

2023

*Non Financial
Statement*



FERRETTIGROUP

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FERRETTIGROUP

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Welcome message from our CEO

2023 was an important year for the Ferretti Group. In June, Ferretti S.p.A. concluded the process for the dual listing becoming the first ever Company to be dual listed on the Hong Kong Stock Exchange and Euronext Milan. Our commitment to sustainability in front of a new and wider shareholder base allows us to further promote innovations centered on a more sustainable product portfolio to meet our current clients and future clients' desires and be responsible towards all the people with whom we interact, especially our people, that has always been the secret of our success.

Our people are the backbone of our Company. We are leader in the luxury yachting sector thanks to the daily work of our artisans; with this in mind, after the successful first edition of "Scuola dei Mestieri" in Forlì and later at the Mondolfo and Sarnico sites, we kicked off the second edition of the "Scuola dei Mestieri" in November 2023 in Forlì. The course combines theory and experience in the yard – in a program ranging from sessions in the classroom and workshop to on-the-job training in production departments – with the aim of creating real career opportunities in boatbuilding and keeping the immense value of craftsmanship in our family. As a reference we hired ca. 40 students in the Group.

We have been continuously investing in R&D to be at the forefront of industry innovation, to expand and renew our portfolio ahead of market trends, and to position ourselves as an "E-Luxury" yachting manufacturer with environmentally friendly and sustainable solutions. In addition to our increasing presence in the sailing segment with Wally, we made the most out of our know-how and experience launching "green" models across all our portfolio brands, such as the FSD N800 (the first hybrid model ever launched by the Group), the full electric Riva El-Iseo, available for sale in January 2024, wallytender43X and wallytender48X (featuring solar panels on the fly top to recharge batteries) and the Ferretti Yachts INFYNITO range (featuring solar panels on the fly top to recharge batteries and F.S.E.A.- Ferretti Sustainable Enhanced Architecture - a package of environment-friendly cruising solutions). We have also been working on forefront technologies through strategic partnerships with leading third-party manufacturers such as Rolls Royce, extending the agreement for the development of hybrid propulsion systems until the end of 2027. Moreover, our engineers put a great deal of efforts to develop two sustainable technical architectures with the most efficient implementation of Fuel Cell technology aboard CRN superyachts obtaining a special recognition by RINA (RINA is a multinational group specialized in ship classification, test, inspection, certification and engineering solutions in a wide range of sectors). RINA confirmed that the Sustainable Powered Yacht Project (SUP-Y) is sized appropriately for proper functioning and easy management and meets the regulatory requirements for safe implementation.

We have also been seeking innovative solutions involving the use of alternative eco-friendly materials to create lighter yachts without compromising on quality and durability. This innovation will allow us to optimize fuel consumption which will reduce pollutant emissions. These new materials also include antifouling paints, water-based coatings and certain types of fibers that have significant environmental benefits. All our shipyards are adjusted to the ISO 14001:2015 environmental certification, introducing innovative solutions and increasingly proficient solar panels that help us to reduce both energy consumption and emissions.

Our path towards becoming a sustainable leader in the luxury yachting sector would not be possible without our corporate governance structures and, in particular, the ESG Committee. The ESG Committee is responsible for supporting the Board on all matters regarding the ESG policies and strategies and for reviewing and assessing our sustainability performance, allowing us to create value for all our stakeholders.


It is, therefore, a source of pride for us to share with our stakeholders our accomplishments in Sustainability thanks to our passion, creativity and state-of-the-art-capabilities. Our direction is clear, and we will continue to pave the way while delivering value to all our stakeholders.

Alberto Galassi

CEO of the Ferretti Group

1. Ferretti Group: Leading Luxury Yachting Worldwide

1.1 Our history: from 1968 to today

<p><i>Riva</i></p> <p>1842</p> <p>The most iconic brand in the history of yachting</p>	<p>CRN</p> <p>1963</p> <p>World-leading expertise in the design and construction of fully-custom and bespoke superyachts and megayachts in metal up to 90 metres</p>	<p> FERRETTI YACHTS</p> <p>1968</p> <p>The brand that built the Group, one yacht at a time</p>	<p><i>Itama</i></p> <p>1969</p> <p>Sporty open yachts with unique elegance</p>	<p>PERSHING</p> <p>1985</p> <p>The pioneer in high-performance luxury yachts</p>	<p>WALLY</p> <p>1994</p> <p>The brand that inspired the modern yachting philosophy and which introduced carbon fibre to the luxury yacht</p>	<p>CUSTOM LINE</p> <p>1996</p> <p>Timeless high-end superyachts with custom interiors, cutting-edge technology, ingenious functional solutions and unmistakable design</p>
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Ferretti Group is a world leader in the design, construction and sale of luxury yachts and pleasure vessels and has been synonymous with luxury, innovation, passion and excellence for over fifty years.

The Group possesses a unique portfolio of prestigious, exclusive brands, such as Ferretti Yachts, Pershing, Itama, CRN, Custom Line, Wally and Riva, famous for its Italian craftsmanship and design for more than 180 years.

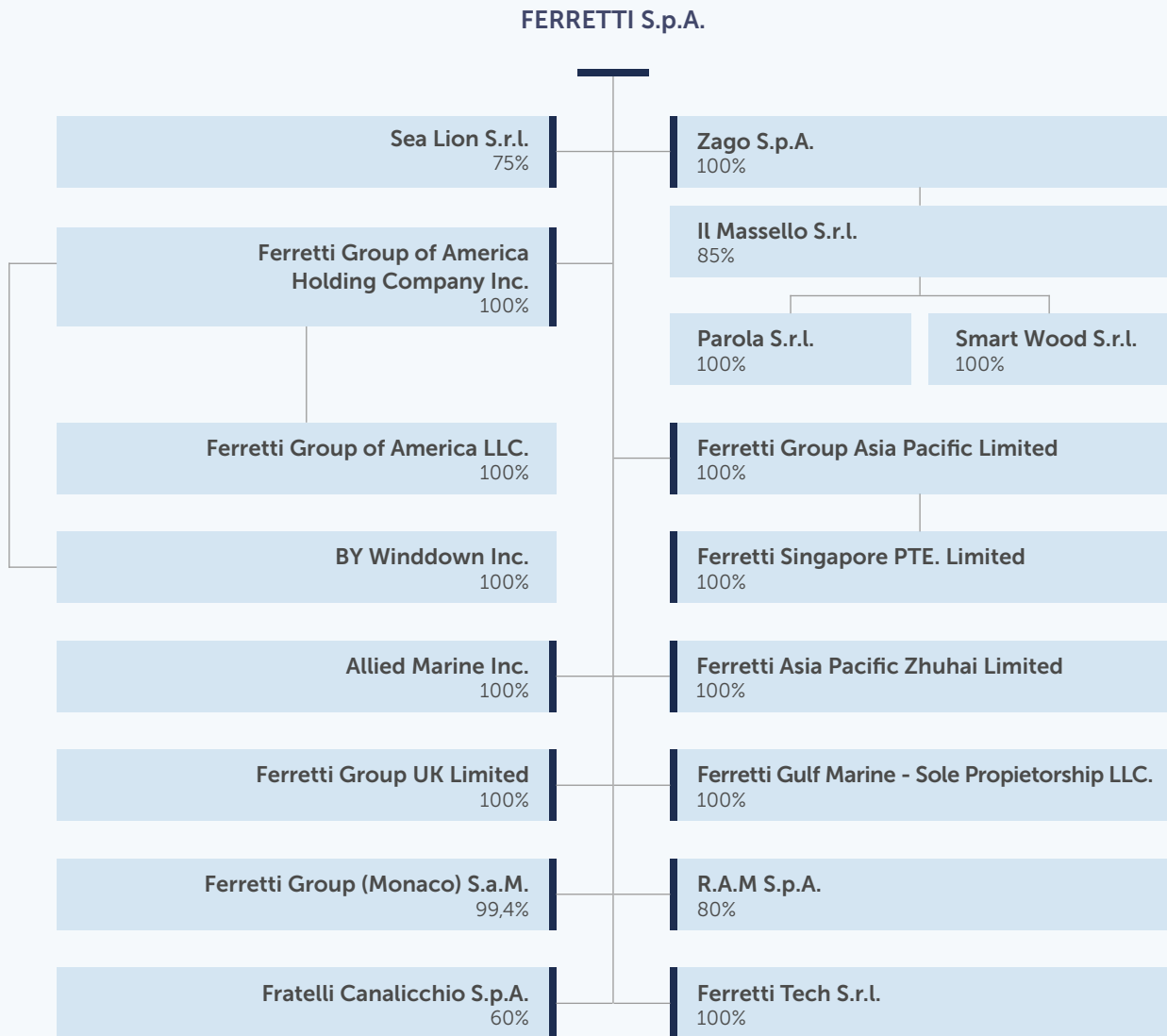
Today, Ferretti Group still maintains strong ties to Italy's centuries-old yachting tradition and is well-known for its distinctive Italian style, along with production facilities that are on the industrial cutting edge and a wide range of motor and sail yachts considered as the finest expression of Italian-made elegance and creative genius.

Ferretti Group serves clients in more than 70 countries worldwide through a direct presence in Europe, Asia and the USA and a strong network of meticulously selected dealers. The Group's fleet has long stood out for its exceptional quality and exclusive design, its futuristic technology and uncompromising safety, its timeless allure and supreme performance on the water.

1.2 Ferretti Group profile

Italy is world famous for its excellence in the yachting and luxury sectors, and the Ferretti Group is considered a truly iconic brand. The secret to the Group's success lies in its concrete foundations, in addition to a few key characteristics that have contributed to its identity over the decades.

Group structure



- An experienced and passionate *management team* with an impressive track record
- Ambitious *shareholders* who support the Group's long-term growth
- Various *market segments* that mitigate the cyclical and seasonal nature of the Group's core business
- A *multi-brand structure* that allows the unique features of each brand to stand out
- A *production management approach* that optimises the impact on working capital
- A *sales strategy* that emphasises direct relationships with customers, using dealers and brokers as intermediaries while launching a large number of new products on the market each year
- A close relationship with *Made in Italy excellence and Italy's maritime district*

Products and services

The Ferretti Group specialises in the design and construction of yachts measuring from 8 to 95 metres in length. The product portfolio satisfies a broad customer base, featuring brands and models that vary in type, length, performance, design, materials, and level of customisation.



The Group's seven boat brands can be divided into three categories according to their key features:

- **Composite Yachts:** this category includes vessels up to a maximum of 30 metres (100 feet) in length. Yachts in this category have composite hulls made from fibreglass or carbon fibre, and feature a standard set of accessories, materials, and decorative elements that owners can configure according to their preferences; given their intrinsic characteristics, yachts in this category follow a "one-piece flow" production process and have the fastest delivery times of the three categories.
- **Made-To-Measure Yachts:** this category includes vessels that are almost entirely made-to-measure and range from 30 to 43 metres (100- 140 feet) in length. Yachts in this category have composite hulls made from fibreglass or carbon fibre, but unlike our Composite Yachts, they offer many more options for customisation: the interior layout, furnishings, and accessories can be almost completely tailored to customer needs, while the hulls are predefined depending on the model, thus benefiting from the production advantages of our Composite Yachts.
- **Super Yachts:** our Super Yacht range includes vessels with alloy hulls that measure up to 95 metres in length (311 feet). This category is further subdivided into two model types: fully custom yachts, which are unique and designed to meet customer needs both inside and out, and branded super yachts flagship models with fully customizable interiors but reflecting the distinctive exterior design of the respective Riva, Pershing and Custom Line brands as well as sailing super yachts under Wally brand. Given their distinctive nature, the production process takes longer and strictly depends on the design complexity. All three yacht categories have differing construction and delivery times. In fact, our bigger boats offer more scope for customisation and as such often require longer build times. Our yacht selling methods also vary according to size.

	 COMPOSITE YACHTS 8-30 m	 MADE-TO-MEASURE YACHTS 30-43 m	 SUPER YACHTS Up to 95 m
Level of personalisation	List of predefined options to choose from (e.g., colours, fabrics, etc.)	Layout and interior details	Hull and exterior and interior design
Build time	2-8 months	7-15 months	28-48 months
Sales channel	Dealer	Dealer and Broker	Broker

■ Fibreglass hull
 ■ Metal hull

In addition to constructing and selling yachts – the Group’s core business - Ferretti Group is also engaged in:

- conception, design, and manufacture of wooden interior furnishings and kinetics systems;
- the design and construction of boats for supervising and patrolling international, regional and coastal waters through the FSD Division (Ferretti Security Division);
- aftersales and refitting services;
- brand extension activities aimed at engaging more customers;
- brokerage, chartering and management services.

The growth in revenues deriving from these activities – which help support the Group’s key business – is an important strategic strength as it mitigates the cyclical and seasonal nature of the Group’s core business.

- >70 countries
- 7 production sites (shipyards)
- 3 production facilities (Zago S.p.A., Il Massello S.r.l. and Fratelli Canalicchio S.p.A.)
- 1 restoration facility (R.A.M. S.p.A.)
- 1 naval refitting site (Fort Lauderdale)
- 7 offices
- 1,971 employees globally

PRODUCTION SITES	TOTAL SURFACE AREA ¹	COVERED SURFACE AREA ¹	CERTIFICATIONS ²	PRODUCTS MADE
Forlì	51,524 m ²	24,163 m ²	ISO 9001:2015 ISO 14001:2015	Ferretti Yachts (from 50 to 72 feet) Itama (62 feet) Sailing Yachts, wallytender43 and 43X, wallytender48 and 48X, wallypower50 and 50X, 58 and 58X and wallywhy100
Cattolica	12,212 m ²	6,757 m ²	ISO 9001:2015 ISO 14001:2015	Ferretti Yachts (from 75 to 100 feet)
Mondolfo	83,377 m ²	25,788 m ²	ISO 9001:2015 ISO 14001:2015	Pershing (from 50 to 116 feet) Itama (45 and 75 feet) wallywhy150 and 200
Ancona	76,945 m ²	32,704 m ²	ISO 9001:2015 (esclusa SYD) ISO 14001:2015	CRN and Riva SuperYachts Division (from 164 feet) Custom Line (from 164 feet) Pershing (from 140 feet)
Sarnico	43,378 m ²	16,986 m ²	ISO 9001:2015 ISO 14001:2015	Riva from 27 to 68 feet
La Spezia	39,025 m ²	20,459 m ²	ISO 9001:2015 ISO 14001:2015	Riva from 75 to 130 feet

OTHER FACILITIES	TOTAL SURFACE AREA	COVERED SURFACE AREA ¹	CERTIFICATIONS ²	PRODUCTS MADE
Scorzè (VE), Zago S.p.A.	17,600 m ²	11,000 m ²	ISO 9001:2015	Interiors and furnishings
Sarnico (BG), R.A.M. S.p.A.	8,800 m ²	3,800 m ²	ISO 9001:2015	Boat restoration
Pian Di Rose (PU), Il Massello S.r.l.	9,130 m ²	5,530 m ²	-	Interiors and furnishings
Narni (TR), F.lli Canalicchio S.p.A.	22,700 m ²	8,900 m ²	ISO 9001:2015	Interiors and furnishings
Fort Lauderdale (Florida, Stati Uniti)	5,809 m ²	4,708 m ²	-	Naval Refitting

1.3 Our journey and our values

Imagine for a moment that the Ferretti Group is a robust, well-built yacht that has been sailing around the world for over 180 years, led by a crew of 1,971 people. Passion and people are our engine, innovation is our fuel, and excellence, authenticity and luxury are all key destinations along our route.

The passion for creating and appreciating greatness is what drives both us and our customers. It's a passion that begins at sea and is expressed in a range of different components. And it's a key element around which navigation, design, luxury and technology revolve. Our employees feel this same passion and it manifests itself as a sense of pride in our unique yachts that will sail the seas for decades to come. This passion, in all its forms, is the driving force behind the innovative, safe and high-performance yachts we have been building for over 180 years.

1 Surface as of 31/12/2023.

2 An ISO 9001:2015 certification attest compliance with the best standards for business processes that impact product and service quality and, ultimately, customer satisfaction. ISO 14001:2015 is an international standard specifying requirements for an effective environmental management system. For more information on quality and environmental management system certifications, please refer to chapters 4 and 5.

Innovation continues to fuel our dream of building magnificent yachts that leave onlookers speechless and boat enthusiasts eager to know more. Our innovation is contagious, permeating through our employees, products, processes, designs and the most advanced technology on the market. For Ferretti Group, innovation means creating a stream of new models that are faithful to the history and heritage of each brand but have their sights on the future. We owe our success to substantial investments and the right infrastructure and facilities, and in fact our broad portfolio only exists because of the teamwork, cutting-edge design, innovative materials, modern machinery and scrupulous craftsmanship at the heart of Made in Italy excellence.

Quality, uniqueness and exclusivity are our core values and they have always charted the course ahead for us, one that takes Ferretti Group in a clear direction, setting us apart from the crowd and forging our unique identity over the years. For us, quality rhymes with responsibility. Managing and growing some of the world's most exclusive and prestigious yacht brands is a source of immense pride for us, but it also fills us with a sense of responsibility and makes sure we are never tempted to compromise. Ferretti Group is a true leader in its field and well known for combining craftsmanship with expertise and innovation, and we owe it all to our culture of excellence. Uniqueness is also about letting our brands push the boundaries and shape the future of our market, without ever losing sight of our roots. Exclusivity in luxury is the ability to evolve the heritage of our industry, our country and our business culture while preserving its authenticity. The Group brings all these elements together to pursue continuous growth driven by an integrated business model and strong central coordination, while always remembering that sustainability is key to that growth.

Vision

Our vision is to set the trends of tomorrow in the luxury yachting world, to be a beacon for the entire industry, to inspire excitement, dreams and desire, in a relentless pursuit of quality, innovation and distinction. Ferretti Group aspires to be the world's most influential luxury yachting group through our technology, sustainability and economic achievements.

Mission

Our mission is to deliver exceptional yachting experiences to customers worldwide. We set the standard for quality, sophistication and client care, backed by a drive for exclusive design, impeccable performance and cutting-edge technology. Ferretti Group is the ideal choice for those wishing to experience excellence at sea in supreme comfort and total safety.

1.4 Group governance

Shareholders and Governance bodies

On March 31st 2022 Ferretti S.p.A. listed on the Hong Kong Stock Exchange.

On June 27th 2023 Ferretti S.p.A. listed on Euronext Milan thereby becoming the first company to be dual listed on the Hong Kong Stock Exchange and Euronext Milan.

Ferretti S.p.A., is a joint stock company, registered with the Companies Register of Romagna (Forlì Cesena and Rimini).

Ferretti S.p.A. has its registered office in via Irma Bandiera 62, Cattolica (RN), while its administrative office is located in Via Giovanni Ansaldo 7, Forlì.

The governance is structured according to the traditional administration and control model and consists of the following corporate bodies:

- the **Shareholders' Meeting**;
- the **Board of Directors**, within which a Chairman, a Chief Executive Officer and a Honorary Chairman are appointed;
- the **Board of Statutory Auditors**, within which a Chairman, two effective auditors and two alternate auditors are nominated.

On December 31, 2023, the Board of Directors comprised the following nine members:

ROLE	NAME	DATE OF APPOINTMENT
Chairman and Non-Executive Director	Xuguang Tan	July 3, 2012
Chief Executive Officer and Executive Director	Alberto Galassi	October 23, 2013
Honorary Chairman and Non-Executive Director	Piero Ferrari	June 16, 2016
Executive Director	Xinyu Xu	July 6, 2012
Non-Executive Director	Xinghao Li	March 6, 2020
Non-Executive Independent Director	Fengmao Hua	December 21, 2021
Non-Executive Independent Director	Stefano Domenicali	December 21, 2021
Non-Executive Independent Director	Patrick Sun	December 21, 2021
Non-Executive Director	Jiang Lan	May 18, 2023

The breakdown of members by gender and age is as follows:

GENDER AGE GROUP	30-50	50-60	OVER 60	TOTAL
Male	1	4	3	8
Female	0	1	0	1
Total	1	5	3	9

The **Board of Statutory Auditors** provides oversight on compliance with law and the company By-Laws, on compliance with the principles of correct administration and in particular on the adequacy of the company's organisational, administrative and accounting structure.

- Chairman: Luigi Capitani
- Effective Auditor: Luca Nicodemi
- Effective Auditor: Giuseppina Manzo
- Alternate Auditor: Tiziana Vallone
- Alternate Auditor: Federica Marone

The Company also established the Supervisory Body, appointed by the Board of Directors on July 31, 2019, and in office from September 1, 2019, which, as at the reporting date, is composed as follows:

- Chairman: Paolo Beatrizzotti
- Member: Monica Alberti
- Member: Luigi Bergamini

Within the Board of Directors, the Company established four committees:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- ESG Committee

The **Audit Committee** comprises four Directors: Patrick Sun (Chairman), Stefano Domenicali, Hua Fengmao, and Li Xinghao. This committee is responsible for reviewing and overseeing the Group's financial reporting process and internal control system and supports the Board of Directors' assessments and decisions relating to the internal control and risk management system and the approval of periodic financial reports.

The **Remuneration Committee** comprises five Directors: Stefano Domenicali (Chairman), Patrick Sun, Hua Fengmao, Piero Ferrari, and Xu Xinyu. The Remuneration Committee is responsible for evaluating the remuneration policies for directors and senior management of the Company and making recommendations thereon to the Board of Directors. The establishment of the Remuneration Committee ensures extensive information and transparency on the remunerations due to the directors and senior management of the Company, as well as on the way such remunerations are determined.

