

THE ITALIAN SEA GROUP

ESG HANDBOOK
2023

E
S
G

PICCHIOTTI  ADMIRAL  PERINI NAVI 
NCA REFIT  CELI



Marco Carniani
Chief Financial Officer



Simona Del Re
ESG & Corporate Affairs Manager



Benedetta De Maio
Investor Relations

Agenda

- 01 Purpose & ESG Strategy**
- 02 Environment & Climate**
- 03 People & Community**
- 04 Governance & Business Ethics**





PURPOSE & ESG STRATEGY


THE ITALIAN SEA GROUP AT A GLANCE

The Italian Sea Group S.p.A. is a global operator in luxury yachting, the first builder in Italy and fourth in the world for yachts over 50 metres¹. TISG was listed in the Milan Stock Exchange in June 2021.

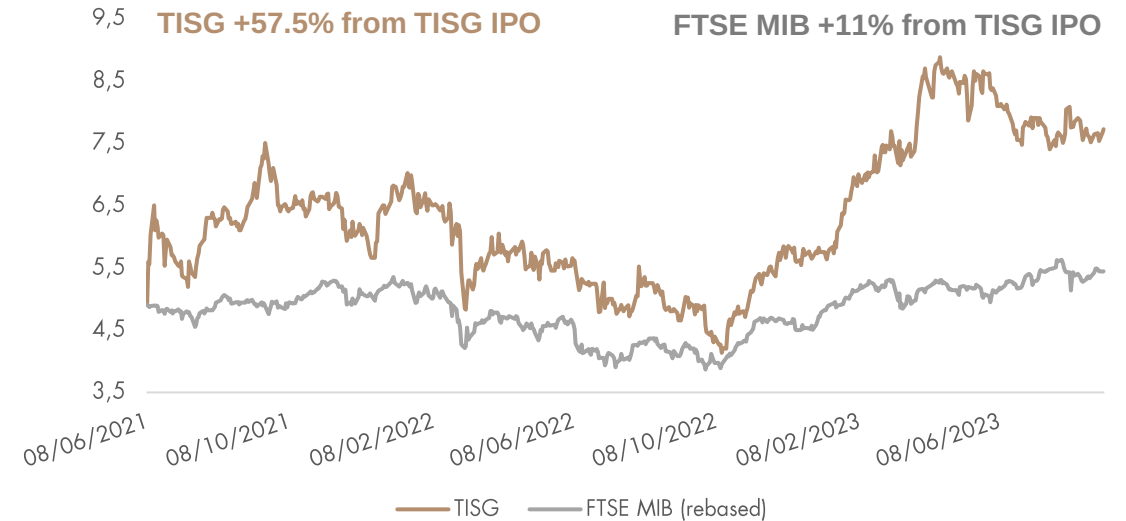
BRANDS

 ADMIRAL	Customised motor-yachts above 50mt.
TECNOMAR	Speedy motor-yachts from 37mt to 50mt.
 PERINI NAVI	Large sailing yachts from 47mt.
PICCHIOTTI <small>SINCE 1575</small>	Gentleman Yachts from 24mt to 55mt.
NCA REFIT	Refit and maintenance of motor and sailing yachts, with a focus on yachts over 60mt.
C E L I <small>1920</small>	Historical woodworking and furniture company, with expertise in yachting and real estate.

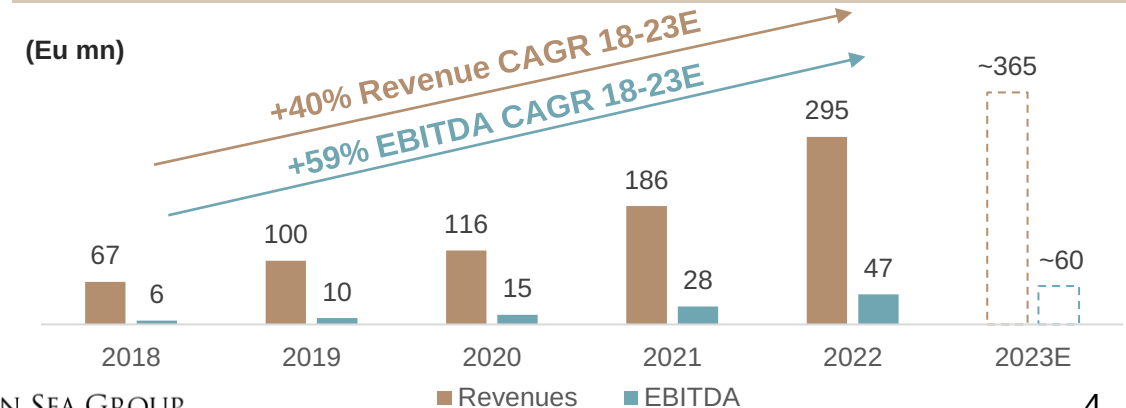
PARTNERSHIPS

	Limited edition speedy motor-yachts inspired by the Lamborghini Siàn FKP 37 .
	Motor-yachts designed in collaboration with designer Giorgio Armani .

