouse gas (GHG) emissions (Scope 1)	Emissions
	305-2 direct greenhouse gas (GHG) emissions (Scope 2)	Emissions
	305-3 direct greenhouse gas (GHG) emissions (Scope 3)	Emissions
	305-4 greenhouse gas (GHG) emission intensity	Emissions
GRI 306: Waste 2020	305-7 nitrogen oxides (NOx), sulphur oxides (SOx) and other relevant air emissions	Emissions
	306-3 waste generated	Waste management
	306-4 waste not intended for disposal	Waste management
GRI 308: Supplier Environmental Assessment 2016	306-5 waste for disposal	Waste management
	308-1 new suppliers assessed using environmental criteria	Selection and qualification of suppliers
GRI 401: Employment 2016	401-2 benefits for full-time employees that are not available to fixed-term or part-time employees	There are no differentiated benefits for full-time employees and other types of employees, while for managerial personnel and other types of strategically important personnel, the ad hoc allocation of a company car for the performance of the assignment may be envisaged.
	401-3 parental leave	Diversity and equal opportunities

GRI 403: Health and Safety at Work 2018	403-1 Occupational health and safety management system	Safety management system and organisation
	403-2 hazard identification, risk assessment and accident investigation	Safety management system and organisation
	403-3 occupational health services	Safety management system and organisation
	403-4 Worker participation and consultation on occupational health and safety programmes and related communication	Safety management system and organisation
	403-5 worker training on occupational health and safety	Personnel training in H&S (partially reported)
	403-6 Promotion of worker health	Safety management system and organisation
	403-7 prevention and mitigation of occupational health and safety impacts directly related to business relations	Safety management system and organisation
	403-8 Workers covered by an occupational health and safety management system	Safety management system and organisation
	403-9 Work-related injuries	Accidents and occupational diseases
	403-10 occupational diseases	Accidents and occupational diseases
GRI 404: Training and Education 2016	404-1 average number of training hours per year per employee	Training and resource development
	404-2 Programmes for upgrading employees skills and transition assistance programmes	Training and resource development
GRI 405: Diversity and Equal Opportunities	405-1 diversity in governing bodies and among employees	Personnel composition Governing and audit bodies
	405-2 Ratio of basic wage and salary of women to men	Diversity and equal opportunities
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the three-year reporting period
GRI 413: Local communities	413-1 operations with local community engagement, impact assessments and development programmes	Sustainability for the territory
GRI 414: Social assessment of suppliers 2016	414-1 new suppliers assessed using social criteria	Selection and qualification of suppliers
GRI 418: Customer privacy 2016	418-1 substantiated complaints regarding breaches of customer privacy and loss of customer data	During the three-year reporting period, there were no complaints about breaches of customers' privacy and loss of their data

Please, address any information request on The Italian Sea Group's sustainability and the content of this Non Financial Statement to: sustainability@theitalianseagroup.com

This document is an English translation from Italian. The Italian original shall prevail in case of differences in interpretation and/or factual errors.

The Italian Sea Group S.p.A.

Independent Auditors' Report on the Consolidated
Non-Financial Statement
pursuant to article 3, paragraph 10 of Legislative
Decree no.254/2016 and of article 5 of CONSOB
Regulation n.20267/2018

31st December 2023

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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 article 5 of CONSOB Regulation n. 20267 of January 18, 2018

To the Board of Directors of
The Italian Sea Group 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 The Italian Sea Group S.p.A. and its subsidiaries (the "Group") as at December 31, 2023 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on March 21, 2024 (hereinafter the "NFS").

The limited assurance engagement performed by us does not extend to the information set out in paragraph "Taxonomy" of the NFS, required by article 8 of the European Regulation 2020/852.

Responsibilities of the Directors and the Board of Statutory Auditors 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, identified as a 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 for defining the business and organisational model of the Group and, with reference to the matters 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 prescribed by law, compliance with the Decree.

Auditors' Independence and quality control

We are independent in compliance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

During the period to which the current engagement refers, our firm applied the International Standard on Quality Control 1 (ISQC Italia 1), and as a result, maintained a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

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. 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 The Italian Sea Group 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 The Italian Sea Group as of December 31, 2023 is not 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 The Italian Sea Group do not extend to the information set out in paragraph “*Taxonomy*” of the NFS, required by article 8 of the European Regulation 2020/852.

Milano, April 05, 2024

Signed by
BDO Italia S.p.A.

Andrea Meneghel
Partner