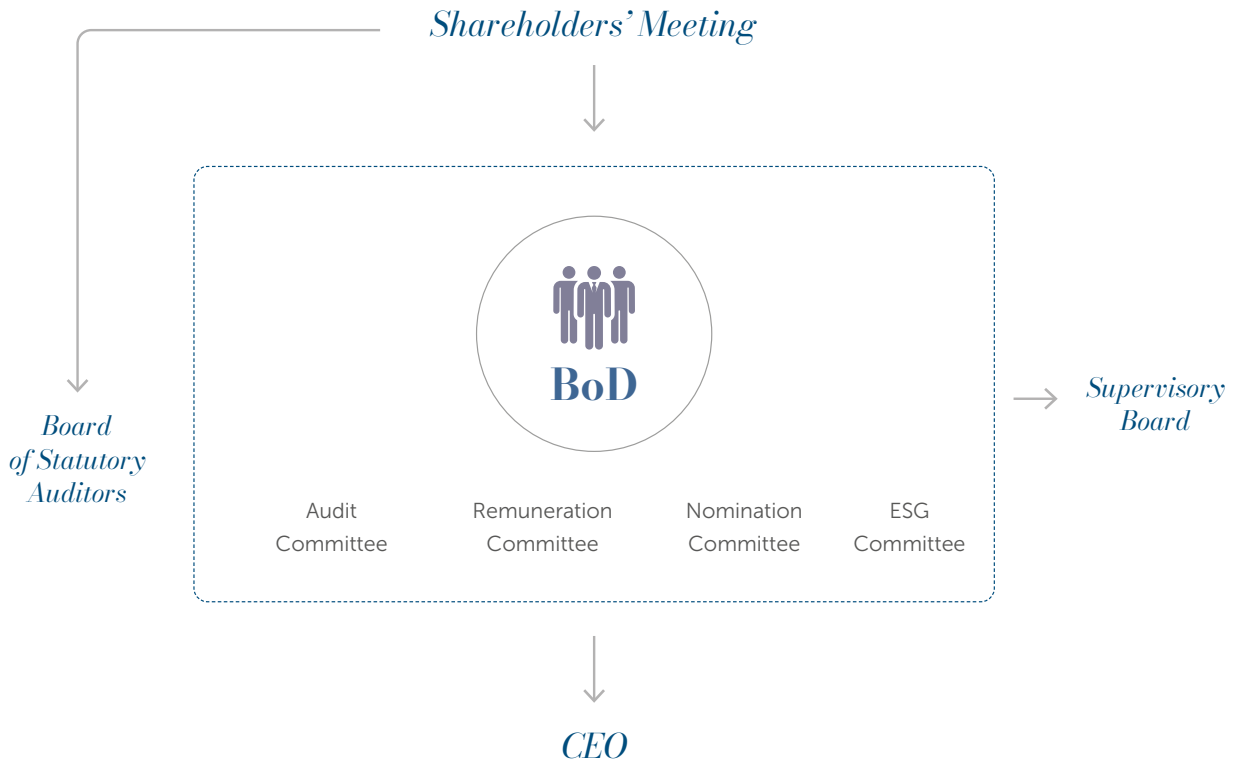
The Remuneration Committee is in charge of, and supports the Board of Directors in:

- the development of the remuneration policy;
- submitting proposals or delivering opinions on the remuneration of executive directors and other directors holding special offices, as well the setting of performance objectives related to the variable component of such remuneration;
- submitting proposals for the establishment of a transparent procedure for the development of the remuneration policy and monitoring the implementation of the policy;
- verifying the consistency of the remuneration paid with the principles and criteria defined in the policy;
- monitoring on an annual basis, or with the different frequency established by the Board of Directors, the actual application of the policy, in accordance with the modalities set forth in the procedure, verifying, in particular, the actual achievement of the performance objectives related to the variable component of the remuneration of executive directors or other directors who hold special offices;
- evaluating periodically the adequacy and overall consistency of the policy of directors and top management.

The **Nomination Committee** comprises five Directors: Tan Xuguang (Chairman), Patrick Sun, Stefano Domenicali, Hua Fengmao, and Alberto Galassi. The Nomination Committee is responsible for identifying, screening and recommending qualified candidates to serve as Directors on the Board.

The primary duties of the Nomination Committee include, among other things, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board members, making recommendations to the board on the selection of individuals nominated for directorships, assessing the independence of independent non-executive Directors, making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors (in particular the Chairman and the Chief Executive), as well as making recommendations on any proposed changes to our Board composition to complement our corporate strategies. In identifying and selecting suitable candidates for directorships, the Nomination Committee considers the relevant criteria of director nomination as formulated by the Company that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

The **ESG Committee** comprises five Directors: Tan Xuguang (Chairman), Piero Ferrari, Xu Xinyu, Alberto Galassi, and Hua Fengmao. The ESG Committee is mainly responsible for supporting the Board in formulating ESG policies and strategies, monitoring ESG issues, reviewing and evaluating sustainability performance, setting metrics and targets, making recommendations to the Board, and overseeing the ESG reporting process through the review and approval of the Sustainability Report.



Remuneration of the Board of Directors

The Remuneration Committee is the only responsible for the determination, review and approval of the Directors' remuneration, following the principles of meritocracy and equity.

The remuneration of the members of the Board of Directors is formulated in such a way as to attract and motivate the best professionalism and skills for the better exercise of their respective offices and the achievement of the purposes of the Remuneration Policy.

All directors will be paid at a fixed rate to ensure adequate remuneration for the activities and commitment of the directors in favour of the Company. There is no further compensation for participation in the internal board committees.

Non-executive Directors

Non-executive directors, whether or not they are independent directors, are entitled to a fixed remuneration determined by the Shareholders' Meeting pursuant to Article 2389 of the Italian Civil Code, as well as reimbursement of expenses incurred for official reasons.

Executive Directors

The remuneration of the Executive Directors is appropriately balanced in order to effectively contribute to the corporate strategy, the pursuit of long-term interests and the sustainability of the Company.

In particular, the remuneration structure of the Chief Executive Officer consists of:

- a fixed component: this component is determined taking into account the size and strategic nature of the role held, the distinctive subjective characteristics and strategic skills possessed by the Chief Executive Officer. For the sake of completeness, it should be noted that a portion of the fixed component is represented by the consideration paid by the Company for the non-compete obligation assumed pursuant to the directorship agreement signed between the Company and Mr. Alberto Galassi on 8 March 2023;
- a short-term variable component: this component pursues the objective of incentivizing the Chief Executive Officer to work towards the achievement of annual objectives in order to maximize the value of the Group, in line with the interests of shareholders and other stakeholders;
- a medium-long term variable component: this component pursues the objective of encouraging the Executive Directors to operate with a view to maximizing the value of the Group and to align the interests of these directors with those of shareholders and other stakeholders, according to a medium-long term logic and sustainable development;
- fringe benefits: these consist of the provision of goods and/or services assigned in accordance with market practice and in compliance with current legislation.

As of 2023, there are neither MBOs nor other incentives related to the socio-environmental performance of the Board of Directors or other employees.

In line with the GRI standards, during 2023, the ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees is 130.40. The ratio of the percentage increase in annual total compensation for the highest-paid individual to the median percentage increase in annual total compensation for all employees is 0.85. For the purposes of this calculation, the following items were considered: fixed and variable pay, performance-based retribution, and bonuses.

Annual total compensation ratio³

YEAR	ANNUAL COMPENSATION RATIO	CHANGE IN THE ANNUAL TOTAL COMPENSATION RATIO
2021	94.21	13.44
2022	129.26	7.43
2023	130.40	0.85

Organisation Model and Code of Ethics Pursuant to Legislative Decree no. 231/2001

The Code of Ethics is a key document that defines the Company's approach to business ethics and the principles that guide its culture and identity.

The document, published on the Group's website, contains both our moral vision as a Group – which focuses on maintaining and developing stakeholder trust – and a list of core values that guide the Ferretti Group, such as honesty, fairness, transparency, equity and reciprocity. The Code of Ethics features specific sections on topics that are particularly important to the Group, such as workplace safety and customer privacy. The Code of Ethics therefore applies to the entire Group, it is shared with its clients and suppliers and informally extended to all stakeholders, in the hope that the Group's moral and ethical values can be expanded well beyond its physical limits.

When drafting the Code of Ethics, the Group took into consideration also all of the activities that help prevent the crimes (*i.e. reati presupposti*) that all Italian companies are obliged to prevent pursuant to Legislative Decree No. 231 of June 8, 2001. As such, the Code of Ethics constitutes a fundamental element of the Organisation, Management and Control Model adopted by the Ferretti Group. Defining the 231 Model involved carrying out an initial assessment of the Group's pre-existing organisational model in order to identify areas and activities that could pose a risk of crime, as envisaged by the Decree. We then defined control protocols for any important activities we had previously identified, in order to align our control principles with the Legislative Decree in question.

The Ferretti Group approved the 231 Model in 2019, bringing it into force and publishing it on the Group's website from that date onwards. The latest updated version of the Model was approved on December 6, 2022. Ferretti Group also established a Supervisory Board, which was assigned certain tasks included in the model. The company also undertakes to constantly update the Model, adding new crimes to the Special Section. To this aim, the Company adopted a Custom Compliance Program and Internal Compliance Program related to export control crimes and activities, in order to avoid commercial relationship with listed subjects and/or listed territories.

The Supervisory Board oversees the functioning and observance of the 231 Model, assessing its adequacy, communicating necessary updates to the Board of Directors, and monitoring its implementation and updating.

³ In relation to 2021 and 2022 data, the remuneration ratios reported in the table do not include figures for R.A.M. S.p.A., Il Massello S.r.l. and F.lli Canalicchio S.p.A.

In 2022 the Group updated the 231 Model, which has been finalized and approved in the last quarter of 2022. In 2023 the Supervisory Board during its audit activities provided a training session, also including all the provisions regarding anti-corruption and anti-bribery. In 2023 two training sessions were provided, for a total amount of 2h in Ancona, Forlì and Cattolica sites. The Company is evaluating the adoption of a specific online course addressed to all the Company's employees.

As a Group, we have been actively engaged in preventing the risk of bribery and corruption and money laundering, and above all, we strive to promote integrity and precision at all levels of the organisation and in every country in which we operate. In addition to affecting trust and respectful competition between market operators, behaviour that goes against the principles of fairness and integrity risks undermining the very foundations of the Ferretti Group, which has championed morality and excellence for more than fifty years. Given the Group's presence in a number of countries, including so-called 'tax havens', the Group is exposed to the risk of violating anti-corruption and anti-money laundering legislation in all nations in which it operates, as well as incurring financial penalties imposed by the European Union and the United States of America, which would have a very detrimental impact on the Group's reputation. This risk is also present with regard to the Ferretti Security Division, as it often fulfils requests financed by governments and international institutions.

The circumstances described above and the related risks are addressed by means of two key tools, namely the Group's Code of Ethics and the Organisational and Management Model for the prevention of crimes pursuant to Legislative Decree No. 231/2001. The Group also adopted a zero-tolerance anti-corruption policy. During the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

Finally, we can confirm that there were no episodes of bribery, corruption or other critical concerns involving the companies of the Group in the period from 2021 to 2023.

Ferretti gives primary importance to the protection of minors and to the repression of exploitation of any kind against them. Furthermore, in order to guarantee total respect for the person, as stated in its Code of Ethics, Ferretti Group is committed to complying and ensuring its employees, suppliers, collaborators and partners comply with the legislation in force on protection of employment, with specific attention to child labour, as outlined in the Minimum Age Convention No. 138/1973 and the Worst Forms of Child Labour Convention No. 182/1999 adopted by the ILO, and the exploitation of women and foreigners from outside the European Union and also by respecting the principles of the European Charter of Fundamental Rights.

The Group has complied with the relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour. No issues or concerns regarding child labour and compulsory labour from suppliers have been identified by the Group along the 2021-2023 reporting period.

According to the Code of Ethics, every act or behaviour that could lead, even potentially, to conflicts of interests with the Group's business or to make biased and impartial decisions, should be avoided. In such situations, actual or potential, all employees are asked to notify the risk of conflicts of interest to the Supervisory Board. Similarly, if any employee becomes aware during his/her work of the commission of acts or behaviours which may harm personal safety as identified above, or constitute the exploitation or subjection of a person, he/she must immediately notify his/ her superiors, without prejudice to obligations imposed by law, and the Group will take appropriate actions as and when appropriate. To this end, specific clauses are set up in the individual contracts with suppliers.

Violations of the general principles of the Code of Ethics involve sanctioning mechanisms based on the type of violation committed, aimed at reaffirming the significance of adhering to the principles within the Group.

These mechanisms of sanctions are designed to address different types of violations and serve as a means of accountability. By implementing appropriate consequences, the Group emphasizes the importance of upholding the ethical principles that guide its actions. Ferretti Group has also adopted a dedicated policy to manage Whistleblowing Reports, in compliance with the Legislative Decree 24/2023. Furthermore, according to Legislative Decree 231/2001, all Recipients of the 231 Model are obliged to provide circumstantiated reports of any major unlawful conduct or breaches of the Organisation, Management and Control Model adopted by the Company. The Supervisory Board has the task of managing the Reports and treats the reports as confidential and adopts appropriate verification procedures to protect both the Whistle-blower's privacy and the reported persons' identity and integrity.

The group has not yet implemented specific policy commitments outside certification requirements; however, it is actively engaged in enhancing its corporate governance framework to establish efficient and tailored mechanisms that align with its organizational structure. The organization recognizes the importance of robust governance practices and is diligently working towards implementing effective tools and frameworks to ensure responsible decision-making and operational excellence. By proactively addressing governance matters, the group aims to establish a solid foundation for sustainable growth and stakeholder trust.

2. Our business model: from Made in Italy excellence to evolution in the name of innovation

2.1 The Ferretti Group model: when industrial innovation meets true craftsmanship

Being a cutting-edge entity and leader in the luxury yachting market is all about embracing the two distinct qualities that allow us to manufacture yachts that fulfil our customers' wishes: industrial innovation and craftsmanship. In fact, industrial innovation is all about improving the efficiency of our serial production process year upon year, while craftsmanship allows us to offer excellent scope for personalisation and to produce some truly unique products. In many cases, the yachts we manufacture are one-of-a-kind prototypes, boasting exclusive features developed in collaboration with our customers.

In keeping with our dual spirit, the Ferretti Group model sees our yachts pass through a production line in which all components are assembled, starting from the hull, through to the engines, machineries, electrical and hydraulic systems and finally, the furnishings and fittings, depending on the type of yacht we are producing and the customer's personal preferences. The Group coordinates the entire process, managing the project as a whole and directly overseeing the design, selection and procurement of raw materials and components, ready for production. The industrial aspect is evident in the planning, programming and control of the progress of each activity, while the artisan soul is left to the execution of the activity.

The Ferretti Group model helps us guide customers, studying ad hoc feasibility for them, through decision-making processes while gifting us with a strong understanding of market demand. This allows us to anticipate

new trends while maintaining a strong bond with our suppliers, with whom we continuously explore cutting edge solutions.

The new product development process

Over the years, we have developed and perfected our New Product Development Process, which allows us to alter and restyle existing products, as well as to carry out in-house modifications on products with pre-set specifications.

By defining and applying this process, we are able to guarantee consistency with the Ferretti Group's strategy and values when developing new products. The process also allows us to pursue specific objectives with regard to time-to-market, quality, costs, profitability and the maximum exploitation of brand partnerships.

The Process cuts across various company departments to ensure that each step – from pre-development to prototype creation – is fully developed and implemented using the appropriate skills.

The process begins with the completion of market analysis by the product marketing department to establish the macro-requirements for the new yacht model to be developed. This step is followed by a preliminary feasibility study on the amount of investment required, which determines whether development of the new model will continue. The technical features and architecture of the new model are then developed by the Operative Product Committee (OPC), which is assisted by external naval architects and designers, and our technical team. Subsequently, the members of the SPC (Strategic Product Committee) proceed with the final approval of the concept, conducting an economic assessment of the investment required to develop the model.

Strategic Product Committee

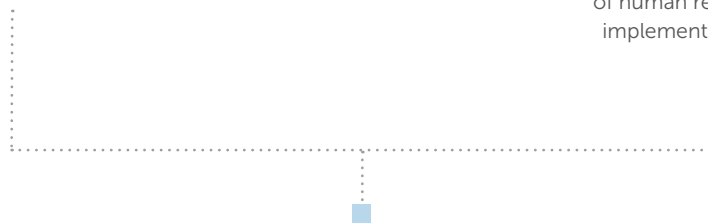
SPC

The **Strategic Product Committee** supervises meetings to define product ranges, overseeing requirements and time-to-market, and reviews each product before it is formally approved.

Operational Product Committee

OPC

The **Operational Product Committee**, on the other hand, reviews projects from a technical and architectural perspective, in order to guarantee their optimisation in terms of human resources and implementation times.



Both **Committees** work according to a process with several phases; the decision-making process is only undertaken when work at every stage of the project has been addressed and implemented correctly.

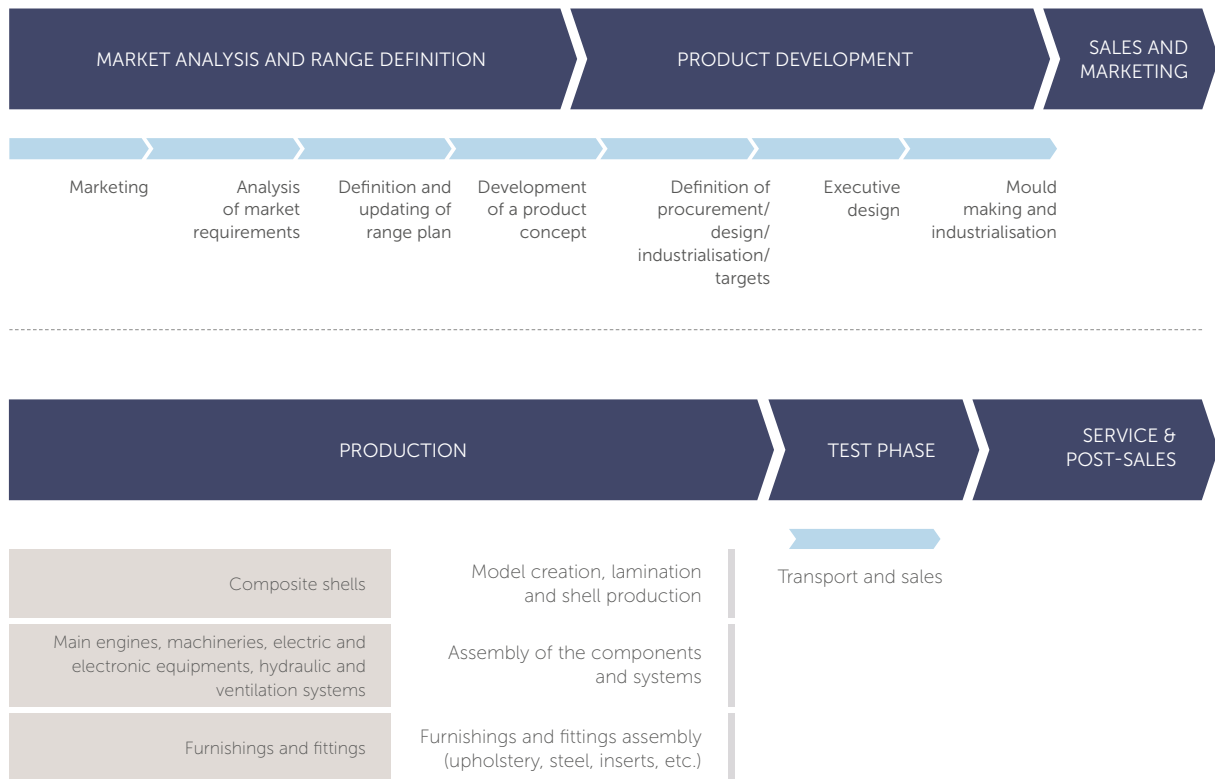
This ensures that every new model is in line with the Group's strategy and targets.

The Committee monitors the development of the prototype and the final design, keeping track of the costs and time taken to complete the process. Once the first product has been built and tested, and the industrialisation costs have been defined, a final meeting is convened to determine the adherence to the approved values and any actions.

The Ferretti Group is equipped with a team of internal and external professionals who work together to define the layout for new models. As previously mentioned, our in-house design team collaborates with external naval architects and designers to research styles and define new product lines. Our engineering department (in cooperation with project managers and project architects) is responsible for defining the technical layout of new models. Along with the technical departments and project management department, they are tasked with performing operational analysis, monitoring product development, and conducting ongoing checks to satisfy the finance department, which evaluates and ensures that all new products meet financial margins and targets, as an independent collaborator in the process.

Below is a diagram that demonstrates how the Group’s product development and production model works:

Product development process



2.2 Seven souls, one heart: our brands

The Ferretti Group seeks to enhance the value of its brands in order to preserve their unique identities and distinctive features while also making use of the Group's central structure.

The histories of our brands have crossed paths several times over the past few decades and continue to do so, through partnerships, the sharing of ideas, projects and new horizons. As such, we are proud to tell seven different stories with one shared dream: to package together the best yachts in the world.

CENTRALIZED FUNCTIONS at Group level to leverage industrial efficiencies

HIGH-VALUE ADDED FUNCTIONS



CORPORATE FUNCTIONS



DECENTRALIZED ACTIVITIES at Brand level to nurture each Brand's DNA and target all customer segments



BUSINESS MODEL DESIGNED TO promote Brand distinctiveness while capturing synergies

2.3 Customer relations

The Ferretti Group has always been fully committed to transferring its product excellence to the services it offers, ensuring that it does so in ever more structured, systematic ways, and providing continuity in its customer relations. In fact, a wide range of after-sales services are available to owners, designed exclusively for customers and customised for the various yachts.

The Group has consistently invested significant resources in building the loyalty of existing customers and in attracting new customers, leveraging the original features and appeal of its brands, business growth, diversification in terms of product models, the organisation of events and participation at international trade fairs. Over the years, this has not only increased the number of new customers, but also the percentage of loyal customers. These results have also been possible thanks to the robust relationships the Group has built and reinforced over time, and to the exclusive events and unique luxury environment that Ferretti Group creates for its customers, all while respecting the basic requirements of confidentiality and privacy.

The Ferretti Group traditionally operates in a market featuring an extremely select customer base of high-net-worth individuals who are particularly sensitive to issues surrounding confidentiality. The Group therefore pays close attention to the issue of privacy, not simply to remain compliant with the European Personal Data Protection Regulation (GDPR⁴), but also to protect its clients and guarantee maximum confidentiality and security in the processing of their data. In doing so, it confirms the solid reputation that the Group has created over the years. In 2023, there were no reports of customer privacy violations. The Group's privacy policy is available at <https://www.ferrettigroup.com/en-us/Legal-notice>

Customer Care & Satisfaction

The commercial strategy optimises the use of dealers, brokers and the direct customer relationship so as to receive the direct input of the market, tap into trends and developments and boost existing customer loyalty.

For large yachts (over 30 metres), over the years the Group has expanded its global broker network to ensure a stronger foothold on particularly key markets. The Ferretti Group has also improved its internal sales structure by supporting the network with direct sales outlets (Milan, Monaco, Majorca, Fort Lauderdale, Palm Beach, Shanghai and Hong Kong).

< 30
meters

SALES THROUGH DEALERS

55 dealers active in 71 countries around the world

> 30
meters

SALES THROUGH BROKERS

(over 279 worldwide) and other Group direct sellers

⁴ Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

In addition, every customer enjoys an exclusive relationship with the shipyard and the international service network, navigating safely with a team of experts ready to support them at all times and wherever they are. The range of services includes a hotline to address technical issues in real time, a network of spare parts warehouses (After Sales Ferretti Group) and training initiatives for service network professionals (Service University) and commanders (Convergence).

Leveraging the synergy of the entire Group and its international network can therefore guarantee customers the best possible navigation experience.

Excellent customer service has always been a Ferretti Group priority and has a single focus: to guarantee the owner, at all times, the pleasure of experiencing the sea in absolute peace of mind and safety. The owner's initial technical training is carried out dockside and includes an accompanying service for the yacht's maiden voyage. After delivery of the yacht, the Dealer and Service Point play key roles. The Service University - the refresher and professional training school for after-sales staff - emerged from this vision. It provides a wide range of training, updated annually and improved with new content to support a broad spectrum of skills: from managerial to customer satisfaction and to technical, commercial and operational expertise.

Thanks to the ever-growing ability to respond to the development demands of the various entities involved, as evident in the increasing number of participants, the Service University is today a central hub and an unmissable opportunity for all Ferretti Group Dealers and Service Points.