STOCK PERFORMANCE SINCE IPO (8 JUNE 2021)²



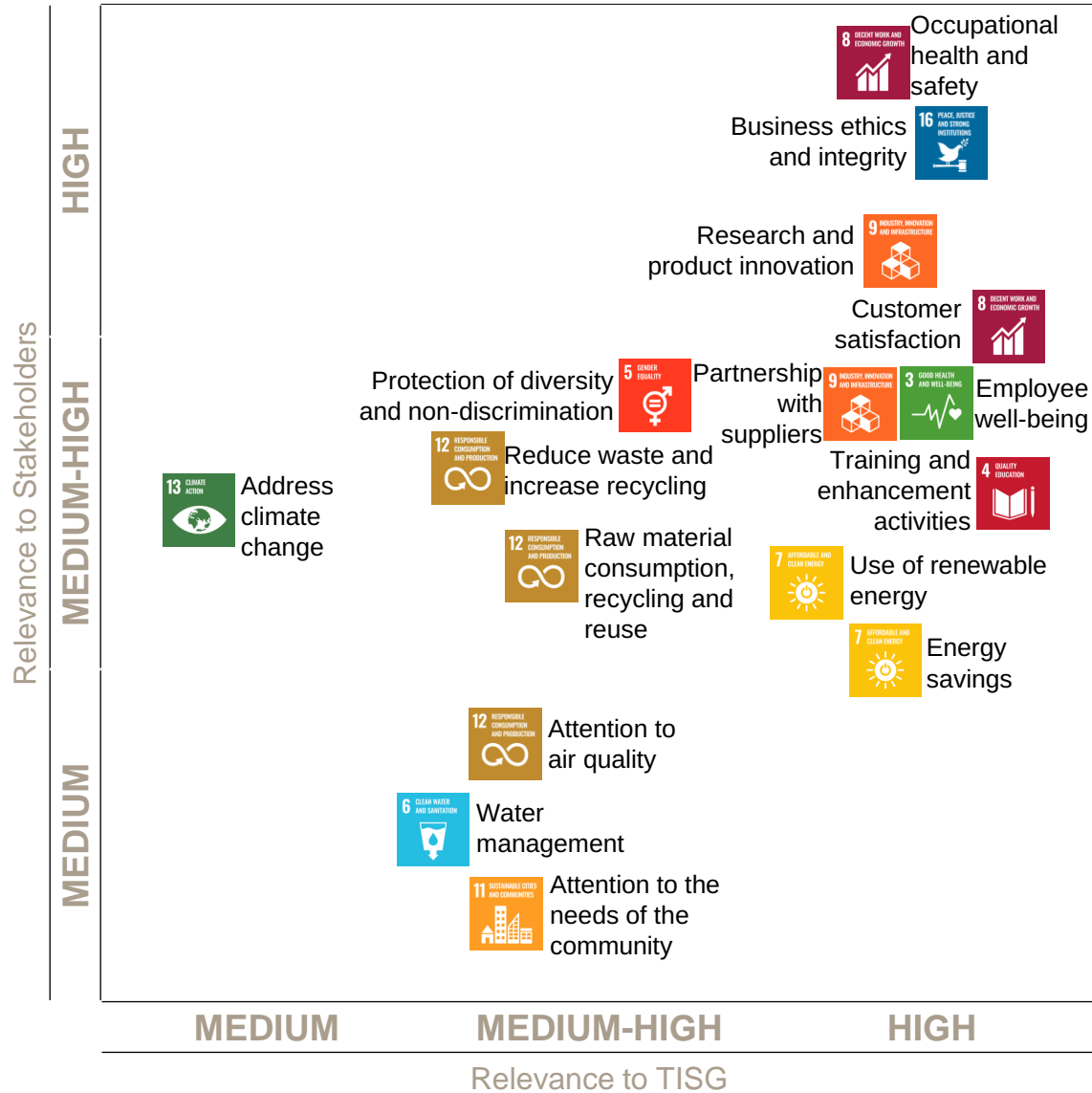
REVENUE AND EBITDA EVOLUTION



Notes: 1) Ranking based on 2022 yacht sales (source: Boat International, Global Order Book 2022);

2) Updated on 05/09/2023.