The Group also benefits from state-of-the-art CRM (customer relationship management) teams and processes, able to collect, aggregate and process data and information on current and potential customers. Throughout every phase of the customer journey, specific CRM activities are planned and developed - particularly to identify potential new customers and expand the customer base.

In this sense, customer surveys conducted over recent years have revealed an ever-increasing focus on performance and consumption, combined with comfort and ergonomics.

Finally, the Group promotes mutual growth and training through Convergence, an event that brings together captains from all over the world with the goal of strengthening the link between the Group and the sailing community. The event was launched for the first time in 2003, with attendance in recent years reaching in excess of 100 people. Captains discuss at the event technical and non-technical aspects related to the complex daily management of motor yachts. Convergence is a training opportunity, but also an opportunity for both the Group and attendees to build solid relationships - based on trust and mutual cooperation - to ensure the profitable professional growth of the entire sector.

A high-level commitment to the resale of superior quality yachts

The Ferretti Group also offers its customers the opportunity to buy and sell pre-owned yachts, carefully selecting these yachts and guaranteeing potential new owners of pre-owned yachts an easy, safe purchasing experience. The pre-owned segment also operates through a dedicated online platform.

2.4 Value creation: figures and achievements

In 2023, the Ferretti Group generated more than Euro 1 billion in total economic value. The Group's net revenue increased by approximately 10.1% from approximately €1,030.1 million for the year ended December 31, 2022 to approximately €1,134.5 million for the Reporting Period. Of the economic value generated, the economic value distributed to the various stakeholders, including suppliers (operating costs), employees, capital providers, the Public Sector, shareholders and the local community, represents approximately 88% of the total, as shown below:

(IN EURO THOUSANDS)⁵	%	2023	%	2022	%	2021
Economic value generated	100%	1,316,894	100.0%	1,115,592	100.0%	908,092
Economic value distributed	88.3%	1,162,792	87.8%	1,030,099	89.4%	811,875
Operating costs	74.55%	981,708	82.3%	834,017	75.1%	681,972
Value distributed to employees	9.9%	130,727	12.7%	128,810	12.4%	112,417
Value distributed to providers of capital	0.3%	4,139	0.4%	4,452	0.7%	5,940
Value distributed to shareholders	2.5%	32,833	2.0%	19,903	0.7%	6,707
Other	1%	13,385	2.6%	7,120	0.5%	4,839
Economic value retained	11.7%	154,140	12.2%	140,186	10.6%	96,217

5 The correlation between the items in the table (per GRI 201-1) and the items reported in the Group's income statement (in brackets) is shown below.

"Economic value generated" comprises "Value of production" ("Revenues from contracts with customers"), "Other financial income" ("Other revenues and income", "Financial income", and "Change in inventories") and "Increase in internal work capitalised" ("Increase in internal work capitalised").

"Economic value distributed" comprises:

- operating costs: "Raw material costs" ("Raw materials and consumables"), "Service costs" ("Outsourcing costs", "Trade fair, events and communication costs", and "Other service costs"), "Rent, lease and similar costs" ("Rent, lease and similar costs"), and "Miscellaneous operating expenses net of taxes" ("Other operating costs", from which "Non-income related taxes" and "Membership subscriptions" are subtracted);

- value distributed to employees ("Personnel costs");

- value distributed to providers of capital ("Financial charges");

- value distributed to shareholders ("Dividends paid");

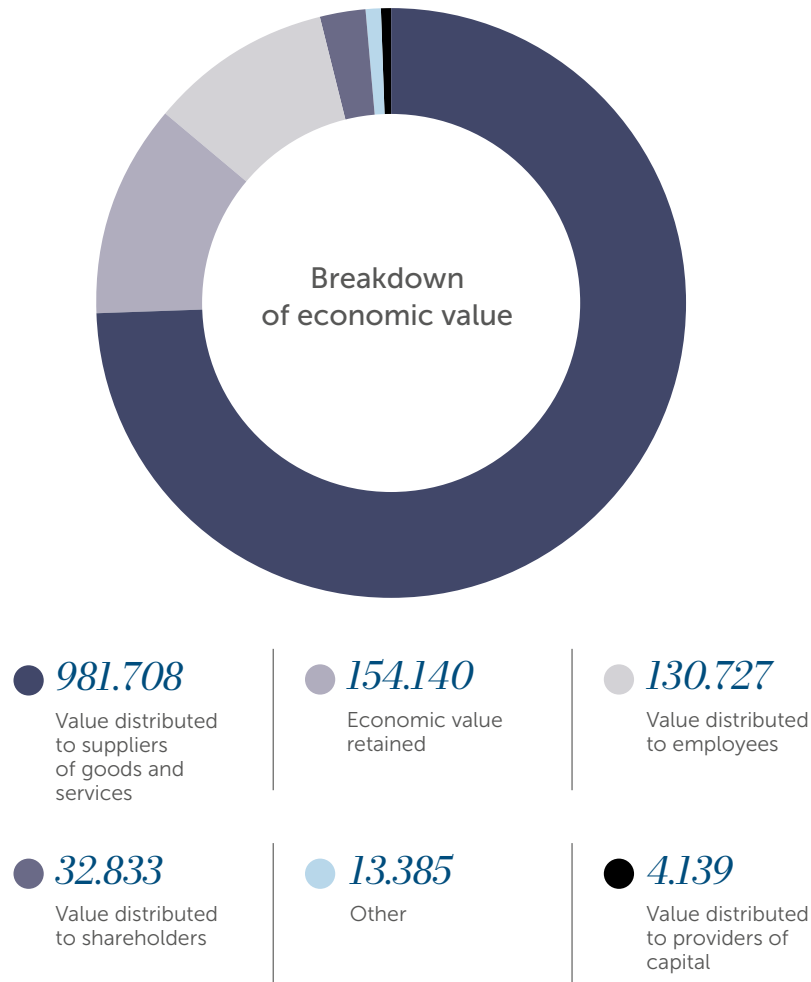
- "Other", which comprises:

- value distributed to the community: donations, sponsorships, and membership fees ("Membership subscriptions").

- value distributed to the government: "Current and prepaid income taxes" (difference between "Income taxes" and "Deferred taxes") and "Other operating expenses" ("Non-income related taxes").

Finally, "Economic Value Retained" comprises "Profit for the year net of dividends" ("Foreign exchange gains (losses)" and "Profit for the period from continuing operations"), "Depreciation and amortisation" ("Provisions and impairments" and "Depreciation, amortisation, and impairment of fixed assets"), and "Deferred taxes".

Breakdown of economic value created by the Group in 2023 (thousands Euro)⁶



More than 74% of the total economic value generated has been distributed along the Group’s supply chain; this has led to the creation of a real and ever-expanding ecosystem, predominantly made up of small and medium-sized Italian companies, with whom the Ferretti Group has a long history of productive collaboration. The SMEs working with the Group are emblematic of the flexibility, excellence and sustainability of local production systems, and often boast decades of collaboration with Ferretti Group brands and a relationship that is more than simply professional.

⁶ The breakdown in the graphic does not include value distributed to the Public Administration or membership fees (see the account “Other” in the table to the left).

Some have been acquired by the Group over the years as they constitute fundamental partners in the sale of the world's leading yachts. Such is the case of Zago S.p.A., a subsidiary of the Group that creates wooden interiors, Il Massello S.r.l., providing end-to-end on-board assembly service, as well as F.lli Canalicchio S.p.A., which has a deep expertise in yacht static exteriors and automatic kinetics systems.

While it is true that the Group's complex supply chain allows the Ferretti Group to lead the world by exporting its yachts to every corner of the planet, it is also thanks to the Ferretti Group that those small and medium Italian companies that contribute to the production of the Group's products have the opportunity to deal indirectly with the global market.

In selecting its suppliers, the Ferretti Group maintains the highest quality standards and takes into account the individual characteristics of each brand. This approach begins as early as the design phase, which often involves co-design activity between the Group and specific suppliers. The Group does, however, tend towards the internal production of its most crucial components, those which are fundamental to the development and retention of its expertise.

Selection of suppliers is managed by the Group's Procurement Department which, in close collaboration with the project's managers and engineers, identifies the specific requirements that suppliers must satisfy. These include technical capacity, structural elements (company size, geographic presence, logistics), production capacity, credentials, Key Performance Indicators, financial solidity, and before- and after-sales assistance. Today, the Group also assesses sustainability aspects during the supplier selection process, aware of the growing importance that these aspects will assume in the near future. In this regard, it should be noted that all new suppliers who qualified in 2023 were assessed also according to environmental and social criteria; environmental criteria cover certification requirements for waste management and disposal and the climate (FGas declaration) and include ISO 9001 for quality. Social requirements, on the other hand, mainly include criteria for managing occupational health and safety.

The Group suppliers receive training on the Group's Code of Conduct, which imposes standards on ethical business, respect of workers' human rights, product quality and other ESG topics. In the event that the Group is aware of any violation of the Group's Code of Conduct by the suppliers, the Group will evaluate the situation and take appropriate measures. All suppliers whose activities are directly performed on site are trained on the safety measures described in the Group's policies and practices. By doing so, not only does the Group ensure the highest safety standards, but it also generates awareness on the importance of having a safe and committed workplace for everybody.

It should also be highlighted that the vast majority (89%) of Ferretti Group's Suppliers are located within the national territory, and that the non-Italian exceptions are well-structured, reliable multinationals, such as suppliers of engine parts or electronic components.

Interiors and furnishings

All furniture components, including floors, kitchens, marble, interior and exterior upholstery, mattresses, lighting, sanitary and other accessories.

Composite

Hulls, frames and superstructures in fibreglass and steel, as well as all rigid and structural components such as rigid canopies and hatches.

Propulsion & systems

Engines, gearboxes, propellers, rudders, generators, fins, manoeuvring propellers and all other aspects of yacht mechanics.

Electronic equipments

Audio/video equipment, navigation and communication instruments, batteries, lights, radar and any other electronic components.

Kinematics & steel

Hold doors, walkways, pulpit handrails, ladders, anchors and all components that allow movement around the boat.

Contractors

This category includes both the manpower and the materials involved in the creation of hydraulic, electrical and insulation systems, and also all the processes of painting, resin coating, fitting out and covering.

General, administrative and sales costs (SG&A)

General, administrative and sales expenses, investments and purchases, maintenance services, waste disposal, exceptional transport, consultancy, communication, trade fairs and events.

Highlights

TOTAL VALUE OF ORDERS (2023)	PERCENTAGE OF ORDERS TO ITALIAN COMPANIES	TOTAL NUMBER OF SUPPLIERS OF FERRETTI GROUP	ITALIAN SUPPLIERS OF FERRETTI GROUP
Euro 927 million	89% (Euro 826 million)	3,587	2,901

YEAR	NUMBER OF SUPPLIERS			PURCHASE VOLUME ⁷		
	2021	2022	2023	2021	2022	2023
ITALY	1,911	2,111	2,901	527,221,243 €	664,548,046 €	825,889,658 €
EUROPE	73	115	130	40,437,136 €	46,802,919 €	58,250,667 €
EXTRA EUROPE	139	576	556	24,378,235 €	41,543,334 €	42,377,583 €
TOTAL	2,123	2,802	3,587	592,036,614 €	752,894,298 €	926,517,909 €

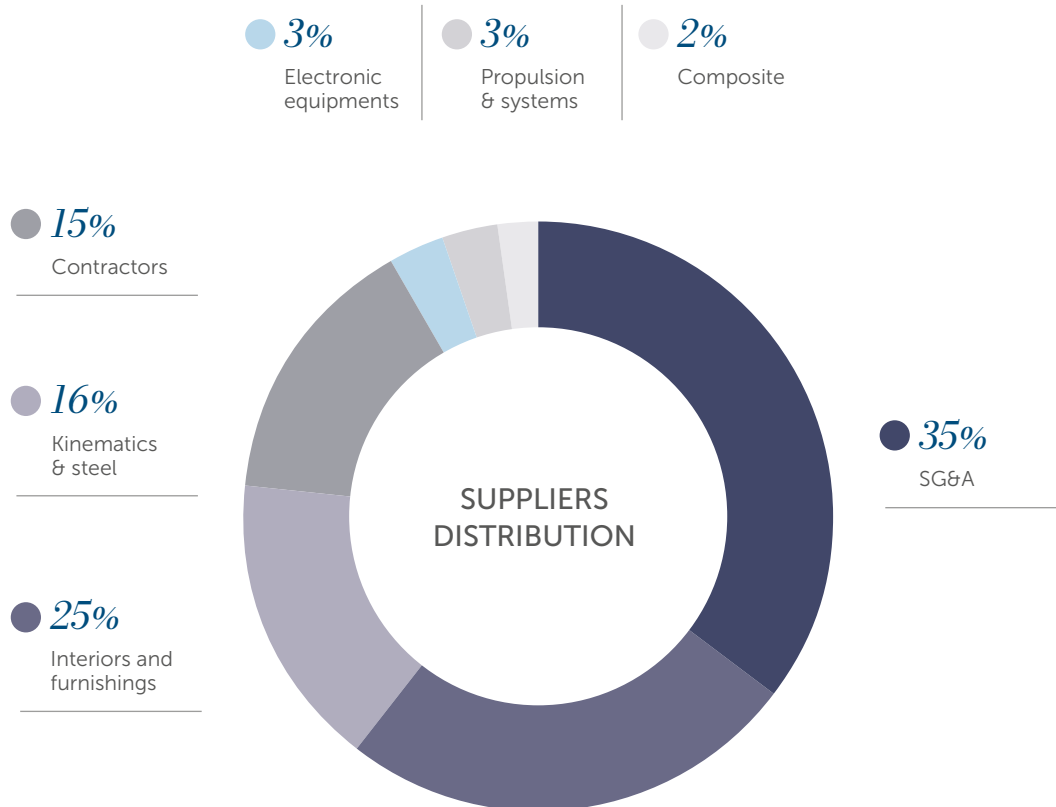
In 2023, total spending amounts to more than Euro 927 million, +23% versus 2022. Please be advised that the recorded surge in our numerical data is largely a consequence of the execution of an enlarged production plan.

⁷ Purchases made between Group companies (inter-company purchases) are excluded from the overall calculation. Furthermore, the volume of purchases cannot be reconciled with the item in the income statement linked to the "Value distributed to suppliers of goods and services", for the following reasons: i) orders to foreign companies (mainly those of Ferretti Group Asia Pacific) are not included in the purchase orders; ii) purchases of used vessels are not included in the purchase orders; iii) difference in reporting of information related to Capex purchases and user costs; iv) delay between the date of the purchase order and the actual accrual of the cost of said order v) currency exchange rates for USD expenditures.

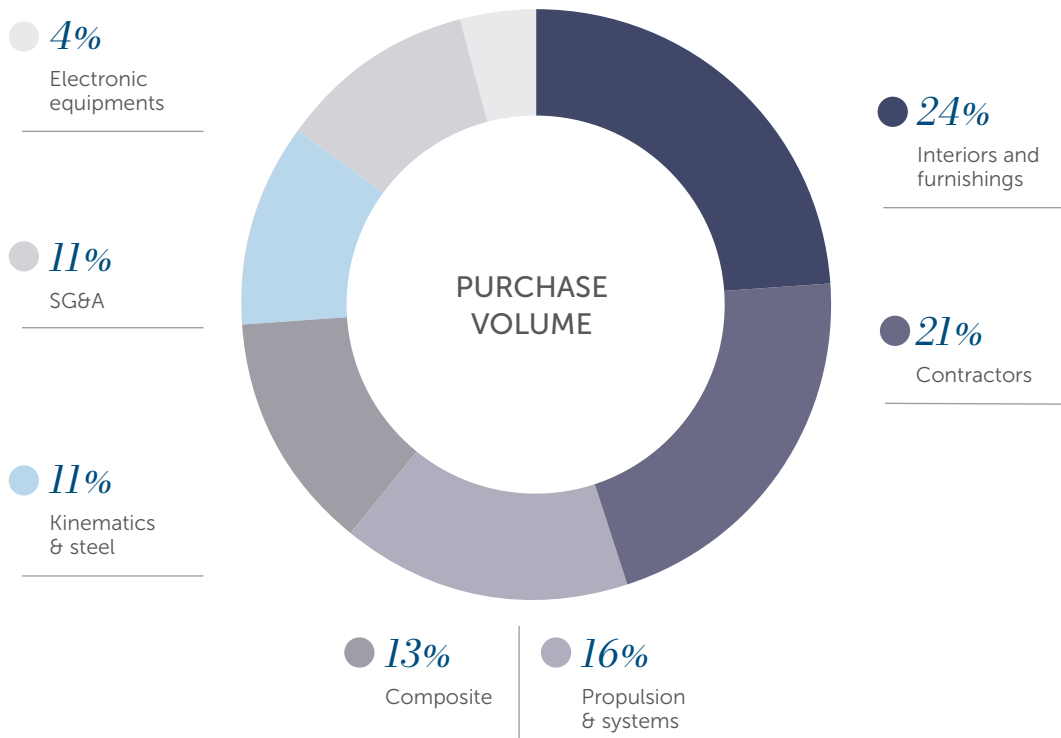
Focus on Ferretti S.p.A. (excluding AMAS)

PRODUCT CATEGORY	NUMBER OF SUPPLIERS	VALUE OF PURCHASES
INTERIOR	781	213,951,438 €
COMPOSITE	67	117,293,940 €
PROPULSION & SYSTEMS	95	147,159,717 €
ELECTRONIC EQUIPMENTS	103	38,138,707 €
KINEMATICS & STEEL	493	101,981,264 €
CONTRACTORS	473	191,639,322 €
SG&A	1,070	95,887,323 €
TOTAL	3,082	906,051,710 €

Breakdown of the percentage distribution of Ferretti Group (excluding AMAS) total purchase value and number of suppliers used by product category (2023)



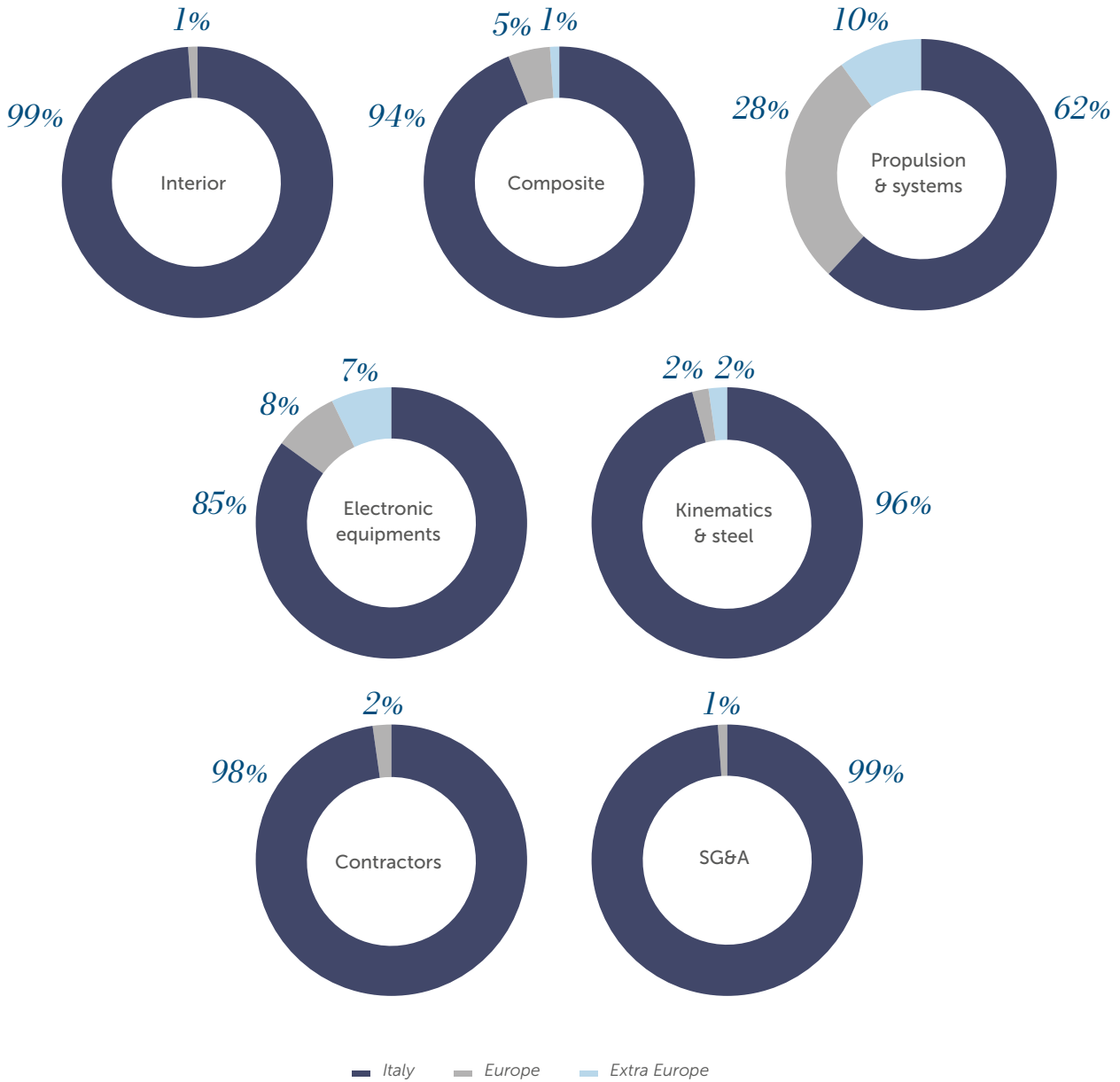
These percentages represent the composition of suppliers across different product categories within the business. The largest category is SG&A (Selling, General & Administrative expenses), accounting for 35% of the suppliers. This could include a wide range of services and products that fall under operational overheads, such as office supplies, marketing services, and administrative support. Interiors and Furnishings come next with 25% of the suppliers. This suggests a significant portion of suppliers are devoted to the provision of interior and furnishing items. The Kinematics & Steel and Contractors categories follow closely at 16% and 15% respectively. These categories could involve suppliers providing materials, parts, and services related to the movement mechanics and steel components, as well as contracted service. Electronic Equipment, Propulsion & Systems and Composite are more specialized areas with relatively fewer suppliers.



The overview of the product category data provides valuable insights into the business's supplier distribution and procurement strategy and mostly reflect the proportion of purchases made by the business across different product categories. However, the Composite category, while constituting a smaller segment of suppliers (2%), accounts for a larger percentage of the total purchases (13%). This is due to the nature of the products purchased (Fiberglass hulls, decks and superstructures; Hard Tops, hatches, boots, minor fiberglass components; Raw material for fiberglass; Carbon components). The same is true in the Propulsion & Systems category, where a smaller percentage of suppliers (3%) is associated with a noticeable portion of purchases (16%) indicating a highly specialised and high value per supplier scenario in this sector.

Conversely, while SG&A emerges as the largest category in terms of supplier distribution (35%), it represents a comparatively smaller portion (11%) of the total purchases.