MATERIALITY MATRIX AND SDGs



16 MATERIAL TOPICS PERTAINING 11 UN SDGS

1. Employee well-being		Good Health and Well-Being
2. Training and enhancement activities		Quality Education
3. Protection of diversity and non-discrimination		Gender Equality
4. Water management		Clean Water and Sanitation
5. Use of renewable energy		Affordable and Clean Energy
6. Energy savings		Affordable and Clean Energy
7. Occupational health and safety		Decent Work and Economic Growth
8. Customer satisfaction		Decent Work and Economic Growth
9. Research and product innovation		Industry, Innovation and Infrastructure
10. Partnership with suppliers		Industry, Innovation and Infrastructure
11. Attention to the needs of the community		Sustainable cities and communities
12. Reduce waste and increase recycling		Responsible Consumption and Production
13. Raw material consumption, recycling and reuse		Responsible Consumption and Production
14. Attention to air quality		Climate Action
15. Address climate change		Climate Action
16. Business ethics and integrity		Peace, Justice and Strong Institutions

ESG STRATEGIC PILLARS

TISG's ESG strategic pillars are developed around its Materiality Matrix. They are integrated across all corporate functions and serve as guiding stars for the management.



EMPLOYEE HEALTH & SAFETY AND ENGAGEMENT

- ✦ Protecting the health, safety, and mental and physical integrity of employees.
- ✦ Enhancing human resources with training and development.
- ✦ Ensuring an inclusive environment that respects human rights & gender diversity.



PRODUCT QUALITY AND SUSTAINABLE SUPPLY CHAIN

- ✦ Implementing purchasing processes based on legality, transparency, and anti-corruption practices.
- ✦ Selecting, evaluating, and monitoring suppliers also based on ESG indicators deemed satisfactory.



REDUCTION OF GHG EMISSIONS

- ✦ Reducing Scope 1 and Scope 2 GHG emissions.
- ✦ Increasing the use of energy from renewable sources.
- ✦ Remaining at the forefront of Alternative Propulsions.