Breakdown of the geographical distribution of Ferretti Group (excluding AMAS) total purchase value by product category (2023)



Geographical analysis of the number of suppliers by product category reveals a trend in line with the strong craftsmanship that typifies the Made in Italy movement described above. Categories related to manual labour, such as interiors, relate almost entirely to Italian workmanship; mechanical and electronic components, on the other hand, are produced more internationally, as evidenced by the higher percentage of purchases made from abroad.

3. The Group's responsibilities: our journey towards sustainability

In recent years, issues related to sustainability, the reduction of negative impacts, and the maximisation of positive ones on the environment and people have sat alongside and intertwined with the business activities of companies across the world; no industry, including the luxury and yachting sectors, is exempt from this structural change. Today, business models in numerous industries are being restructured to include and integrate sustainability issues, especially when pushed to do so by consumers, investors and other important stakeholders who demand a more conscientious approach to the world beyond business.

Other sectors, such as the one in which the Ferretti Group operates, have recently begun to enter the world of sustainability by attempting to anticipate the growing environmental focus of their stakeholders. In the yachting world this means vessels with hybrid engines, equipped with water treatment and recovery systems, furnished using eco-compatible materials, or even built relying on a network of tracked and responsible suppliers. This drive towards sustainability is dictated both by choices made by the future owners of the Group's products and by increasingly stringent regulations that require every company in the sector to make forward-looking choices and undertake strategic planning that includes sustainability as an integral corporate value.

The Ferretti Group began its journey towards sustainability in 2020 with the publication of the Group's first Sustainability Report for 2019. This began by mapping the main impacts deriving directly or indirectly from its activities with the objective of increasing internal sustainability awareness. In 2023, a further step has been taken, with the publication of the first Non-Financial Statement, following the requirements of the Italian Legislative Decree 254/2016.

To date, the Board of Directors has the central role of defining and updating the corporate strategy and the moral principles that guide the Code of Ethics, and in the approval of policies, objectives and targets, including those related to sustainable development. In particular, the Board is involved annually in identifying the impacts on the environment, people and the economy, and is responsible for and officially approves the information shared in the Non-Financial Statement, including the Material Topics, by assessing the impact of the company on society, environment and stakeholders.

This document constitutes the Group's fifth step towards the adoption, in the coming years, of an increasingly more strategic vision of these topics, which is designed to use its pioneering ideas to protect the Group's rich heritage for future generations. As in previous years, 2023 saw discussion of and updates to one of the most important instruments in the preparation of a Non-Financial Statement: the materiality analysis designed to identify the most relevant sustainability issues in terms of impacts generated and stakeholder focus.

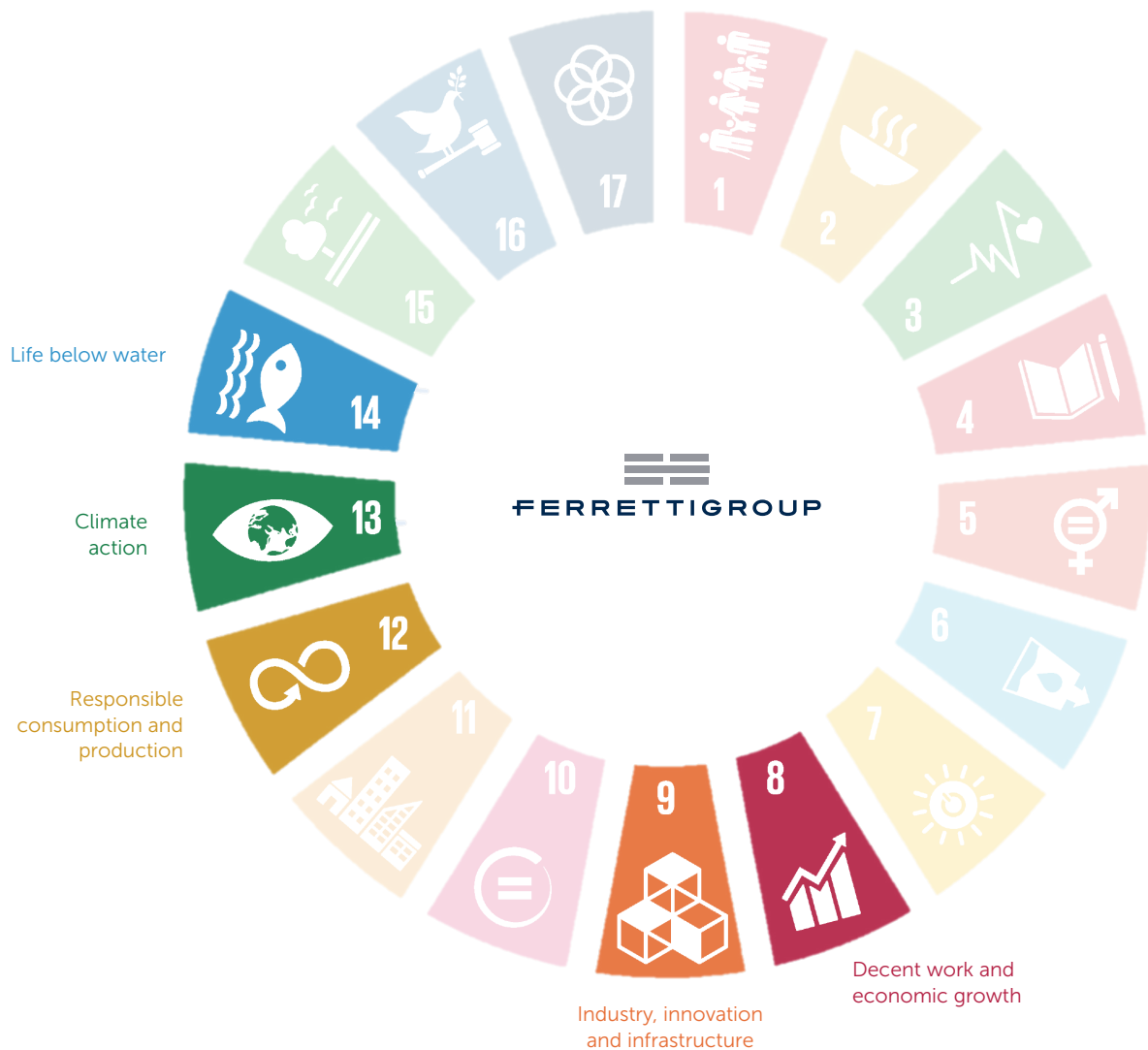
It is on the areas identified as material that the Group will focus its current attention and future efforts, with a view to reducing its environmental impact and creating value for the community and the local area. In its efforts, Ferretti Group is supported by a number of stakeholders and, in particular, by foundations and associations to which it is member, namely Fondazione Altagamma, Italy China Council Foundation (ICCF), SYBAss, Confindustria Nautica, Confindustria La Spezia e Confindustria di Ancona. Together with these entities, not only does Ferretti Group communicate regularly, but it also exchanges projects and ideas to develop the nautical sector in terms of socio-environmental impact.

Sustainable Development Goals - SDGs

The Sustainable Development Goals (SDGs) are 17 goals approved in September 2015 by the governments of the 193 member countries of the United Nations General Assembly. They recognise the close relationship between human well-being and the health of natural systems, highlighting the common challenges that every country faces in creating a sustainable future. The objectives are part of the ambitious action programme for peace and prosperity for people and the planet, known as the 2030 Agenda for Sustainable Development. The SDGs are universal, targeting both developing and advanced countries, and are based on integration between the three dimensions of sustainable development: environmental, social and economic aspects. The 17 objectives therefore cover a number of development areas, from the fight against hunger to the elimination of inequality, from the protection of natural resources to urban development, from agriculture to consumption patterns.



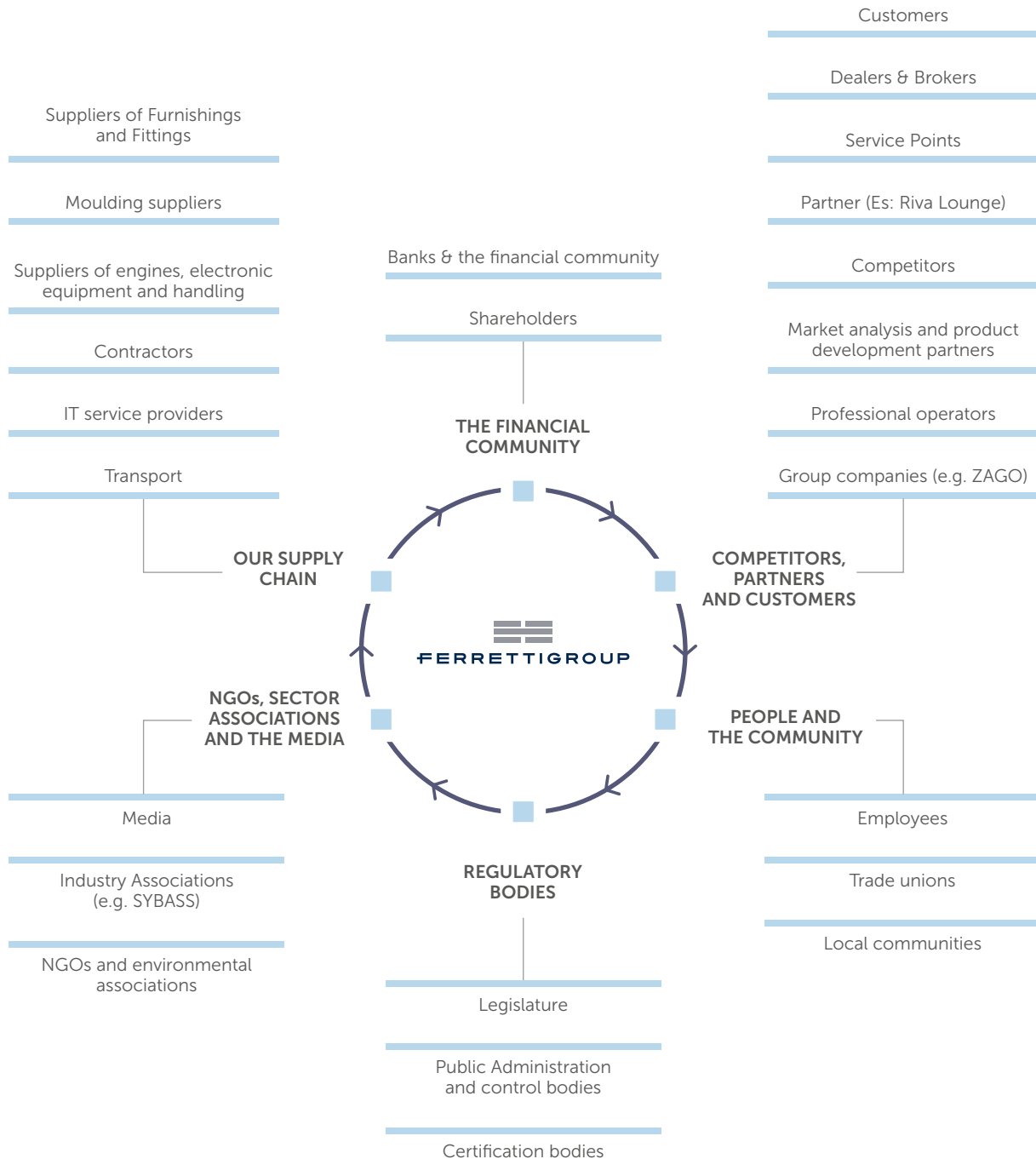
The Ferretti Group supports and promotes the 2030 Agenda for sustainable development and, specifically, has identified five objectives linked to its values and commitments and that it believes it can significantly influence through its activity:



The choice of these five SDGs reflects the topics identified as material and relates both to the production process and to the products themselves. It also further evaluates the impacts along the supply chain and on the local communities affected by the Group's business.

3.1 The Ferretti Group's stakeholders

For the Ferretti Group, dialogue with and the direct involvement of its stakeholders are of prime importance in understanding their various expectations and requirements. Over the years this collaboration has allowed the Group to develop the robust personal and professional relationships that guarantee the Ferretti Group the leading role it currently plays in the luxury yachting sector.



Stakeholders were identified by involving the entire front line of the company and considering the players with whom the Group interacts and those groups who influence/are influenced by the Ferretti Group's activities along the entire value chain. The discussion carried out by the Company's senior management confirmed the stakeholders also for 2023, and no changes were made to the list presented above.

3.2 The materiality analysis

The Group drafted this Non Financial Statement according to the GRI (Global Reporting Initiative) Sustainability Reporting Standards, that have been updated in 2021. Moreover, in continuity with the last reporting year, this Section is also aimed at fulfilling the requirements of the "ESG Reporting Guide" of the Hong Kong Stock Exchange, after the listing of the Group in March 2022.

Through a process of Materiality Analysis, Ferretti Group was able to identify those sustainability topics deemed material and, thus, worth reporting – i.e., topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights (GRI 3: Material Topics 2021).

In 2023 the company confirmed material topic selection by performing an update of the materiality process.

Materiality definition process

The material topics were examined through an articulated process which included the understanding of the context in which Ferretti Group operates (review of the relevant sustainability guidelines, key documents, legislation and benchmarking activities); the identification of current and potential, negative and positive impacts on the economy, environment, and people including impacts on human rights, across the organization's activities and business relationships; the assessment of the significance of impacts (based on the severity of the impact itself for actual impacts and based on severity and likelihood for potential ones); the prioritization of the most significant impacts for reporting purposes; identification of sustainability material topics starting from the impacts identified.

The assessment of the relevance of impacts was carried out taking into consideration the guidelines of the GRI Standards and the results of the analysis were validated by Ferretti Group's management, without engaging directly with stakeholders.

The list of material topics and a brief explanation of related impacts is reported in the following table.

MATERIAL TOPIC	DESCRIPTION OF RELATED IMPACTS
NEGATIVE IMPACTS	
GHG emissions	The organization, through its operations, supply chain, and logistics, and during the use of its products, generates an actual negative impact on climate change, due to the emissions of greenhouse gases. Those emissions contribute to climate change and generate global impacts. (Actual Impact)
Energy consumption	The organization, through its operations, supply chain, and logistics, and during the use and disposal of its products, consumes energy resources. If managed in an unsustainable way, this consumption can influence the availability of energy resources, thus generating significant impacts. (Actual Impact)
Polluting atmospheric emissions	The organization, through its operations, supply chain, and logistics, and during the use and disposal of its products, may release polluting emissions in the atmosphere, which have an actual negative impact on the air quality and on the ecosystems, included on human and animal health. These emissions include sulphur oxides (SO _x), nitrogen oxides (NO _x), particulates (PM), volatile organic compounds (VOC) and carbon monoxide (CO). (Actual Impact)
Water consumption	The organization, through its operations, withdraws, consumes and discharges water. Inefficient withdrawals and discharges, as well as potential discharges of pollutants into water, may negatively contribute to the quality and depletion of water resources. (Actual Impact)
Waste management and product's end-of-life	The organization, through its operations and during the use and disposal of its products, generates waste. This waste, if not recyclable nor reusable, may lead to actual environmental impacts in the concerned territories. (Actual Impact)
Raw materials consumption	The organization's supply chain, if managed in an unsustainable way, may influence the availability of raw materials and the local ecosystems, thus generating significant negative impacts. (Actual Impact)
Biodiversity	The organization, through its operations and supply chain, and during the use of its products, without an adequate monitoring system, may jeopardize natural, and especially marine, ecosystems. Its damages may impoverish the local flora and fauna, with consequent significant potential impacts on the local biodiversity. (Potential Impact)
Occupational health and safety	The organization, through its operations and supply chain, may cause injuries to its workers and not guarantee the protection of workers' health and safety. (Actual Impact)
Human and civil rights	The organization, through its operations and supply chain, may not guarantee the respect of decent working conditions, and may cause incidents of violation of human rights, forced labour and child labour. (Potential Impact)
Diversity, equal opportunity and inclusion	The organization, through its operations and supply chain, may build business relationships that do not guarantee equal opportunities, diversity and inclusion, with consequent incidents of discrimination and negation of equal opportunities in the treatment, remuneration and benefits of workers. (Potential Impact)
Product Safety	The organization, during the use of its products, and without an adequate system of quality control and monitoring, may offer an unsafe product, with consequent risks for the health and safety of customers. (Potential Impact)
Anti-corruption and money laundering	The organization, through its operations and supply chain, may incur in practices of corruption and money laundering, also due to its presence in countries known as tax heavens. Without adequate preventive policies and procedures, there could be an incorrect allocation of economic resources, as well as abuse of democracy, violation of human rights and political instability. (Potential Impact)

MATERIAL TOPIC	DESCRIPTION OF RELATED IMPACTS
POSITIVE IMPACTS	
Sustainable supply chain management	The organization, through its supply chain, promotes a sustainable supply chain management, by screening its suppliers with ESG criteria. (Actual Impact)
Human capital development, retention and satisfaction	The organization, through its operations, offers training programs to develop the workforce's technical skills, as well as to improve its management and relationship. Moreover, the organization implements retention practices for its personnel. These initiatives improve the competences and satisfaction of the communities in which the firm operates. (Actual Impact)
Development and value creation for local communities	The organization, through its operations, by implementing and favouring local hiring programs, donations, volunteering and philanthropic activities, contributes to the enrichment of local communities, in terms of economic resources, personal development and professional growth opportunities. (Actual Impact)
Research & Development	The organization, through its operations, monitors and contributes to the technological evolution of its field, which improves the quality of products and processes, reduce costs and lead to more competitive product prices. Those R&D practices positively contribute to the technological development, economic and financial status, and reputation of the whole sector. (Actual Impact)

3.3 ESG risk management

In accordance with the Hong Kong Stock Exchange ESG Reporting Guide, the Ferretti Group assesses and determines the characteristics and extent of risks relating to environmental, social, and governance (ESG) topics and its material topics. ESG risks must be assessed to ensure business continuity and to prevent critical issues from arising that could cause operational or reputation based problems; as such, the Group is committed to incorporating these risks into its business strategy.

The Group's initial ESG risk assessment was conducted by its Sustainability departments, which adopted a cross-cutting approach to the main challenges of the ESG world. The risk assessment carried out by the Ferretti Group in 2021 and confirmed in 2023, comprised an initial qualitative assessment that took into consideration four risk categories:

- **Operational risks:** risks that could interrupt or damage the company's business operations;
- **Financial risks:** risks that could have a direct impact on the Company's financial performance;
- **Reputational risks:** risks that could have a negative impact on the Group's reputation and image;
- **Compliance risks:** the risk of non-compliance with applicable laws – which could expose the Group to legal sanctions – the Code of Ethics, or internal procedures.

CATEGORY	MATERIAL TOPIC	RISK IDENTIFICATION	DESCRIPTION
ENVIRONMENT	<p>Polluting atmospheric emissions</p> <p>Waste management</p> <p>Water consumption and discharge</p>	<p>Potential risks related to poorly controlled pollutants and waste and water management on the Company premises</p>	<p>Non-compliance with regulatory requirements and the inefficient management of pollutants, waste and water could lead to higher operating costs and have a greater environmental impact</p>
ENVIRONMENT	<p>Tangible assets</p>	<p>Potential risk related to the poor control of investments in products and/or use of materials that are incompatible with environmental protection and/or potentially hazardous to customers and the environment (including the end-of-life of certain materials (e.g., fibreglass shell))</p>	<p>Investing in products and using materials that are incompatible with environmental protection could lead to higher operating costs and have a greater environmental impact</p>
ENVIRONMENT	<p>Reduction and efficiency of energy consumption</p> <p>Atmospheric GHG emissions</p>	<p>Potential risk related to the poor control of energy consumption and consequent GHG emissions on the Company's premises</p>	<p>The entry into force of stricter energy efficiency requirements could result in the Group not complying with these requirements. A failure to implement energy efficiency strategies could result in a financial risk due to the failure to reduce costs. The Group could incur transitional risks related to climate change, such as compliance or reputational risks caused by the transition to a low-carbon economy. Save for the above, the Company has not performed an analysis to identify any additional risks related to significant climate-related issues which have impacted or may impact the Company during the Reporting Period</p>
SOCIAL	<p>Creating value for local communities</p>	<p>Potential risk linked to an inability to implement an adequate investment plan to support the local community and interruption of the local supply chain, which comprises artisans and people with specific skills handed down from generation to generation. This could jeopardise business continuity in the future</p>	<p>The lack of a comprehensive community investment plan could have consequences on the effectiveness of the investments themselves, which would bring reduced benefit to the community and would represent a missed opportunity for the Ferretti Group to improve its reputation through social initiatives</p>
SOCIAL	<p>Customer safety and centrality</p>	<p>Potential risk related to a poor response to security standards, the inability to protect customer data, and potential non-compliance with privacy requirements</p>	<p>Non-compliance with specific safety norms and standards or non-compliance with data privacy regulatory requirements (e.g., data loss/theft) could lead to potential health and safety risks for customers, fines, or reputational damage</p>
SOCIAL	<p>Occupational health and safety</p>	<p>Potential risk related to the failure to protect the health and safety of direct employees, contractors, and third parties</p>	<p>Non-compliance with occupational health and safety regulations could lead to fines, as well as a lack of action to prevent accidents and risks to workers' health and safety</p>

RISK TYPE	RESPONSE
Compliance risk Operating risk Reputational risk	<ul style="list-style-type: none"> – Specialised HSE divisions set up at each of the Group’s plants, with a strong corporate vision regarding the improved management of pollutants, waste, and water management on Group premises – ISO 14001:2015 on environmental management systems active at all Ferretti S.p.A. sites – 14001 provides for the planning of simulations and the correct management of waste, etc. – Plant maintenance activities beyond regulatory requirements, regular maintenance to prevent faults and further reduce impact
Compliance risk Operating risk Reputational risk	<ul style="list-style-type: none"> – ISO 14001:2015 on environmental management systems active at all Ferretti S.p.A. sites – Defining specific initiatives and actions to a) lighten and reduce weight where possible, b) improve fuel efficiency during use, c) improve materials and component types, including the consumption of associated resources, d) improve the end-of-life process, so that yachts and their component parts can be fully dismantled – Qualification of suppliers, who are assessed from an environmental standpoint through 14001 certification
Compliance risk Operating risk Reputational risk Finance risk	<ul style="list-style-type: none"> – Specialised HSE divisions set up at each of the Group’s plants, with a strong corporate vision on the improved management of pollutants, waste, and water management on Group premises – ISO 14001:2015 on environmental management systems active at all Ferretti S.p.A. sites – The Group’s management has expressed the clear intention to provide for the predisposition of a formal process, defining methodologies, roles and responsibilities for the identification and assessment of risks and opportunities related to climate change
Reputational risk Finance risk	<ul style="list-style-type: none"> – Strong link between production activities and employees who come from the areas in which the sites are located
Compliance risk Operating risk Reputational risk	<ul style="list-style-type: none"> – Maintaining high quality standards, in terms of business processes, customer care and satisfaction – ISO 9001:2015 Certification - Compliance with the European Data Protection Regulation (GDPR) – Performing internal audits on compliance with the data privacy regulation – Carrying out awareness-raising activities on customer protection and privacy
Compliance risk Operating risk Reputational risk Finance risk	<ul style="list-style-type: none"> – Guarantee employee health and safety – Provide the best possible working conditions at sites – ISO 14001 certifications on all Ferretti S.p.A. sites – Compliance with local 81/2001 H&S decrees - Monthly meeting at each shipyard to discuss incidents and corrective measures - Monthly meeting between the employer and facility managers to discuss the measures taken, practices to be followed, and potential critical issues – Injury reduction targets and severity in site director compensation plans – Specialised health and safety training courses - Other specific and up-to-date measures and good practices to reduce risks during operations

CATEGORY	MATERIAL TOPIC	RISK IDENTIFICATION	DESCRIPTION
SOCIAL	Research and development	Potential risk linked to the insufficient monitoring of technological developments within the Company	A failure to monitor technological developments that could improve the quality of products and processes, as well as a failure to streamline costs and to sell products at more competitive prices could harm the Group's economic and financial stability and its reputation. Protecting intellectual and/or industrial property rights is key to the success of the Group's business and products, as well as its competitive standing. The Group is exposed to the risk of third-party interference in the enjoyment and exploitation of its intellectual and/or industrial property rights, as well as to potential disputes and limitations on the exploitation of such rights, which could result in potential liabilities and have negative effects on the Group's economic and financial stability and its reputation
SOCIAL	Employee motivation and satisfaction Talent attraction, retention and development	Potential risk related to a lack of qualified employees, the absence of an adequate pipeline for strategic roles/skills, and/or a shortage of qualified personnel in the maritime labour market	Risk linked to the lack of or inadequate management and development of skills within the Company using a continuous improvement model, as well as a failure to encourage the full expression of personal skills and to adequately cover corporate roles. This risk may arise, for example, due to a lack of or gaps in investment in staff training, resulting in an inability to learn new skills or improve acquired ones. This category includes the risk of inadequate recruitment due to a failure to identify current and future needs or to use the correct recruitment channels
GOVERNANCE	Business ethics and fairness	Potential risk related to the occurrence of unethical business practices and unfair competition	Failure by Ferretti Group employees to comply with legislative regulations, the internal code of conduct and procedures (e.g., due to employees' lack of knowledge of the matter) could damage the Group's reputation
GOVERNANCE	Sustainable supply chain management Selection and sustainability of raw materials	Potential risk related to lack of proper due diligence on potential suppliers, a failure to monitor environmental and social regulations, a lack of supply chain resilience due to unstable factors (such as the COVID-19 pandemic), and relationships with third-party suppliers, contractors, and manufacturers	The risk that due diligence is not adequately performed on potential suppliers and that the environmental and social regulations in the contracts concluded are not properly monitored, resulting in activities that do not comply with the principles of sustainability (proper use of natural resources, protection of individual rights, etc.)