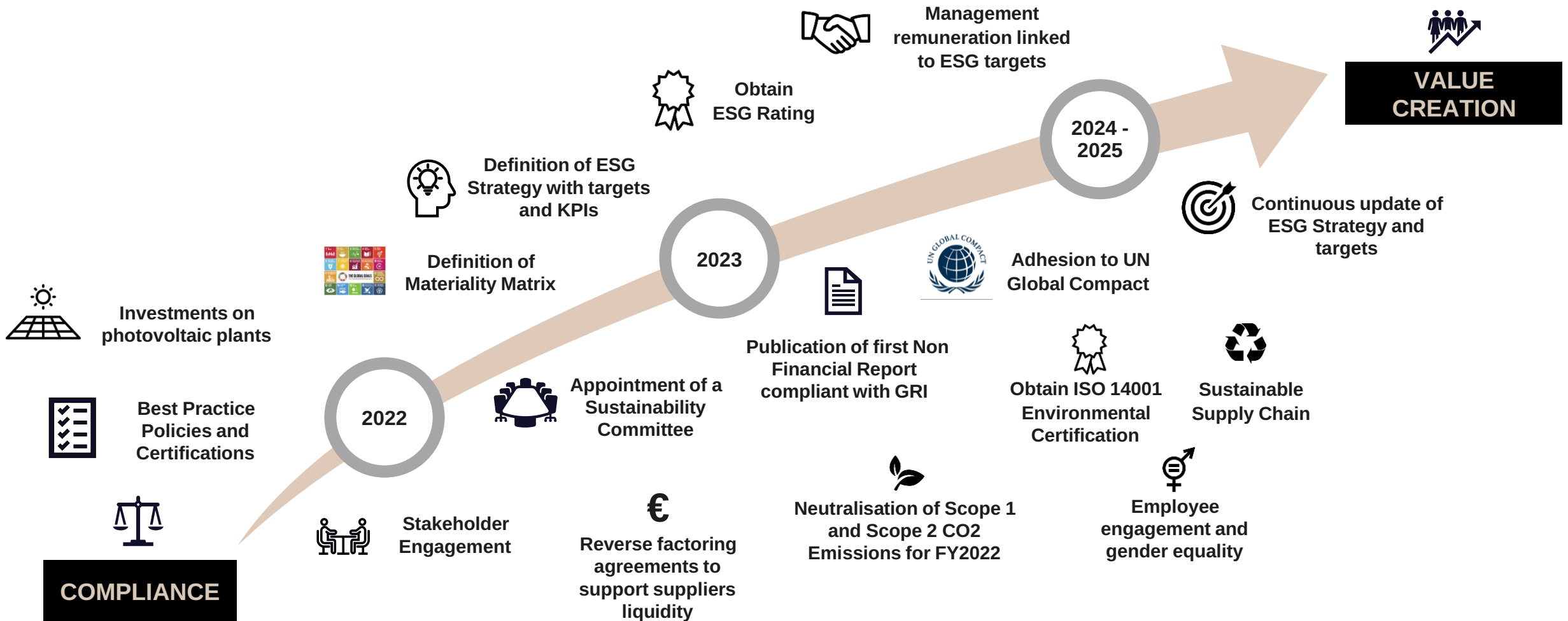
BEST-IN-CLASS GOVERNANCE

- ✦ Composition of Board of Directors, Committees, policies, and certifications.
- ✦ Stakeholder engagement and transparency on strategy and quantitative targets.
- ✦ Key management short- and long-term remuneration based on achieving specific business plan targets.

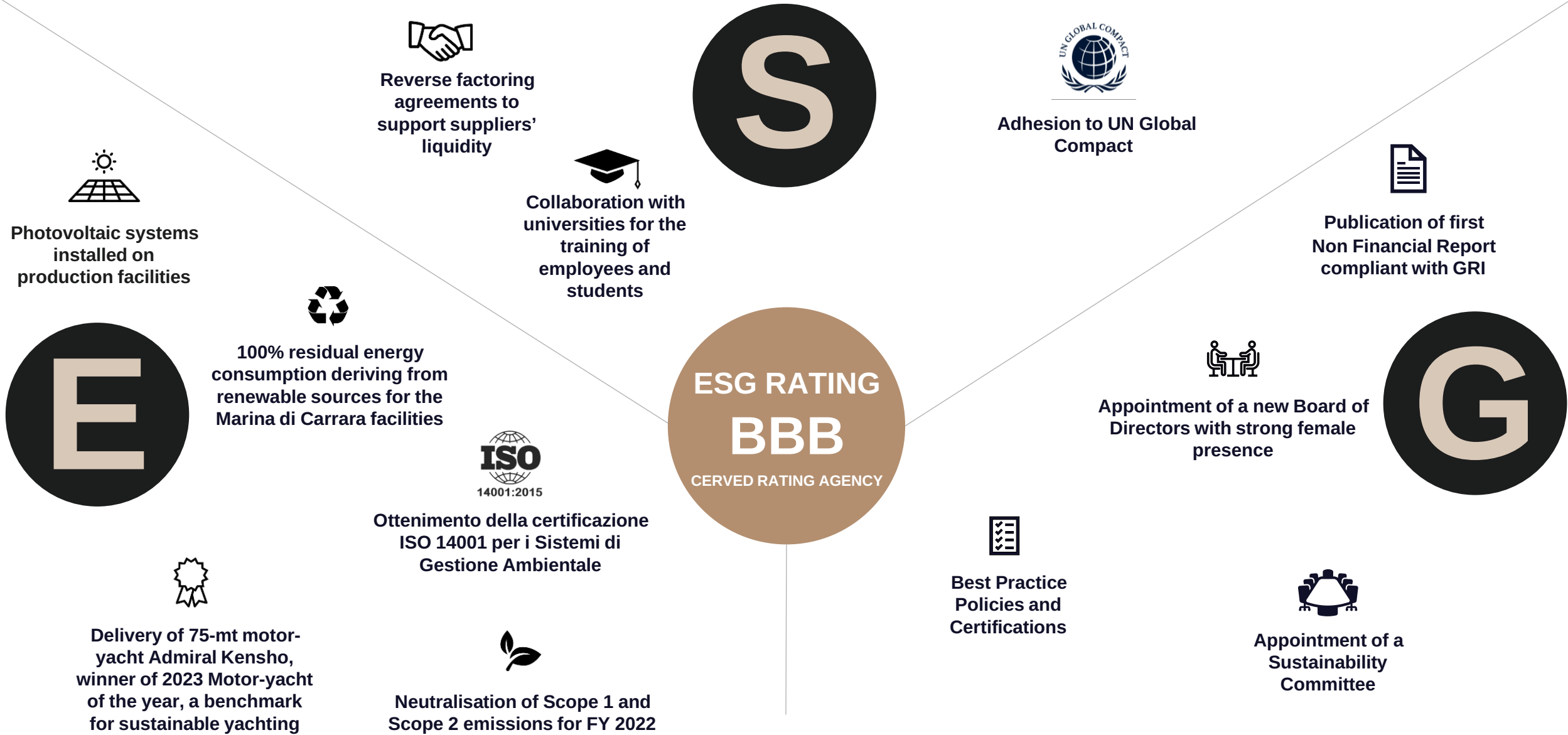


ESG ROADMAP













TISG is **well advanced** in its roadmap to drive Sustainability with the objectives of creating long-term value for all Stakeholders and establishing itself as a benchmark for the shipbuilding sector.