RISK TYPE	RESPONSE
Reputational risk Finance risk	<ul style="list-style-type: none"> – Conduct industrial research and encourage experimental developments and process innovations to improve existing products, processes and services – Expand the Group’s knowledge base to support its entry into promising new global sectors – Product strategy committee and product operations committee in place for a number of years
Operating risk Finance risk	<ul style="list-style-type: none"> – Strengthening employer branding activities – Supporting regions by monitoring staff turnover on a quarterly basis and defining action plans to reduce it – Annual survey to monitor employee engagement – Recognition and investment in top performers – Identification of strategic skills/competencies and top talent needed to support future growth – Continued investment in development and training to accelerate the growth of top talent and to build skills
Compliance risk Operating risk Reputational risk	<ul style="list-style-type: none"> – Code of Ethics in place since 2019 and promotion of the Company’s values internally and externally – Anti-Corruption Policy at Group level
Operating risk Reputational risk	<ul style="list-style-type: none"> – Raise awareness of the importance of a resilient and flexible supply chain – Guarantee the continuity of production, including through periods of significant instability (e.g., the COVID-19 pandemic)

4. *Luxury and innovation: the quality and exclusivity of our products*

4.1 Research, innovation and sustainability

The luxury maritime sector features a high level of innovation and attention to detail which ensure excellence in final products and bring the best out of their construction.

In order to be at the forefront of industry innovation, expand and renew its portfolio ahead of market trends, and position itself as an "E-Luxury" yachting manufacturer with environmentally friendly and sustainable solutions, the Group has been continuously investing in R&D. In this regard, once the new management team had been appointed in 2014, the Ferretti Group began to invest heavily in R&D activities to upgrade and modernise its product lines. As a consequence, the Group incurred total expenditure of around Euro 170 million between 2019 and 2023 alone.

Group R&D figures:

At the forefront of innovation

- Approximately Euro 170 million invested in R&D from 2019 to 2023

Proactively chasing market trends

- 36 models (including 4 Flagship Superyachts) launched between 2020 and 2023 (approximately 50% of the Group product portfolio is less than 3 years old)

Cutting-edge model portfolio

- 3.8 average age (in years) of models in the portfolio in 2023 (due to recent upgrades to the product portfolio)

Sustainability at the core

- Joint development of Hybrid propulsion systems through a strategic partnership with Rolls Royce
- Joint development of Fuel-cell power system with Ballard Power Systems (through a Joint Venture established with Weichai Group, one of the Group Controlling Shareholders)

In addition to its presence in the sailing market with Wally sailing yachts (wallywind models), the Ferretti Group is committed to further developing environmentally friendly technologies to be the industry pioneer and to mitigate its environmental impact. The Group intends to continue developing such initiatives by:

- developing alternative hybrid and electric propulsion systems for its yachts;
- investing in research and development to identify innovative, light, and environmentally friendly materials and increase recyclable inputs;
- reducing the carbon footprint across its shipyards.

To this end, the Group will capitalize on the know-how and experience behind the launch of "green" models across all its portfolio brands, such as the FSD N800 (the first hybrid model ever launched by the Group), the full electric Riva El-Iseo, available for sale in January 2024, wallytender43X and wallytender48X (featuring solar panels on the fly top to recharge batteries) and the INFYNITO range (featuring solar panels on the fly top to recharge batteries and F.S.E.A.- Ferretti Sustainable Enhanced Architecture - a package of environment-friendly cruising solutions). In addition, the Group will continue to work on forefront technologies such as the selective catalytic reduction technology (SCR), which uses urea solutions as nitrogen oxide (NO_x) reduction agents. The SCR technology can be installed on the vast majority of our products and all new yacht projects.

E-Luxury segment - Riva El-Iseo

The Riva El-Iseo is the brand's first full-electric powerboat that launches the new E-Luxury segment under the banner of sustainability. After the presentation of the prototype in September 2022 at the Cannes Boat, followed by successful completion of a cycle of complex technical and reliability tests, the official version of this model is ready for sale in January 2024.

An elegant 27-foot runabout, Riva El-Iseo inherits the sleek lines of the Iseo and combines them with a modern, full-electric core.

It has a Parker GVM310 full-electric engine from Parker Hannifin, offering unprecedented performance in terms of speed and acceleration. With a power output of 250 kW, peaking at 300 kW, the Parker GVM310 delivers a cruising speed of 25 knots and a self-limited top speed of 40 knots, with an acceleration curve significantly steeper than that of a similarly sized boat powered by an internal combustion engine.

El-Iseo is fitted with and a high-energy-density lithium battery pack supplied by Podium Advanced Technologies, which is more efficient, extremely light and up to 10 times longer-lasting than lead-acid technology. Its 150 kWh, 800 V batteries have two charging modes, normal and fast, for charging from 20% to 80% in 75 minutes and a "Redundant Design Configuration", with two independent blocks is installed to ensure that the failure of one of the two blocks doesn't put the operation of the entire pack at risk.

During development, there was a razor-sharp focus on on-board safety and numerous measures were adopted. First and foremost, batteries are sealed and liquid-cooled, the most efficient system for rapid heat transfer and they have extra thermal insulation in the form of technologically advanced cladding inside the GRP panel that provides access to the compartment. This material with excellent fire resistance performance compared to its extremely light weight is commonly used in the aerospace industry and consists of fiberglass panels that create an effective thermal shield against flames. A gas sensor is also installed to detect leaks.

El-Iseo has three cruising modes with names that pay tribute to tradition and take their inspiration from classical music: Adagio, Andante and Allegro.

Adagio is the ECO mode, designed to optimize cruising performance focusing on sailing distance: maximum speed is 5 knots and acceleration is limited, reducing energy consumption and maximising range to up to 10 hours of cruising. In Andante mode, cruising speed and acceleration are comparable to a typical yacht of similar length with an internal combustion engine, reaching a maximum planing speed of 25 knots. Allegro is the sport mode, in which the engine is unlimited and El-Iseo can reach a top speed of 40 knots with electrifying acceleration.

To maintain battery life, when the residual charge drops to 20% (a range of about 10 nautical miles), the boat automatically switches to Adagio regardless of the cruising mode selected, allowing the owner to conserve power and safely reach a mooring point or charging station.

The new El-Iseo perfectly fits the Ferretti Group's sustainability path which is not defined only by the type of propulsion, but also by the materials used and the production processes. This new technology will allow vessels to make typical journeys (lake boats or ship's tenders) using only electricity.

INFYNITO range – INFYNITO 90

The new Ferretti Yachts INFYNITO 90 is the first model in the INFYNITO range which is designed to offer the experience of life at sea in a sustainable way and personalisation at every level.

The new Ferretti Yachts model brings to market the Group's F.S.E.A. technology (Ferretti Sustainable Enhanced Architecture), a package of environmentally friendly cruising solutions.

Thanks to this technology – a system combining photovoltaic panels mounted on the yacht's superstructure (producing up to 7.3 kW) with an Energy Bank consisting of a 120 kWh lithium battery pack – life on board can be enjoyed in "hotel mode" for up to 8 hours at anchor, with zero emissions and zero noise and without using the generator. In terms of energy efficiency, this means an 80% saving on fuel and a corresponding reduction in CO₂ emissions during typical average use of the yacht from May to September.

There was also a special focus on the use of green materials, such as natural and bamboo fabrics, regenerated leather and recyclable materials, ecological water-based paints and lamellar teak with FSC 5 certification used throughout the exteriors.

In addition, thanks to the unique design of the hull, the yacht has a range of up to 1,400 nautical miles at an economy cruising speed of 10 knots for maximum efficiency.

New international certification for CRN

CRN, the Group's historic brand specializing in the design, engineering and construction of superyachts up to 90 metres obtained a special recognition for the Sustainable Powered Yacht Project (SUP-Y) by RINA. The certification followed the effort for development of two sustainable technical architectures with the most efficient implementation of Fuel Cell technology aboard CRN superyachts.

Both the architectures are equipped with Fuel Cells as an alternative power source, fed by hydrogen reformed from green methanol and optimized to ensure several days in full hotel mode without diesel generators running and the capability to sail in zero emission mode for several hours. This approach significantly reduces total noxious emissions and ensures compliance with the strictest environmental standards.

RINA confirmed that the project is sized appropriately for proper functioning and easy management and meets the regulatory requirements for safe implementation.

The new technology at the heart of SuP-Y is a major step forward towards the future of yachting, with an easy-to-use solution that meets all the regulatory requirements for safety at sea.

The PTO/PTI Hybrid Propulsion System

This new PTO/PTI Hybrid Propulsion System is currently under installation on vessels under construction at the Ancona shipyard aiming at the efficiency of main engines' functioning. An electrical power take off and power take in system is connected to the main propulsion gearboxes:

- in PTO mode the generators can deliver up to 300kW (2 x 150 kW) electrical power exploiting and optimizing the extra load from the main engines;
- in PTI mode the generators can be used as electric motors with a power output of 2 x 100 kW for electric propulsion at slow speed.

The 400kWh battery pack is an integrant part of the functioning of the system, being the energy storage for stay at anchor without generators in running or cruise in zero emissions mode for some hours.

Heat Recovery System

To avoid the wasting of the thermal energy content from the generator’s cooling water, a Heat Recovery System was installed on vessels under construction at the Ancona shipyard. The recovered power is used to heat pools, hot waters boilers and deck washing system. Energy recovery solutions together with a proper sizing of the ship’s equipment represent the first step for a conscious and sustainable design.

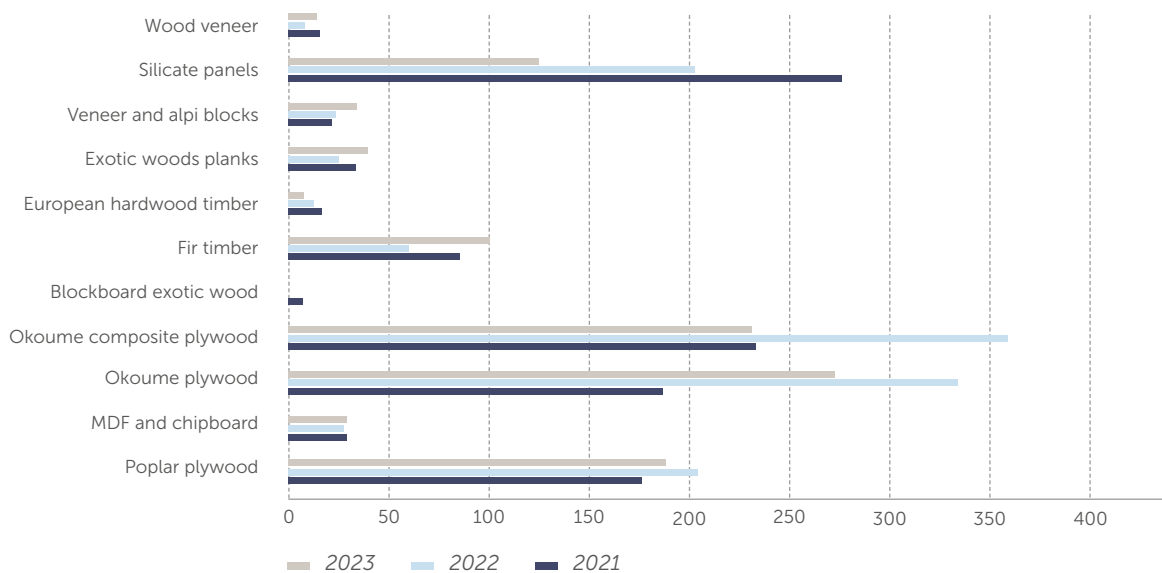
Alternative materials

The Ferretti Group is constantly seeking innovative solutions which involve the choice and the use of alternative materials. The substitution where possible of traditional solvent-based internal paint products with solvent-free epoxy resins, for vessels under construction in 2023 at the Ancona shipyard, goes towards that. They can be used in poorly ventilated environments without concerns of access to the areas after painting while improving the quality of the outcomes. In fact, they result in excellent adhesion, high yields and low thickness, high corrosion resistance and no metal surface preparation required (avoiding aluminium powder).

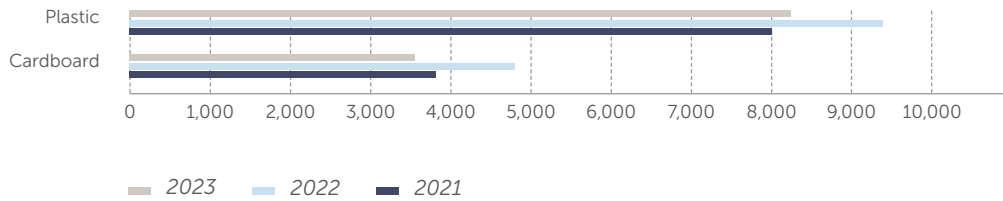
Furnishings and fittings meet sustainability and innovation: the craftsmanship of Zago

The company pays particular attention to the responsible procurement of wood and its derivatives. The company’s main supplier of this composite wood is Alpi S.p.A., which guarantees that the raw material comes from forests that are managed in compliance with national regulations stipulating prudent forest management which guarantee that forest areas designated for felling are naturally or artificially renewed, while all operations and documentary processes are overseen by the relevant authorities. In addition to paying close attention to the responsible supply of wood, Zago S.p.A. constantly undertakes to use low formaldehyde products in its production cycle, and periodically carries out indoor tests to assess how healthy each workspace is. In 2023, Zago S.p.A. used a total of 1,033 m³ of high-quality wood in its activities; on top of that, packaging of plastic and carton was consumed, for a total of 11,692 kg.

Types of wood used by Zago S.p.A. (cubic meters)



Types of packaging materials used by Zago S.p.A. (kg)



4.2 Quality system

One of the milestones on the path to excellence is the achievement of ISO 9001:2015⁸ certification, which attests to compliance with the best standards of all business processes that impact the Quality of Products and Services and, ultimately, Customer satisfaction. Unique in the world of yacht-builders, Ferretti S.p.A. underwent the certification process in 2006 in order to ensure excellence within the organisation and in the management of the processes involved in creating products and offering services, from development to final delivery, with the establishment of a consolidated heritage of best practices and know-how.

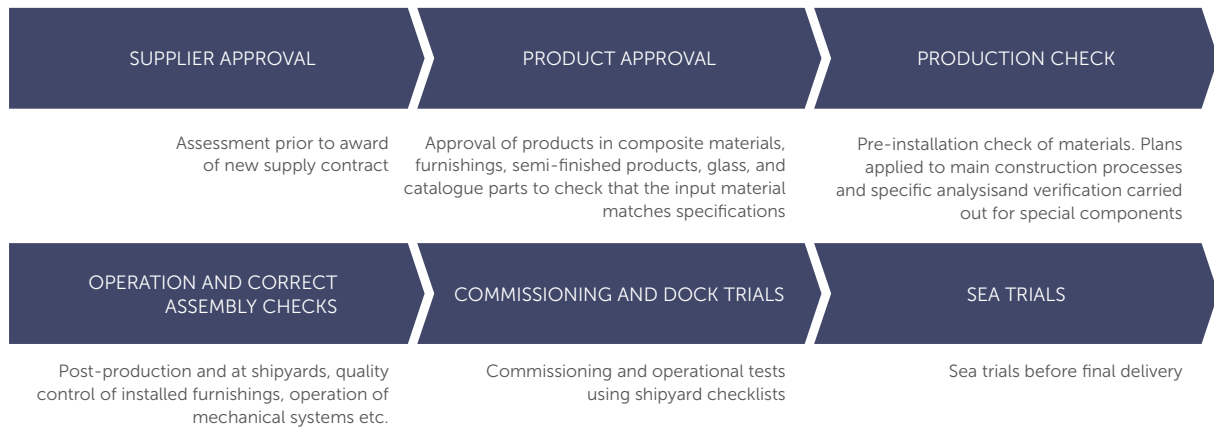
In addition to ISO 9001:2015, the Group has recently obtained the following additional certifications:

- **ISO 14001:2015** on environmental management systems, currently active at Group's headquarters and all of the Group's other shipyards: in 2023 the Group successfully obtained the certification for the Ancona shipyard. ISO 14001:2015 Certification, an internationally recognised reference, contributes to the environmental pillar of sustainability, with a view to preserving the environment. As a naval shipyard, one of Ferretti S.p.A.'s main objectives are the production of boats designed to meet the needs of the market both from the point of view of performance and aesthetics, and environmental sustainability from a product lifecycle perspective.

The quality system sets out specific responsibilities at two different levels. At the first level, the Quality Assurance function guarantees the direct control of some key aspects of the value chain from the customer satisfaction and customer experience perspective, via the direct management of After Sales and continuous product improvement thanks to an evolved and systematic dedicated problem-solving process, by Brand and Production Site. At the second, plant managers are entrusted with product quality control, with local supervision of production processes through quality control of assembled products, the assembly process, testing and approval.

In summary, in order to ensure that products delivered to customers are of the highest possible quality, six main steps are followed, as illustrated in the graph below.

⁸ Since 2018 the Group's quality certification has incorporated ISO 9001:2015 requirements. The certification authority is Rina. To date, as for the Ancona shipyard, following the merger between C.R.N S.p.A. and Ferretti S.p.A. at the beginning of 2022, the ISO 9001:2015 certification covers the Custom Line Yard but does not currently cover the Super Yachts yard in the Ancona shipyard. Also in December 2023 RAM S.p.A. obtained for the first time the ISO 9001:2015 certification.



Finally, product quality is certified by appropriate marking and certifications. The **CE mark**⁹ is valid in the European Economic Area for the sale of newly built boats up to 24 metres long. It is a requirement inguaranteeing the health and safety of passengers, product quality, environmental impact and consumer protection. Through the CE marking process, the Group guarantees owners that their yachts meet the highest safety standards, protecting their commercial value and quality throughout the life of the yacht.

For boats over 24 metres, the same guarantees are provided by specific **approval procedures** overseen by certification bodies, mainly RINA, for "pleasure yachts" and yachts for commercial use. Certificates are issued which certify that the product meets the requirements of the relevant approval standards, including tests for the various components.

In 2023 there were no non-conformities related to consumer health and safety aspects of the vessels produced and sold. Also, no recall or complaints were received on Ferretti Group's products. The Group considers complaints an opportunity for improvement, to overcome conflicts and to recover customer trust and satisfaction. Due to the unique and bespoke nature of its products and direct relationship with its clients, eventual complaints or quality issues of the products are managed according to the specific situation.

The Group protects its intellectual property through means such as the registration of trademarks and the filing of patents. From time to time, the Group enters into coexistence agreements with third parties who own trademarks that are "formally similar" but not identical in substance. In addition, the Group seeks to protect the inventories generated through product development and innovation activities by means of patents and protect proprietary know-how and trade secrets by implementing procedures designed to safeguard the confidentiality of its internal processes and to restrict access to information relating there.

9 Directive 2013/53/EU.

5. Excellence and development: production sites and environmental impact

5.1 Our shipyards: when industrial innovation meets true craftsmanship

The quality, innovation and reliability of our yachts is guaranteed by the Group's cutting-edge production centres, which combine state-of-the-art production efficiency and the inimitable attention to detail ensured by the craftsmanship that accompanies every stage of the process.

Equipped with high-tech equipment and the most modern production processes, the Italian shipyards are located in Italy's celebrated maritime district, and specifically in Forlì, Cattolica, Ancona, Mondolfo, Sarnico, La Spezia, Ravenna and the US site is in Fort Lauderdale (Florida). With the exception of the latter (which is dedicated to refitting), these are mainly assembly sites, where the finishing, testing and delivery processes take place, as does a significant portion of the tooling process, i.e., the production of all the composite material components that make up the boat. In addition to the eight naval aforementioned shipyards (seven of which carry out assembly and the other refitting), there are two production plants for interior fittings and customized furnishings (Zago S.p.A. and Il Massello S.r.l.) and one production plant for kinetic equipment (Fratelli Canalicchio S.p.A.), all located at the heart of the world famous Italian nautical district.

FORLÌ

The site and the shipyard

The Forlì shipyard is the site of production facilities for Ferretti Yachts, Itama and Wally yachts, houses the Group's head offices, and is also where models, moulds and fibreglass hulls for a number of Group lines are made.

The current site occupies a total surface area of 51,524 m² (of which 24,163 m² is covered). This includes the extension carried out following the 2019 acquisition of a facility next to the original industrial complex. This is a significant investment designed to create new Wally production areas - including a new testing tank - and administrative and representative offices.

Works were scheduled to be completed in two phases. The first of these, which centred around the development of the production site for the wallytender line, concluded in 2020. The second one including the completion of all the building and structural works, was concluded in 2022. Since the end of 2021, in addition to the shipyard, some offices, showroom and the equipment storage area are operational. In 2020 the shipyards also took on management of the docks, which are therefore the responsibility of the site administration. This is a change that affects not only the shipyard at Forlì but the Ferretti Group as a whole.

CATTOLICA

The Ferretti tradition

The Cattolica production centre opened its doors in 2001, and is the production site for Ferretti Yachts, motor yachts between 24 and 30 metres in length.

The shipyard stretches over a total surface area of 12,212 m², of which around 6,757 m² is covered, and is equipped with 16 assembly stations. The facility meets the most modern efficiency criteria. The layout of the Cattolica production line uses an "island" construction system, in which every workstation is entirely autonomous. Its proximity to the sea also makes it easy to conduct water testing and checks. In 2022, the makeover of the office

building was completed, by re-inventing and refitting the exteriors, ground-floor reception area, new commercial showroom and full restyling of the customer route to the production area.

THE SHIPYARD OF THE DOMINANT SPECIES

The Mondolfo shipyard

The Mondolfo plant is much more than just a production center. It is a futuristic space extending around 83,377 m², with 25,788 m² covered surface, continuously projecting onto expansion plans. It is the meeting point of form and function, dreams and technology, tradition and forward thinking that enables Ferretti Group to constantly develop its production and yachts offering.

This shipyard is home to the Pershing and Itama yacht brands, the Ferretti Security Division (FSD) line of patrol vessels and in recent years has hosted the production of the latest Wally models. Mondolfo shipyard sees an ongoing design evolution that has led to the development of the Pershing Generation X yachts and the introduction of the brand-new GTX Series, with its flagship GTX116.

The production site features two large and innovative painting booths, one of 500 m² and the other of 300 m², where boats are dry painted. Five hydraulic stacking trucks (40 t., 120 t. e 160 t.) enable yacht handling activities in the test basin (33 m long, 7.5 m wide and 2.3 m deep), used for all technical tests (engines, exhaust systems, bilge systems and gen sets) and for waterproofing and preliminary tests in general. Two travel lifts, having a carrying capacity of 130 tons and of 210 tons, and the two hydraulic trolley jacks allow completion of haulage and launching activities in the test basin. A further expansion is forecasted in 2024 to make space for a second pool of 40 m length for the testing of superyachts.

MULTI-BRAND HUB AND CENTRE OF EXCELLENCE

Ancona Superyacht Yard

The Ferretti Group Superyacht Yard is the multi brand shipyard, an hub of excellence dedicated to the superyachts and megayachts. Founded in 1963 in Ancona, on the Adriatic Coast - a strategic maritime destination on the Mediterranean - as CRN shipbuilder. Today CRN is one of the most important international players in the segment of bespoke vessels and the shipyard has specialized in designing, engineering and constructing full-custom yachts in steel and aluminium and all aluminium of up to 95 metres.

In 2019 the Ancona shipyard became the Group's Superyacht Yard, one of the most significant and advanced production centres in the European yachting sector. The construction hub designs and builds CRN, Custom Line 50, Riva Superyachts Division and Pershing 140 pleasure vessels and the entire Custom Line range in composite materials.

Spanning almost 80,000 m² (around 33,000 of which indoors), the Ancona construction hub builds pleasure vessels of up to 95 metres in length. This multi-brand facility produces the entire CRN and Custom Line fleets plus the new aluminium Pershing as well as hosting the new Riva Superyacht Division. The stretch of water that opens out in front is a unique space and a precious resource – a gateway to the Adriatic, a private tourist marina to full effect. Extending 250 metres along the coast, it provides large berths for fitting out and finishing up to 15 superyachts at once.

The yard vaunts a 670-ton travel lift for launching metal and composite ships of up to 50 metres, which is also used to haul out vessels for testing. The facilities include 9 modern high-tech sheds, all fully heated,

air-conditioned and comprehensively equipped. They feature state-of-the-art air-extraction, compressed-air and centralised technical-gas systems, heating and power-generation systems, and 2 overhead cranes for handling and installing materials on board. The sheds can accommodate up to 24 superyachts under construction at the same time. The shipyard employs over 1,000 day workers, 360 of whom are highly skilled workers, technicians, engineers, architects and office staff. Attention to the customer and his/her project team is ensured by the numerous customer care services provided throughout the entire design and construction processes. It continues with after-sales care which guarantees constant availability, assistance and support even after the yacht has been delivered.

Refitting work is carried out by a dedicated team. Thanks to their technical expertise, experience and design skills, the professionals that work at the Superyacht Yard are able to offer a complete range of personalised services that will satisfy the most demanding of customers. These include technical inspections, damage assessments, conversion and on-board system modification projects and optimisation of interior design.

THE RIVA SHIPYARD AT SARNICO

The timeless workshop

The Sarnico shipyard, created in 1842 on Lake Iseo, in the heart of Franciacorta, has given life to the whole history of Riva, from the construction of the legendary wooden hulls to the current yachts, from 8 to 21 metres.

The heart of the shipyard is the office of Engineer Carlo Riva, called "la Plancia", who planned it considering not only its design, but above all its functionality. The studio is located in the centre of the depot's large vault, with an arch 40 metres wide supported by two other lateral pillars, which also support two overhead cranes, each of which is capable of lifting yachts weighing over 20 tonnes. The daring and futuristic architecture of this office, protected along with the entire shipyard by the Environmental Heritage Department, does not go unnoticed and still represents an example of great architectural modernity.

The shipyard extends over a total surface area of 43,378 m², of which 16,986 m² is covered, and offers 10 available berths, 2 jib cranes, 4 painting booths and a 50-tonne trailer used for the transportation of finished vessels to the quayside and for the internal handling of hulls or bulky elements.

THE RIVA SHIPYARD AT LA SPEZIA

A leap into the future

The La Spezia production hub is of strategic importance from an industrial, social and environmental point of view. Operational since 2004, today it forms the centre of the Ferretti Group's technical, logistic and commercial operations in the Ligurian and Tyrrhenian Sea basin.

Designed according to the most advanced production techniques, the shipyard covers a total area of 39,025 m², of which 20,459 m² is covered. This modern facility houses production of the largest models in the range and is also the main centre for the testing, launching and delivery of the Group's yachts. Support and port services for the customers of all brands are also provided at the shipyard.

In 2018, the authorisation process for an expansion and restructuring project, dictated by increased production capacity requirements, was launched. The project is still ongoing and foresees demolition and reconstruction that will conclude in summer 2024. The new covered docks improve working conditions at the workstations in question, protecting them from sun and rain and therefore allowing work to continue regardless of weather

conditions. In 2021, on the other hand, construction of the first new buildings for administrative staff was completed. In addition, the plants using solvents are all protected by double, paintstop filters and batteries with active carbon filters, to minimise the impact of emissions into the atmosphere and are synchronised with a usage schedule that also maximises use by reducing the amount of special waste to be disposed of.

The facility is located within a Site of Regional Interest, where reclamation projects were planned both on land and in the marine area. While the first of these has already been carried out, following changes to the project plans no work is planned at sea, and as such the entire reclamation plan will be remodelled by the technical work group that is currently underway.

RAVENNA

In March 2023, Ferretti Group acquired a production site of over 70,000 m² in San Vitale (province of Ravenna). The new facility will include new production areas and an R&D centre. The production will be dedicated to Wally brand including Wally sailing yachts and our other brands, starting with the Ferretti Yachts INFYNITO range, the new sustainable range.

The operation forms part of Ferretti Group's growth strategy which over the last five years resulted in the expansion and improvement of all production facilities, and the La Spezia yard and the Ancona Superyacht Yard in particular. The new site, when fully operational, will increase production capacity by about 20%. Moreover, it is strategically located, close to the company's Forlì headquarters and its Cattolica shipyard.

OUR PRESENCE IN THE UNITED STATES

Investing in ancillary services in the temple of recreational yachting

Over the years the Ferretti Group has expanded globally and currently operates through a network of offices, dealers and brokers located across Europe, Asia and America. This guarantees a presence in the key maritime markets and means that its products reach customers in more than 70 countries.

The Group operates in the United States of America through the subsidiary Ferretti Group of America LLC, with headquarters and offices in Fort Lauderdale (Florida) itself and also Palm Beach, through which it manages a network of stores and services, in order to offer its customers an all-round experience, from the marketing of the Group's brands throughout the North American market to the provision of ancillary services. In addition to the offices of the American headquarters, Ferretti Group has a large, important showroom. As regards services, Ferretti Group owns Allied Marine, a dealership company with a widespread presence on the east coast of the USA, which also offers brokerage and chartering services.

In addition, in 2019 the Group leased a shipyard in Fort Lauderdale, which became fully operational in 2020. This is dedicated to refitting, for both yachts belonging to the Group's brands and other brands. Activities include hull painting and antifouling operations and, more generally, repairs to damage of various sizes.

Results from the refitting activities in the first year of operation were very satisfactory and have grown thanks to intense promotional and public relations activities resulting in a continuous crescendo of commissioned works and incoming yachts. The fact that the Fort Lauderdale shipyard hosts yachts made by companies outside the Ferretti Group is, in fact, a source of great pride for the Group, as it confirms the high quality of the activities carried out at the US shipyard and the dependability of its staff.

ZAGO S.p.A.

One hundred years of service to the maritime industry

Among the hundreds of enterprises involved along the Ferretti Group's supply chain, one stands out, partly because it is an integral part of the Group, and partly because it symbolises more than any other company the crucial role that artisan work plays in the maritime sector.

The history of the Zago joinery begins early last century, when in 1908 Carlo Zago, a skilled craftsman and woodworker, opened a small workshop in Venice. Decades later, in 1945, the shop was left to his grandson, also called Carlo. By now, the workshop had become a true business, and was growing constantly. After the Second World War, production capacity expanded to include furnishings for hotels and large banks and from 1961 Zago moved into the maritime sector, marking the beginning of a long standing and significant collaboration with Fincantieri. Its first naval outfitting was the Appia ferry of the Adriatica di Navigazione. A production line dedicated to naval furnishings was created and in 1964 the facility was moved to its present location in Scorzè. In the following years Zago began to specialise in maritime furnishings, injecting innovation into the sector and establishing itself as a national leader. In 1987, it created the first Italian patent for the construction of prefabricated cabins, and in 1989 it participated in the construction of the passenger ship Crown Princess, commissioned by the historic shipping company P&O Princess Cruise Line, continuing today the historic collaboration with Fincantieri with the production of about 7,000 m² of cabins per year.

After 47 years of outstanding work, Carlo Zago passed away from natural causes in 1992. The business passed to his son Antonio, who represents the fourth generation of the family and who now leads the company as it continues to grow and expand. It was under his leadership that in 1994 Zago began to establish itself in the yacht furnishings sector; in 1998 collaboration began with Cantiere Navale Benetti, while in 2000 the company launched a close partnership with Italy's leading maritime organisation: the Ferretti Group. After constructing the lower deck of the first model of the Custom Line 112, the Group decides to entrust Zago with fitting-out the interiors of CRN and Riva yachts. In the space of ten years the company had developed a collaboration with the sector's leading shipyards and in 2004, to further support this growth, Zago joined the Ferretti Group. This allowed it to make an even more fundamental contribution to the growth of the yachting sector.

Today the Company employs 110 people in a production facility covering 17,600 m² divided into two plants. The semi-industrial approach it has adopted allows it to deal flexibly with technically complex projects of any size.

Zago S.p.A. has been ISO 9001-certified since 2004 (the longest lasting Group certification). In 2004 it was certified according to the ISO 9001:2000 standard, and then adapted to ISO 9001:2008; currently it is adapted to the requirements of ISO 9001:2015.

5.2 Environmental impacts

The protection of the environment, together with the health and safety of workers and technological and production development, are fundamental and enabling elements of the Group's growth process. Improving environmental performance is therefore an integral part of the shipbuilding development policies implemented within the individual production sites.

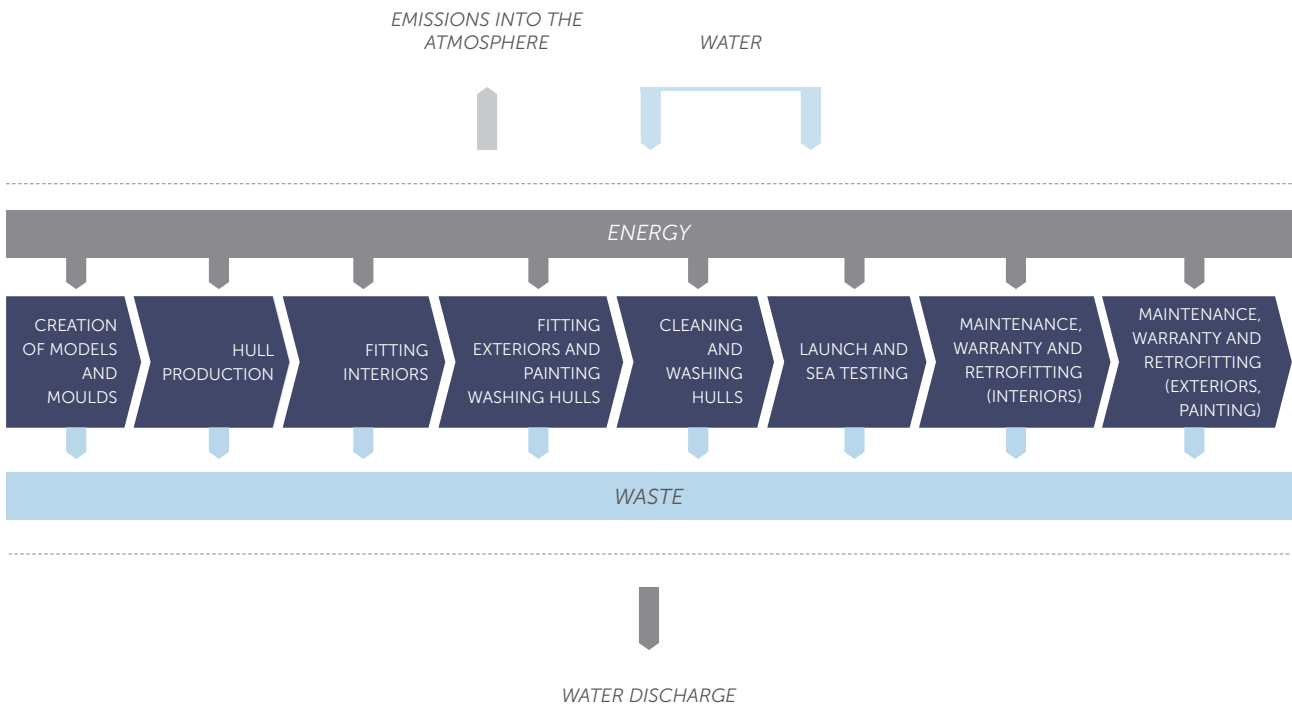
To achieve this goal, the management has set specific targets for every construction site regarding energy use efficiency, waste management and reduction, air emission monitoring and reduction and water use efficiency, and assigned responsibilities to the employees that are in charge of the environmental impacts in order to reduce them and mitigate the connected risks along its entire value chain. With a view to reducing the environmental impact of its yachts, the Group has undertaken a number of initiatives to reduce their weight over the years since the weight determines fuel usage and related emissions of polluting and greenhouse gases and it has focused its attention to the choice and use of recycled materials and application of coating with a low biocide content. For 2023, the Group confirmed its compliance with the relevant laws and regulations and the absence of sanctioning activities regarding environmental applicable legislation, in particular regarding greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

In line with the requirements of ISO 14001, all the certified sites have in place specific monitoring and improvement plans that are validated by the Board of Directors, in accordance with the principle of continuous improvement. The Board is updated at least once a year on the progresses on the ESG results by the ESG Committee and validates the strategical direction and alignment with Company's values and goals. During the reporting period, the Board makes sure that the ESG review result is in line with the strategical direction and values and goals of the Company.

In 2020, the Group drafted its Policy for Quality and Environment, which defines the objectives and commitments of the firm to monitor and improve its management system, as well as to comply with legal and voluntary requirements underwritten by the company with its stakeholders. The final goal of such effort is to meet stakeholders' expectations and need, and to promote a sustainable development of the Group's management system itself. This Policy is strictly connected to a procedure, drafted in 2020 and updated in 2021, describing the modalities and responsibilities related to the monitoring and control of its direct and indirect environmental impacts, valid for all sites covered by ISO 14001. Responsibilities are assigned to reference figures at shipyard level, supported by external consultants for specific issues and coordinated by a central group department. This procedure also defines the criteria to identify, evaluate, update and mitigate such impacts, as well as the functions responsible for the related Environmental Analysis. Once assessed the most significant environmental impacts produced by the organization, the procedure displays a plan of continuous improvement with intermediate steps and targets. Moreover, the procedure contains instructions on the management of environmental emergency situations, so as to prevent and limit the environmental impact linked to potential emergencies.

Ferretti Group is committed to provide the needed investments and to broadly communicate its culture of quality and environmental conscience, given the importance of the personal and professional engagement of all those participating in the company's business. Depending on the specifics and characteristics of the sites, the type of activities carried out there and in line with the nature and size of the related environmental impacts, the sites pursue their own improvement objectives, in particular with regard to the reduction and management of process waste, energy efficiency, environmental protection and the health and safety of workers in the use of chemical substances and products and the control of indirect environmental aspects related to the work of contractors.

Process steps and related environmental impacts



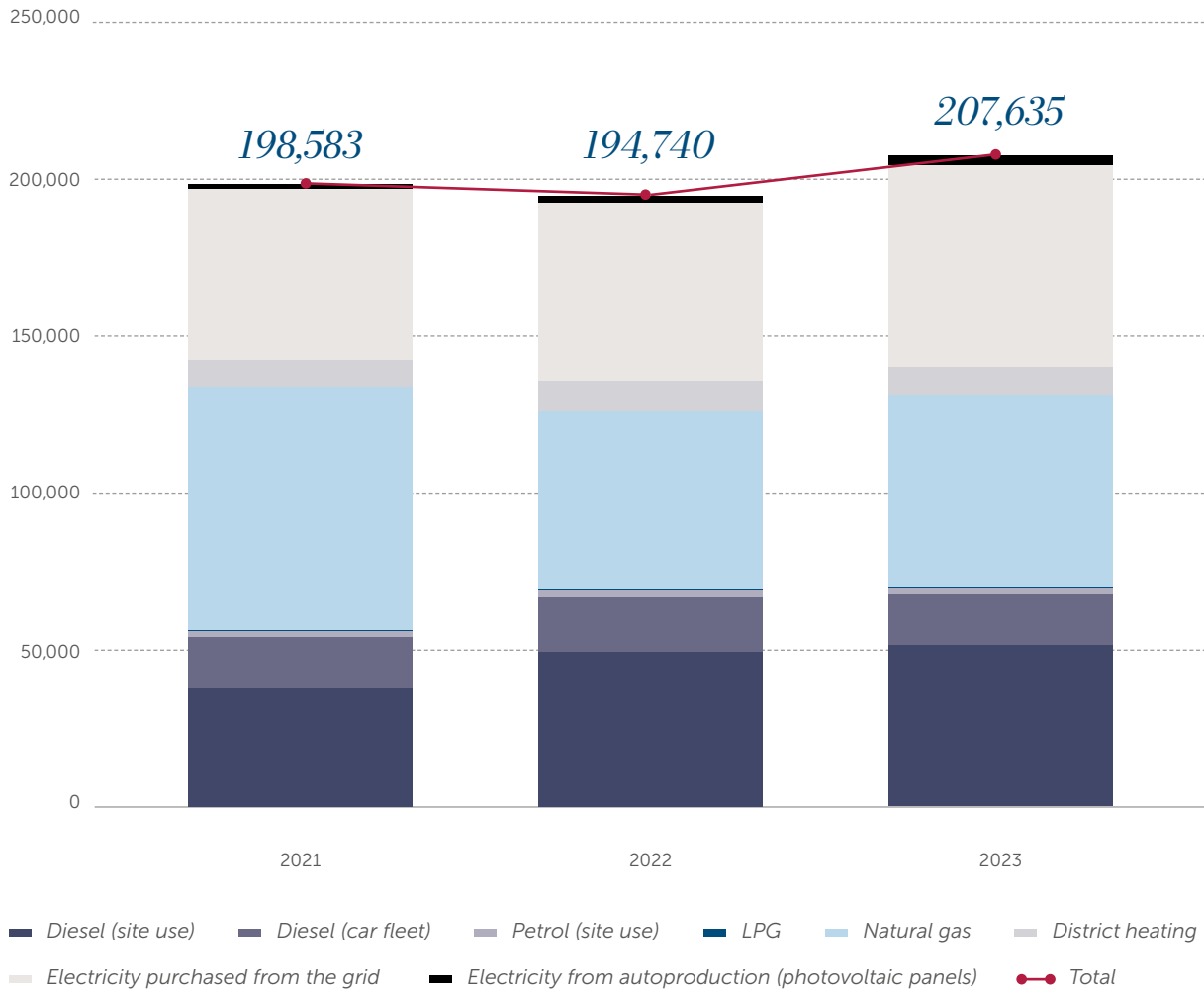
5.2.1 Energy and climate footprint

The Company is subject to periodic energy diagnosis obligations: several energy audits have been carried out along the past years on all the sites and further campaigns are planned for all Group sites in the future, even outside normative obligations, with the aim of continuously optimising energy consumption. Energy diagnostics allow improved understanding of how consumption is distributed and facilitate the evaluation of energy-saving solutions.

As in previous years, the Group's top source of energy consumption is natural gas, which is primarily used to heat indoor premises, to produce domestic hot water and, where present, to heat painting booths. The second-largest source of energy consumption is electricity, which is used at all Group shipyards and offices to power production departments (such as compressed air systems, dust extraction systems, air inlet and extraction systems in painting booths, refrigeration units and woodworking machines). The remaining part of electricity consumption regards lighting (particularly in the sheds) and air conditioning in the summer months. The Group also consumes diesel and petrol, mainly to test and launch boats, as well as to power internal handling activities at shipyards, to fuel the company vehicle fleet and, to a lesser extent, to heat the Zago site. At Group level, consumption remained rather constant between 2022 and 2023 (approx. +6.6%), with 207,635 GJ.

In Forlì – where both the shipyard and headquarters are located – the Ferretti Group no longer directly uses fossil fuels to heat its indoor premises and has instead connected the entire site to the municipal district heating network.

Total annual energy consumption (GJ) by energy source



The focus on energy efficiency and the results of the diagnostics carried out have led to improvements in measures to improve efficiency and the introduction of cutting-edge technology. To reduce its climate footprint, already in 2015, among the various initiatives to improve efficiency and therefore reduce energy consumption, Ferretti Group began to revamp the lighting systems in the production halls, switching to LED technology. LED technology has since been installed in all new buildings.

Moreover, at the end of 2019 the Group installed photovoltaic solar panels on Ancona plant's warehouses for the self-production of electricity, thus using the roofs to their full potential; in 2020 other two photovoltaic panels were installed in Forlì and La Spezia, entering into operation since 2021.