ESG ACHIEVEMENTS SO FAR



2023-2025 ESG TARGETS

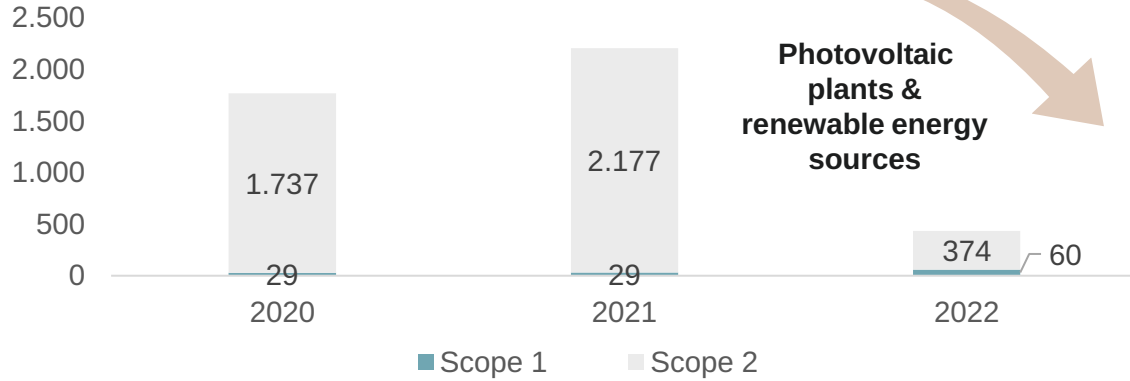
E – ENVIRONMENT		2023	2024	2025
	Obtain ISO 14001 – Environmental Management System certification	Procedure start	Obtainment	Maintenance
	Increase the % of renewable energy on the total energy consumption	>95% (from 87%)	>95%	>95%
	Offset Scope 1 and 2 GHG emissions	Neutralisation (from 433.9 tCO2)	Neutralisation	Neutralisation
S – SOCIAL		2023	2024	2025
	Suppliers analysis, clustering and monitoring	Analysis and mapping of Top 25	Mapping of Top 50	Mapping of Top 75
	Increase training hours per employee	>6 hours per year per employee	>7 hours per year per employee	>8 hours per year per employee
	Increase female representation within managerial positions	Recruit and promote female managers to the extent of 25% total each year		>12%
	Reduce employees' gender pay-gap	Annually increase the pay of female employees by: 1-2% for executives and middle managers 3% for office and blue-collar workers		
	Employees' satisfaction	Satisfaction analysis	Satisfaction analysis + Target definition	Satisfaction analysis + Target definition
G – GOVERNANCE		2023	2024	2025
	Adoption of a Long Term Incentive Plan	Approval and allocation	Update and new targets for onward cycles	Update and new targets for onward cycles
	Adhere to UN Global Compact	Adhesion	Provide required annual disclosure	Provide required annual disclosure
	Adoption and publication of the Suppliers Code of Conduct and of Operational Procedures	Adoption of Code and Procedures	Application and updating	Application and updating
	Adoption of a Policy on the Management of Conflicts of Interest	Adoption of the Policy	Application and updating	Application and updating