Outside the borders of Ferretti S.p.A., even Il Massello S.r.l. and F.lli Canalicchio S.p.A., two new entries of the Group, are equipped with a photovoltaic system. Finally, in line with new infrastructure investments, new energy-saving solutions are systematically assessed. These include, for example, the use of heat pumps instead of methane systems in new projects and the use of renewable resources, especially photovoltaic systems, according to the new volumes available. A project to install photovoltaic systems on the roofs of the Group's plants, whose tendering procedure started in 2022, will be developed in the following two years.

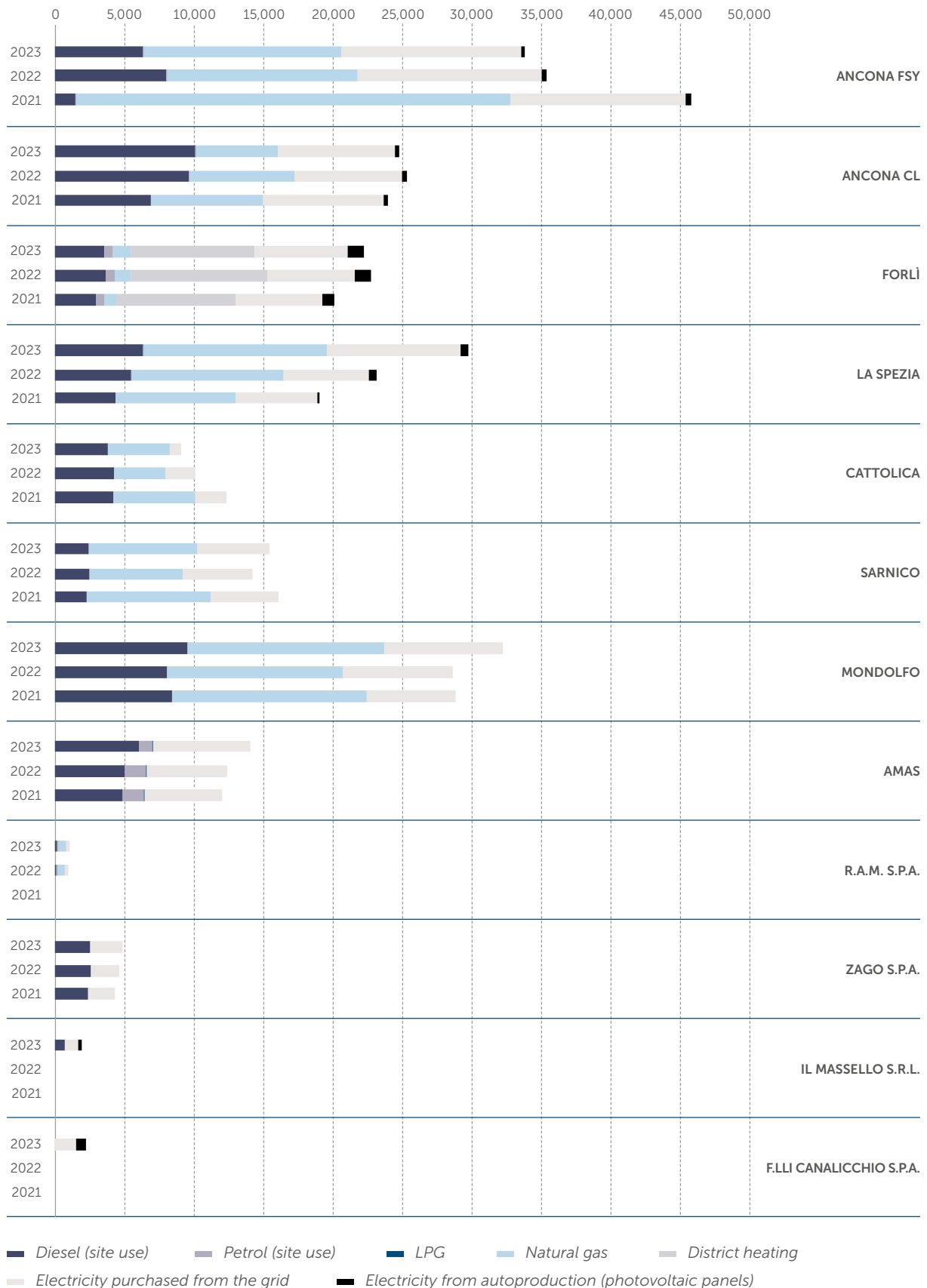
Autoproduced energy from photovoltaic systems [kWh/year]

SITE	2021	2022	2023
Forlì	250,626	326,684	328,558
La Spezia	33,430	147,974	160,748
Ancona	195,551	182,296	147,502
Il Massello S.r.l.	-	-	71,154
F.lli Canalicchio S.p.A.	-	-	190,400
Total	479,607	656,954	898,361

In addition to photovoltaic panels, Ferretti Group also invested in a cogeneration plant in the Ancona SuperYacht site. The plant became fully operational in the second half of 2020 and, considering the partial use during the year, its contribution to the energy efficiency of the shipyard was appreciable from 2021. In 2023 this system produced 661,525 kWh, supporting the energetic needs of the shipyard.

Energy consumption by shipyard and source is broken down below.

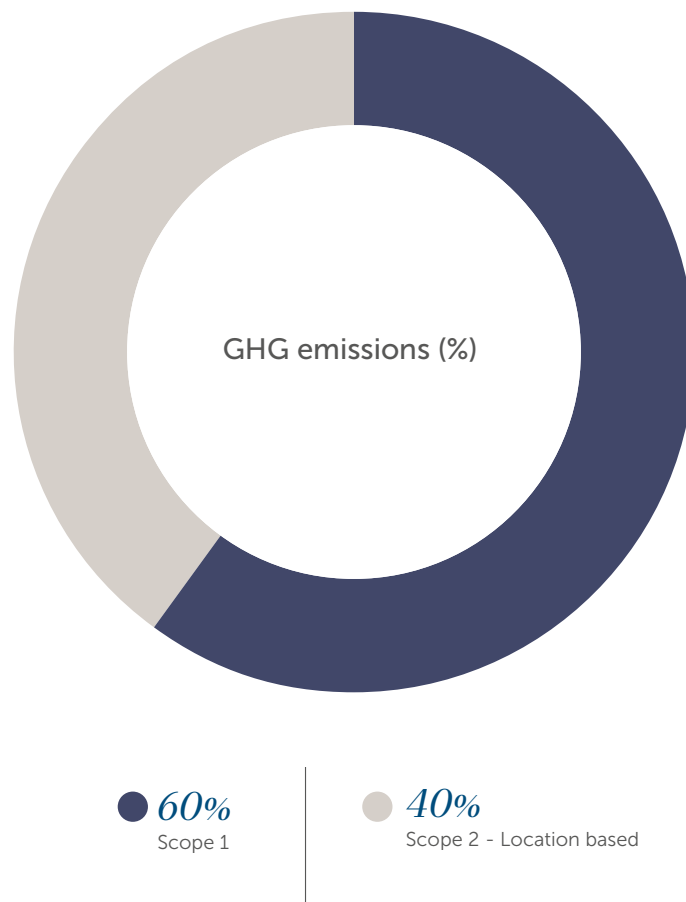
Total annual energy consumption (GJ) by shipyard



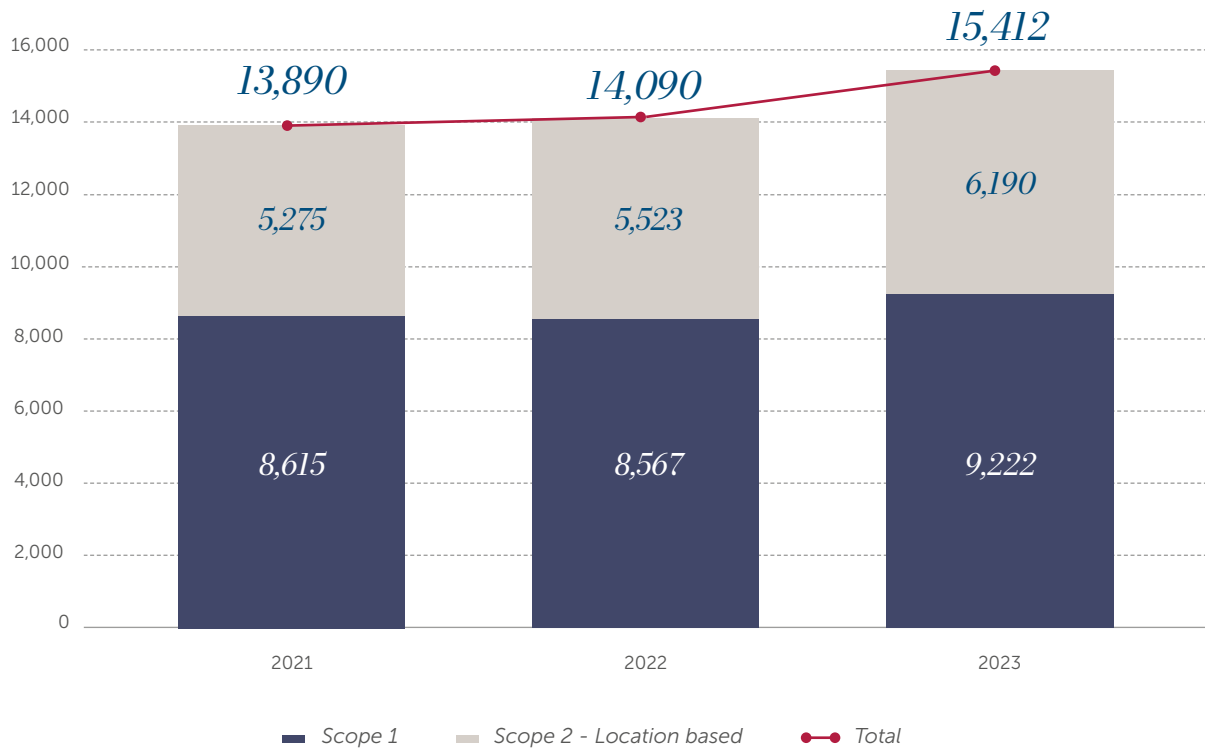
Greenhouse gas emissions

The commitment to increasing its awareness of the climate impacts of its activity and production processes and a commitment to reducing these impacts are part of the Ferretti Group’s responsibility and demonstrate its focus on future generations. Greenhouse Gas (GHG) emissions are calculated using a standardised methodology¹⁰ to quantify corporate greenhouse gas emissions. This methodology categorises the company’s direct and indirect emissions into three scopes:

- Scope 1: direct emissions generated by the company, the source of which is owned or controlled by the company itself;
- Scope 2: indirect emissions generated by the production of energy purchased and consumed by the company;
- Scope 3: includes all other indirect emissions that are generated by the company’s value chain, for example related to business travel, raw material production, inbound and outbound logistics. These categories are not currently reported by the Ferretti Group as they are emissions over which the Group does not exercise direct control; in future it will be possible to carry out an in-depth analysis of its supply chain, both upstream and downstream of the production phase, to verify which categories are the most significant in terms of emissions and therefore carry out an in-depth analysis to estimate the main greenhouse gases produced.



10 "GHG Protocol Corporate Accounting and Reporting Standard (2004)" (available at <https://ghgprotocol.org/corporate-standard>).

GHG emissions (tonne CO₂e)

Ferretti Group constantly monitors its emissions to assess the impact and select potential improvement actions to reduce their effect on climate change. Reductions in energy consumption and self-production of electricity from photovoltaic renewable sources are therefore essential factors in reducing climate-altering gas emissions. Ongoing work in this area will therefore lead to a gradual reduction in emissions.

5.2.2 Polluting atmospheric emissions monitoring and reduction

In the furnishings and joinery departments, work is carried out that requires dust extraction points and related filtering systems for dust reduction. These include the sanding of wooden models and retouching plaster and polyurethane molds. Extraction of the relevant plaster and fiberglass dust is carried out using flexible hoses and intake terminals. These are the main atmospheric emissions which are subject to authorisation and self-control for compliance with emission limits for dust and volatile organic compounds. These abatement systems are subject to strict inspection procedures, as required by law. For facilities in which hull painting work is carried out, i.e., Sarnico, La Spezia and Mondolfo, modern suction systems and systems designed to reduce emissions of volatile organic compounds are installed in accordance with the specific authorisations.

An advanced fiberglass infusion printing system is used at Forlì. The infusion of composite materials is a production process which is increasingly used to improve the aesthetic quality of the final product and to reduce total labour costs. The general principle of infusion is to “vacuum” resin into the fibers which will be reinforced using vacuum technology. The system is equipped with an active carbon filter that allows highly professional finishes to be achieved in complete safety.

Focus: painting booth

According to European environmental regulations, air contaminated by any pollutant produced during processing must be treated before being released into the atmosphere. Pollutants can be divided into two categories: particulate matter (PM) and volatile organic solvents (VOCs).

Particulate matter is dust of various sizes that is released into the atmosphere during many types of work such as carpentry, sandblasting and others, while VOCs are small droplets of solvents or fumes that are released during processes such as painting, sanding, trimming and resin coating. In some cases, such as in painting, VOCs are released at the same time because the portion of paint that is released via the over-spray phenomena consists of both powders and solvents. Particulate materials and VOCs can be removed using various types of filters.

Painting booths are used in industrial sectors where products - in order to be considered finished - must undergo a coating process. This process leads to the aerial dispersal of particles that, if inhaled by workers, can cause serious damage to health, starting from the respiratory system and, in the most severe cases, travelling to the nervous system. These dusts pose an additional hazard in that they make the surrounding atmosphere potentially explosive.

Regulations for painting booths

The regulations that govern the manufacture of painting booths are part of a wide range of technical standards concerning safety in the design, construction and installation of machinery for the application of coating products. These are European standards implemented in Italy by UNI, the Italian Standards Agency.

Of particular note is the new standard UNI EN 16985:2019, which replaces the previous standards:

- **UNI EN 12215:2010** (Painting plants - Painting booths for the application of liquid coating products - Safety requirements);
- **UNI EN 12981:2009** (Painting plants - Painting booths for the application of powder coating products - Safety requirements);
- **UNI EN 13355:2009** (Painting plants - Painting booths - Safety requirements). The UNI EN 16985:2019 standard defines all of the most significant hazards (electrical, thermal or mechanical or caused by faults or malfunctions or even noise, harmful substances, explosion or fire) that may occur in relation to painting booths.

Many other certifications exist, of course, but among all of them we highlight what is conventionally known as the ATEX Standard. This is described in the European Directive 2014/34/EU on potentially explosive atmospheres and regulates equipment used in explosive areas, imposing the obligation to certify these products.

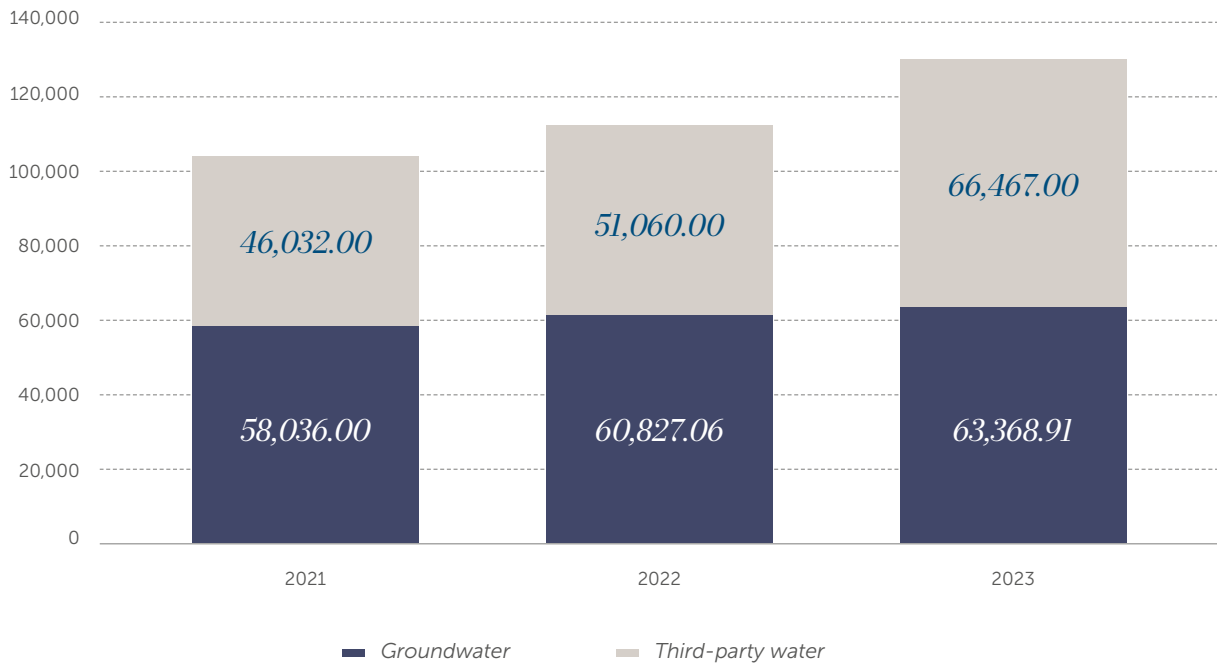
5.2.3 Water: a precious resource

In recent decades, safeguarding water resources has become a significant objective in both the civil and industrial sectors. Because of the type of work that it carries out, the Ferretti Group’s shipyards do not require significant water consumption, and, depending on the site, water is sourced chiefly from mains water, with a lower percentage coming from well water. None of the sites are located in water-stressed or particularly sensitive areas.

Drinking water is used for hygienic and sanitation purposes. Process water, on the other hand, is used to fill tanks in which buoyancy tests for finished yachts are carried out (at Mondolfo and Forlì) if no quays are available to allow the tests to be conducted sea, as they are at La Spezia. Pressurised water is used to clean hulls and facilities.

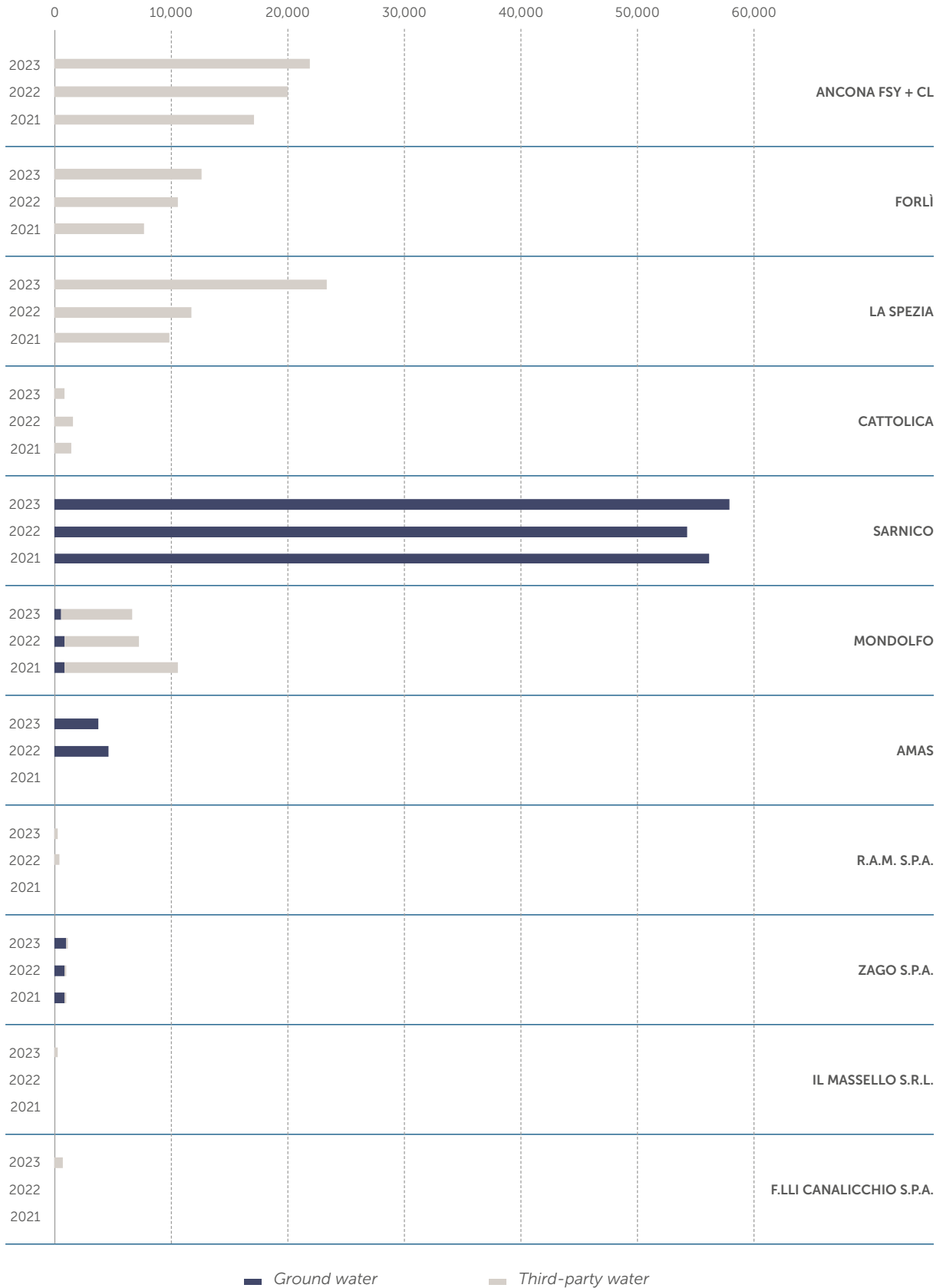
As shown in the chart below, in 2023 the Group withdrew a total of 129,836 m³ of water, 51% of which came from third parties (e.g., aqueducts) while the remainder was sourced from wells.

Water withdrawal by source (m³)



Water withdrawal for each of the Group’s shipyards is reported below, specifying groundwater and third-party withdrawal, the significant groundwater withdrawal at the Sarnico shipyard is partly attributable to some recurrent leaks at the main plant.

Water withdrawal by shipyard (m³)



5.2.4 Waste¹¹

In 2023, Ferretti Group produced a grand total of 4,723,872 kg of waste, following a stable trend compared to the previous year (4,410,717 kg produced in 2022).