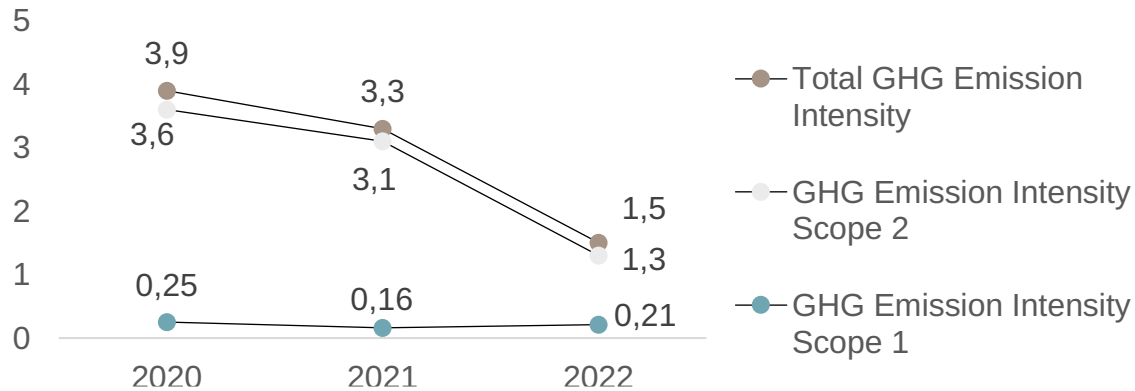
ENVIRONMENT & CLIMATE

ON THE PATH TO DECARBONISATION

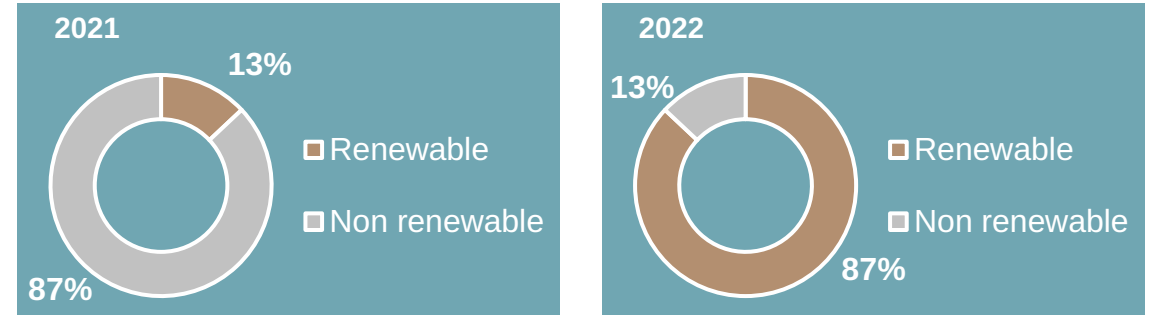
GHG Scope 1 and Scope 2 Emissions (tCO2e)



GHG Scope 1 and Scope 2 Emissions Intensity (tCO2e / € Rev ML)





ENERGY CONSUMPTION SOURCES



GHG Scope 1 and Scope 2 emissions decreased by c.80% with respect to 2021, with intensity (tCO2e/€M rev) decreased by 55% over the same period

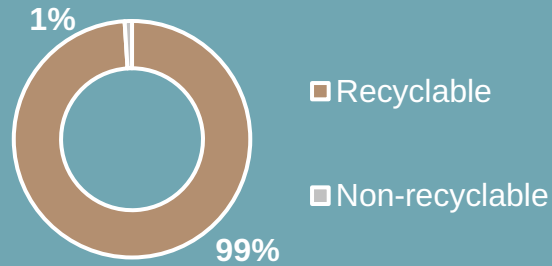
FY 2022 Scope 1 and 2 (market based) emissions have been neutralised through the cancellation of carbon credits generated by the hydroelectric energy project VCS 535 – Akocak Hydroelectric Power Plant in Turkey, as part of the Verified Carbon Standard – Verra program.

E – ENVIRONMENT

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RESEARCH AND PRODUCT INNOVATION TO REDUCE NEGATIVE IMPACTS

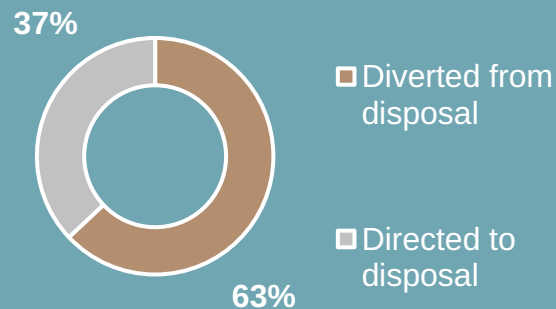
Production raw materials



The hull and the superstructure of yachts are made of 100% recyclable steel and aluminium

Fiberglass is limited to the construction of “Tecnomar for Lamborghini 63”

Waste management



The waste management system consists of a tightly controlled ecological station with several stocking sites for each material

More than 93% of waste is non-hazardous

M/Y KENSHO



2023 Motor-yacht of the Year: a benchmark for sustainable yachting

The ECO notation received from the Lloyd’s Register relies on:

- Advanced NOx and SOx emissions reduction system
- Specific procedure to handle hazardous substances
- Efficient and safe cooling system
- Well trained crew in handling such procedures and systems
- CO2 and foam-free firefighting system
- Prevention of oil pollution and water emission
- MARPOL certified wastewater treatment

E – ENVIRONMENT



Obtain ISO 14001 – Environmental Management System certification

2023

Procedure start

2024

Obtainment

2025

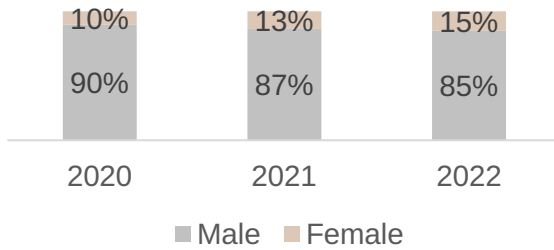
Maintenance



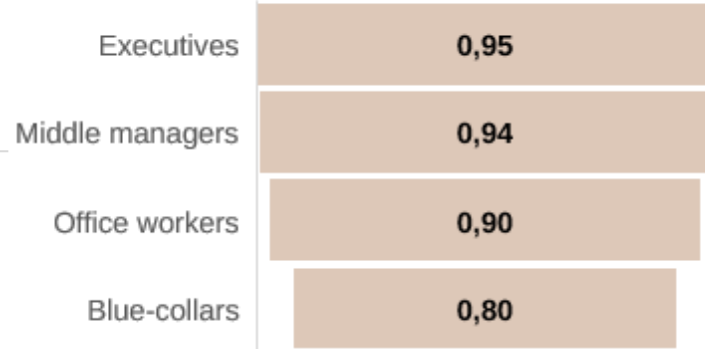
PEOPLE & COMMUNITY

PEOPLE

Employee diversity



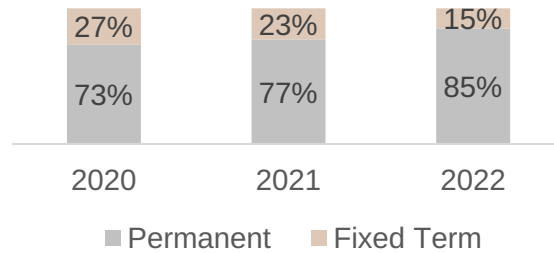
Gender pay gap*



*Defined as the ratio of basic salary and remuneration of women to men

Female presence continues to increase despite the characteristics of the shipbuilding sector.

Types of Contracts



ACADEMY & VILLAGE



“TISG Academy” hosts courses aimed at developing skills and know-how for employees in collaboration with local Universities.

The “Village” offers gourmet restaurant, gym and SPA, for employees, crew members and VIP card-holders.

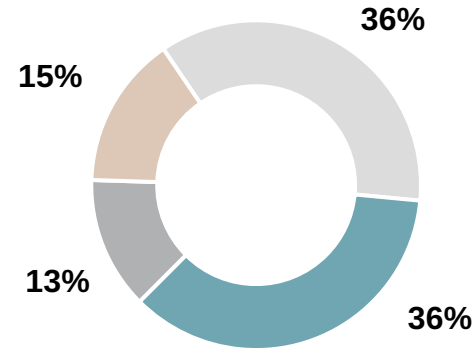
S – SOCIAL

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3	Employees' satisfaction survey	Sentiment analysis	Sentiment analysis + Target definition	Sentiment analysis + Target definition

ETHICAL SUPPLY CHAIN MANAGEMENT

Materials and services suppliers

- Extra EU
- EU
- Nautical district of Tuscany and Liguria
- Rest of Italy



TISG is committed to:

An active participant in the local development decision and in facilitating cooperation across all entities of the local nautical industry

Support suppliers' working capital offering reverse factoring agreements with several institutions to have a quick and easy access to liquidity

SELECTION & QUALIFICATION

The key objective is to select reliable partners that are able to support business continuity and guarantee the highest standards

All suppliers shall abide by TISG's Code of Ethics and will be evaluated based on:

- Ability to meet the quality requirements set by TISG
- Legal status, financial stability and execution capacity
- Compliance with occupational health & safety requirements

TISG's purchasing policy facilitates:

- Relationships with suppliers based on cooperation and oriented toward continuous improvement
- Measurement of supplier quality and quality control of products and services

S – SOCIAL



Suppliers analysis, clustering and monitoring

2023

Analysis and mapping of Top 25

2024

Mapping of Top 50

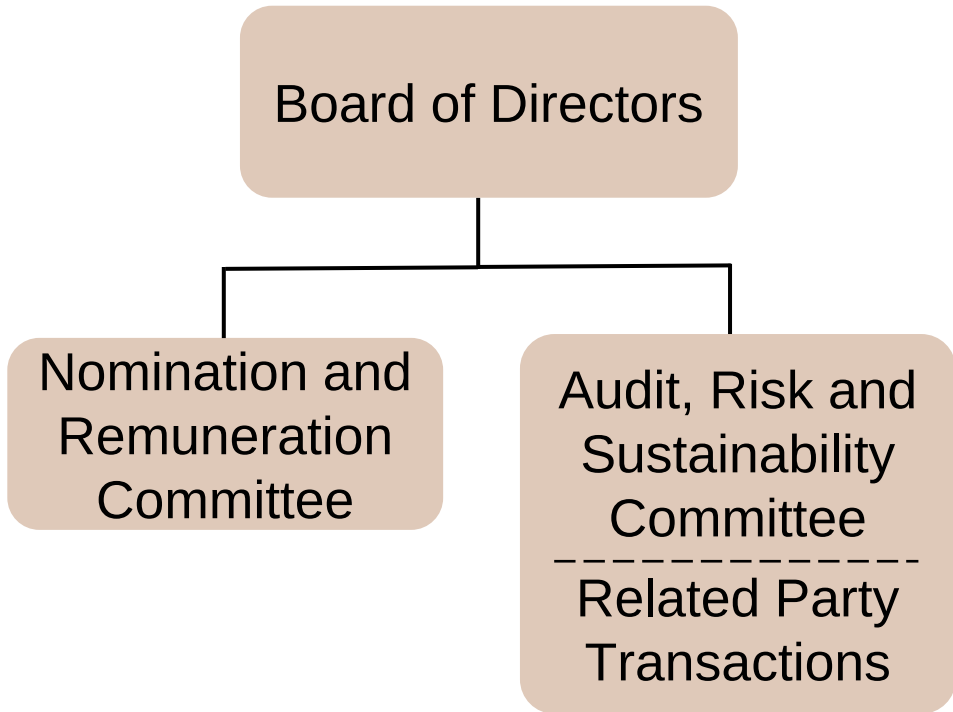
2025

Mapping of Top 75

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GOVERNANCE & BUSINESS ETHICS

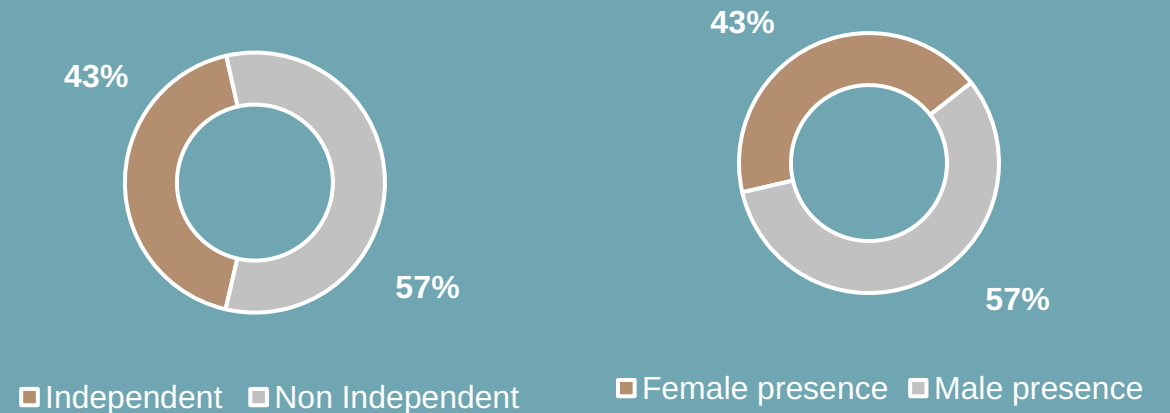
A SOUND GOVERNANCE FRAMEWORK



Internal board committees

Composed 100% by independent members

BOARD COMPOSITION



SUSTAINABILITY TEAM

- Composed by members of key business areas and coordinated by the ESG & Corporate Affairs Manager
- Refers to the Board of Directors
- Has instructive, propositional and operational duties in the context of sustainability and corporate social responsibility

CONTINUOUS ENHANCEMENT OF GOVERNANCE TOOLS

POLICIES

Human Rights

Diversity & Inclusion

Environmental

FOUNDATIONS

Whistleblowing procedure

Anti-corruption safeguards

Code of Ethics

Internal Control and Risk Management System

Organisational and Management Model (LD 231)

Certifications



Quality Management System



Occupational Health and Safety Management Systems

G – GOVERNANCE

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THE ITALIAN SEA GROUP

THANK YOU

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PICCHIOTTI
SINCE 1975

ADMIRAL

PERINI NAVI

TECNOMAR

NCA REFIT

CELI
1920