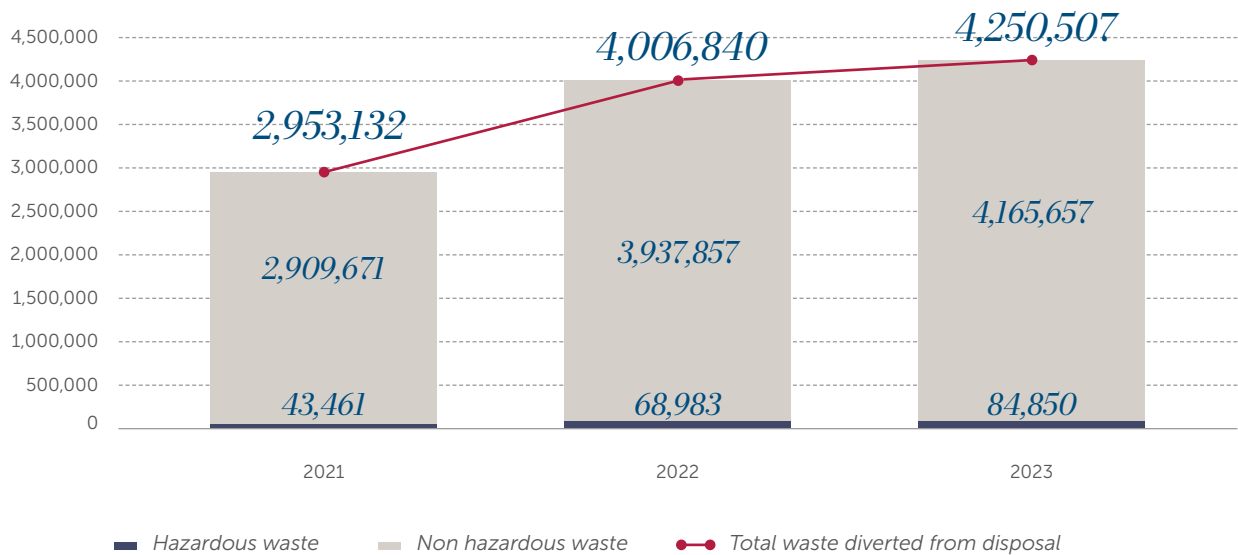
Non-hazardous waste from the production process (92.6% of the total) is generally waste from internal and external preparation and industrial cleaning processes and is duly sorted.

Waste defined as hazardous (7.4% of the total) chiefly comprises solvent mixtures, products used in painting booths, fiberglass scraps, or oils, waste emulsions and dirty packaging in general. All waste is managed by third parties and according to the local norms and regulations on the matter.

As far as the disposal method is concerned, the vast majority (90%) of waste is either recycled (99.9% of waste diverted from disposal) or reused (0.1% of waste diverted from disposal). The remaining part, accounting for 10% of total waste, is sent to landfilling (96% of waste directed to disposal) or incinerated (4% of waste directed to disposal).

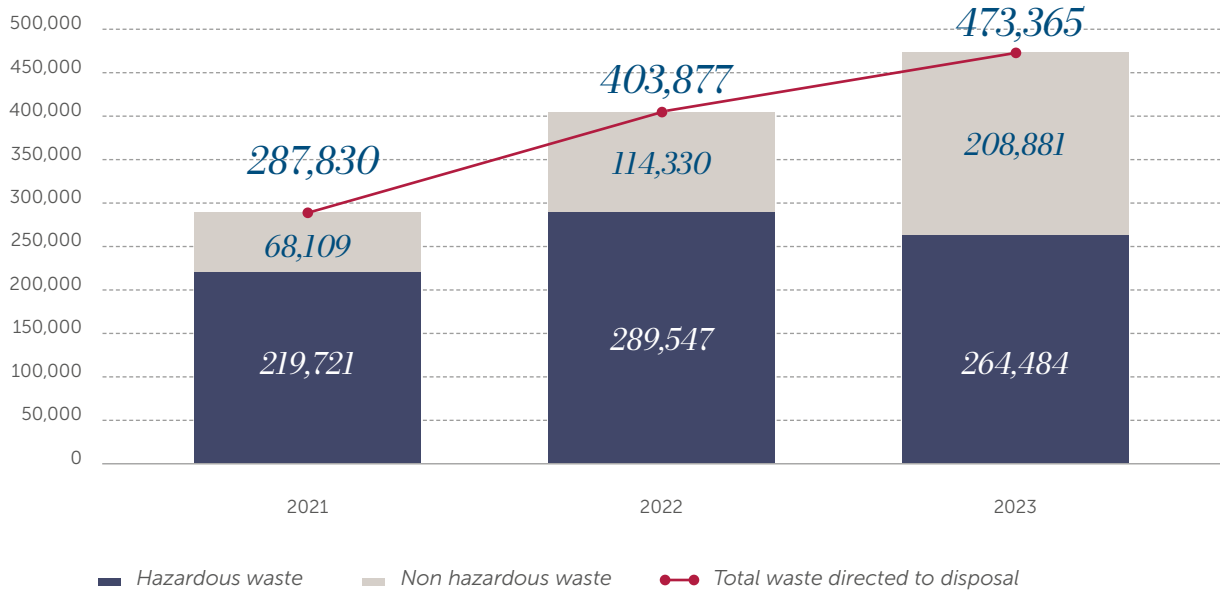
A breakdown of waste produced by the Group is shown below:

Waste diverted from disposal

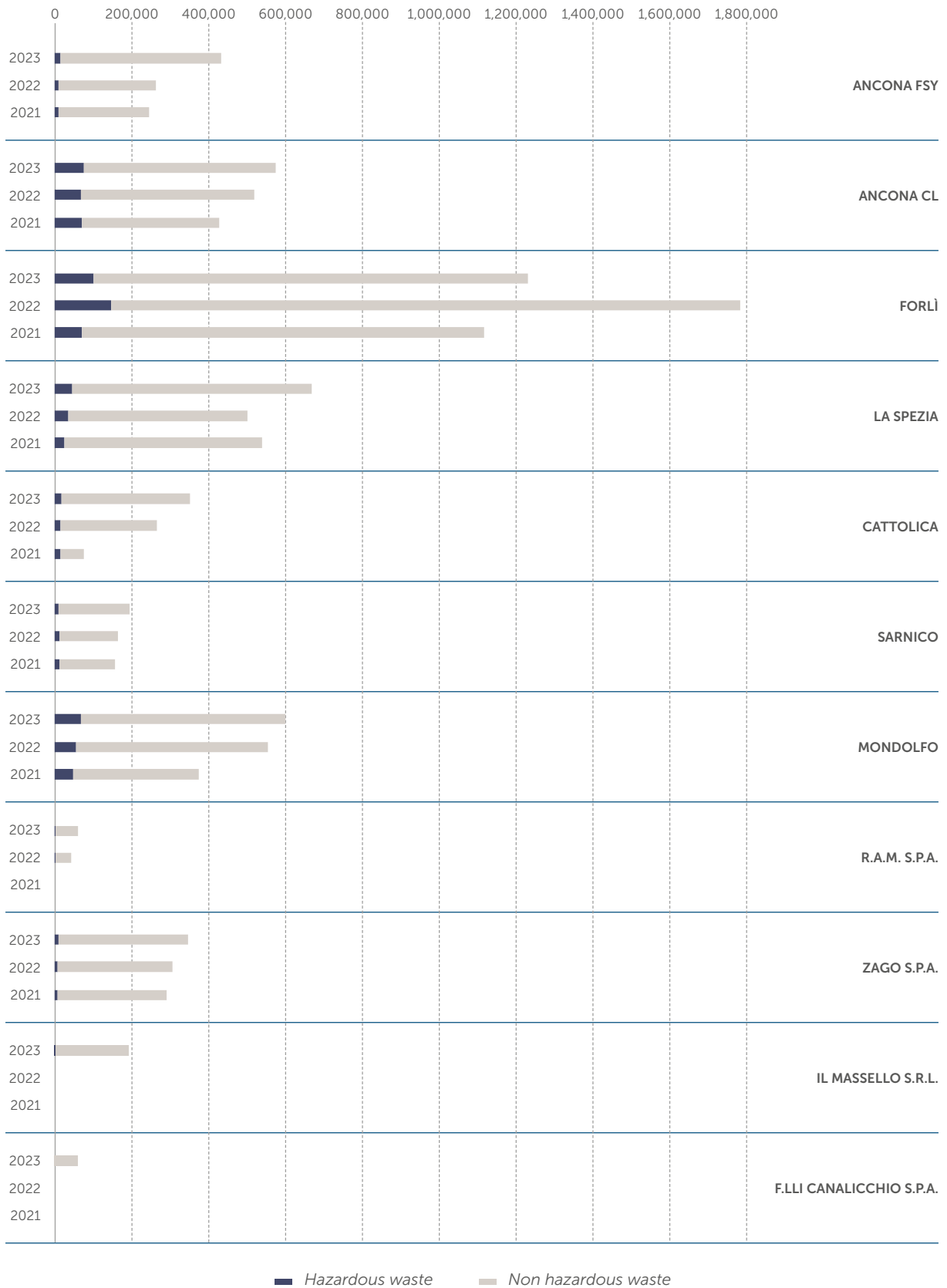


11 Group waste data reported in this table do not include figures for the Fort Lauderdale shipyard (FL, USA).

Waste directed to disposal



Waste production by site (kg)



5.2.5 Biodiversity

Besides climate change, biodiversity loss – that is the increasing loss of the biological diversity that characterizes our planet's living things, including plants, bacteria, animals, and humans – is becoming an increasingly more impactful issue. Plant and animal species are disappearing at an accelerating rate due to human activities, and the yachting industry can be not only a contributor to biodiversity loss but part of the solution, primarily through innovation and more responsible production, processing, and raw materials sourcing.

Tackling biodiversity loss will be fundamental in the future and, therefore, Ferretti Group is committed to protect the natural environment and the biodiversity of the territories in which it operates. Indeed, the Group is fully compliant with all relevant national legislations on the matter. In addition, some analyses to assess whether some of the Ferretti Group sites are located in, or adjacent to (in the proximity of 10 km from the Ferretti Group site) protected areas have been performed through the National Network of Biodiversity of the Italian Institute for Environmental Protection and Research (in Italian, ISPRA) and the World Database on Protected Areas (WDPA), which identify the Italian and international protected areas and habitats at risk¹².

The results of such analyses are summarized in the following table:

SITE (REGION)	SIZE OF OPERATIONAL SITE (KM ²)	TYPE OF OPERATION	POSITION IN RELATION TO THE PROTECTED AREA	PROTECTED AREA	EXTENSION OF THE PROTECTED AREA	TYPE OF BIODIVERSITY VALUE	BIODIVERSITY VALUE CHARACTERIZED BY LISTING OF PROTECTED STATUS
Forlì (Emilia Romagna)	0.052	Shipyard	8.6 km	Bosco di Scardavilla, Ravalдино	4.55 km ²	Terrestrial and inland waters	ZSC IT4080004
			3.4 km	Meandri del fiume Ronco	2.32 km ²	Terrestrial and inland waters	ZSC IT4080006
			8.3 km	Selva di Ladino, Fiume Montone, Terra del Sole	2.22 km ²	Terrestrial and inland waters	ZSC IT4080009
Cattolica (Emilia Romagna)	0.012	Shipyard	0.5 km	Colle San Bartolo	11.93 km ²	Marine	ZSC IT5310006
			0.5 km	Colle San Bartolo, litorale pesarese	40.31 km ²	Terrestrial and inland waters	ZPS IT5310024
Mondolfo (Marche)	0.083	Shipyard	9.2 km	Fiume Metauro da Piano di Zucca alla foce	7.71 km ²	Terrestrial and inland waters	ZSC IT5310022
Ancona (Marche)	0.077	Shipyard	3.3 km	Costa tra Ancona e Portonovo	4.66 km ²	Marine	ZSC IT5320005
Sarnico (Lombardia)	0.043	Shipyard	3 km	Torbiere d'Isèo	3.25 km ²	Terrestrial and inland waters	ZSC IT2070020
			2.6 km	Montemarcello	14.01 km ²	Terrestrial and inland waters	ZSC IT1345109
			8.3 km	Isole Tino Tinetto	0.15 km ²	Marine	ZSC IT1345103
			6 km	Isola di Palmaria	1.64 km ²	Terrestrial and inland waters	ZSC IT1345104
La Spezia (Liguria)	0.039	Shipyard	5.5 km	Portovenere Riomaggiore S. Benedetto	26.65 km ²	Terrestrial and inland waters	ZSC IT1345005
			9 km	Parco nazionale delle Cinque Terre	38.6 km ²	Terrestrial and inland waters	ZSC IT1344323

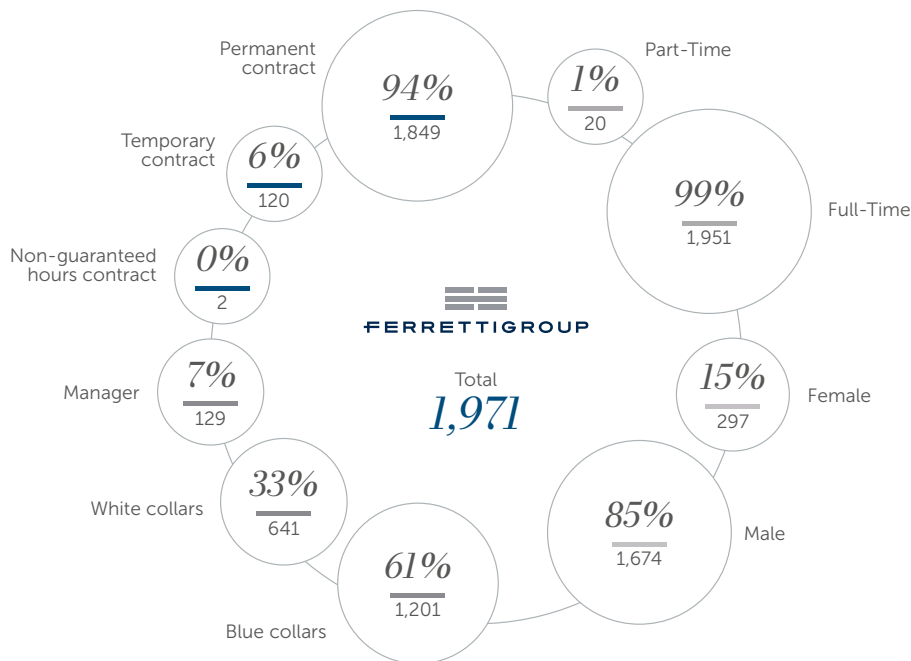
¹² Complementary information on the involved protected areas has been found in the World Database on OECMs, Global Database on Protected Area Management Effectiveness (GD-PAME), accessible on the Protected Planet website.

SITE (REGION)	SIZE OF OPERATIONAL SITE (KM ²)	TYPE OF OPERATION	POSITION IN RELATION TO THE PROTECTED AREA	PROTECTED AREA	EXTENSION OF THE PROTECTED AREA	TYPE OF BIODIVERSITY VALUE	BIODIVERSITY VALUE CHARACTERIZED BY LISTING OF PROTECTED STATUS
Fort Lauderdale (Florida, US)	0.006	Shipyard	2.4 km	Holland	6.45 km ²	Terrestrial and inland waters	WDPA ID: 555585146
			3 km	Snyder	0.36 km ²	Terrestrial and inland waters	WDPA ID: 555585313
			3.5 km	John U. Lloyd Beach State Park	1.26 km ²	Terrestrial and inland waters	WDPA ID: 555586032
			3.5 km	John U. Lloyd	1.00 km ²	Marine	WDPA ID: 555749233
			4.7 km	Hugh Taylor Birch	0.67 km ²	Terrestrial and inland waters	WDPA ID: 555751021
			5.2 km	Secret Woods Nature Center	0.23 km ²	Terrestrial and inland waters	WDPA ID: 555584925
			6.5 km	Mills Pond	0.22 km ²	Terrestrial and inland waters	WDPA ID: 555585225
			7 km	Pond Apple Slough	0.86 km ²	Terrestrial and inland waters	WDPA ID: 555749266
Sarnico, R.A.M. S.p.A. (Lombardia)	0.043	Restoration facility	3 km	Torbiere d'Iseo	3.25 km ²	Terrestrial and inland waters	ZSC IT2070020
Scorzè, Zago S.p.A. (Veneto)	0.018	Production facility	7.2 km	Fiume Sile dalle sorgenti a Treviso Ovest	14.9 km ²	Terrestrial and inland waters	ZSC IT3240028
			2.2 km	Cave di Noale	0.43 km ²	Terrestrial and inland waters	ZSC IT3250017
			4 km	Ex Cave di Villetta di Salzano	0.64 km ²	Terrestrial and inland waters	ZSC IT3250008
			6 km	Ex Cave di Martellago	0.5 km ²	Terrestrial and inland waters	ZSC IT3250021
Pian di Rose, Il Massello S.r.l. (Marche)	0.009	Production facility	0.5 km	Tavernelle sul Metauro	8.27 km ²	Terrestrial and inland waters	ZSC IT5310028
			8.2 km	Mombaroccio	24.46 km ²	Terrestrial and inland waters	ZSC IT5310013
Narni, F.Ili Canalicchio S.p.A. (Umbria)	0.023	Production facility	1.5 km	Lago l'Aia (Narni)	1.21 km ²	Terrestrial and inland waters	ZSC IT5220019
			3.7 km	Gole di Narni Stifone	2.27 km ²	Terrestrial and inland waters	ZSC IT5220020

6. Our people: pride, passion and belonging

6.1 Key figures

Building some of the world's most beautiful yachts requires a special crew, one that is able to bestow on our products the distinctiveness, innovation and quality that set the Ferretti Group apart. Our employees are the ultimate embodiment of these values and as such are the source of our success; our crew adds expertise, experience and a strong sense of belonging to the pride of building unique masterpieces.



At the Ferretti Group, every individual is at the centre of the Group's vision, whose main objective has always been to ensure that each employee is able to express himself or herself as a person even before expressing him/herself as a professional. This leads, on the one hand, to constant improvement in the quality of work, and on the other to a particular focus on human relationships, which are founded on trust, friendship, respect and cohesion. This is the only way to preserve the Group's cultural heritage, an authentic treasure trove of knowledge and experience which is unrivalled anywhere in the world.

As stated in its Code of Conduct, the Group is strongly committed to build an environment with equal rights and opportunities and fair compensation and does not tolerate any physical or psychological abuse. During the reporting period, the Group has complied with the relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

At the end of 2023, the Group employed a total of 1,971 employees, with a significant increase on previous years (+16.5% compared to 2022), due to the inclusion in the perimeter of two new sites, Il Massello S.r.l. and F.lli Canalicchio S.p.A.. The vast majority of Ferretti's personnel were hired on a full-time permanent contract. Geographically, they are mainly distributed in EMEA (1,902 people), specifically in Italy, while a minority is located in other regions (8 in APAC and 61 in AMAS).

The gender breakdown shows a preponderance of male workers, though there is a clear correlation between contract type and gender: women make up 35% of office workers, compared to a lower percentage of managers (17%) and especially of blue-collar workers (4%), in part due to the characteristics of the nautical construction sector. There are, however, encouraging signs of a growth in the total number of female employees over the last three years. While 248 women were employed by the Group in 2021, this number now stands at 297, an increase of nearly 20% in two years.

Moreover, the company population is evenly distributed across the main age groups, and shows a rejuvenation, especially in the under-30 age group, which has undergone an increase in absolute value compared to 2021 (from 117 to 258) and in percentage terms (from 7% to 13%).

This is certainly the result of a stimulating, ever-changing working environment, which has helped create a stable, long-lasting team; at the same time, however, it may represent a risk if new recruitment policies aimed at encouraging the entry of young people and the renewal of skills are not implemented. The Group is aware of this risk and has in recent years strengthened its relations with schools and universities in the areas where it operates, encouraging the addition of young people under the age of 30. The 2023 figure (123 new staff under 30) is the highest in recent years and bears witness to the commitment that the Group has made in this area.

A large number of these additions relate to the hiring of recent graduates through internships which in most cases lead to a fixed-term contract; at the end of this period, they are then given permanent contracts. Considering these hires, and despite the complex recent and ongoing complex social-health backdrop, there are no particular trends in staff terminations, which remain related chiefly to retirements and voluntary resignations.

In addition to its internal workforce, the Ferretti Group also makes use of an external workforce through subcontracting agreements with third parties. External workers are mainly engaged in the creation of on-board systems for yachts, and therefore deal with electrical and hydraulic systems, furniture installation, painting and air conditioning systems, as subcontractors in the shipyards.

WORKERS WHO ARE NOT EMPLOYEES¹³	2021	2022	2023
Interns (curricular and extra-curricular)	12	16	18
Self-employed persons	0	0	1
Agency workers	7	16	37
Contractors	1350	1624	2150
TOTAL	1369	1656	2206

6.2 Training and development

Training and development play a key role in enhancing the Group's human capital. At the Ferretti Group, employees are guided and involved at every stage of their development, using specific tools in line with their experience and role within the company. This is training as a competitive advantage: developing staff to help them grow towards the key skills needed to maintain market leadership over time.

¹³ The number of interns, self-employed persons and agency workers represents the head count at the end of the reporting period. The number of contractors represents the average number of contractors across the reporting period.

The 2023 training plan included courses on Health, Safety and Environment (HSE) topics, useful to understand how to evaluate and prevent injuries and other risks on the workplace, linked to the ISO 14001 certification. Indeed, safety consists of a considerable part of each employee’s development in the Company. Moreover, with reference to Operations and Supply Chains topics, training sessions on quality control processes was organised, while on the Engineering side, software programming classes were held. As for boat licenses, international courses, such as the Global Maritime Distress Safety System (GMDSS) and Standards of Training, Certification and Watchkeeping for Seafarers (STCW), were provided. Finally, Ferretti Group considers as particularly relevant also additional training activities, like linguistic classes (e.g., English, Portuguese, etc.), sessions on Sustainable Mobility and Digital Transformation, which enrich the staff with new soft skills and personal growth, as well as other technical courses according to the expertise area.

In 2023, the total amount of training hours that employee were expected to conduct was equal to 16,183, with a 18% decrease with respect to the previous year. Going forward, the Group will also provide the actual number of training hours as compared to the those planned. In 2022, training planned activities saw a peak, in light of the restart after the pandemic period.

Total annual training hours¹⁴



Further main purposes of the Group consist in ensuring a healthy workplace and objective performance evaluations for its employees, to avoid any discrimination and unconscious bias. For this reason, Ferretti Group adopted the following internal procedures:

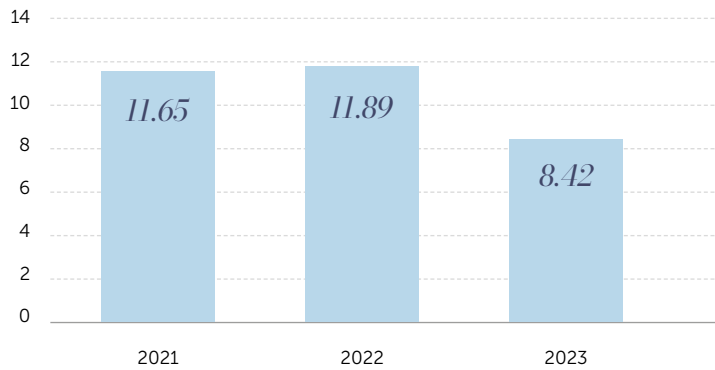
- policy on MBO linked compensation that regulates rules and instruction for the assignment of MBO objectives and evaluations;
- hiring and job rotation policies in order to define the activities of onboarding of new hires in communicative, organizational and contractual terms from the signing of the letter of commitment to employment and any subsequent changes in the employment relationship;
- policy regarding working hours, additional to the formal contractual agreements;
- policy regarding trainings and qualification of employees, including induction to new hires.

No reports on discrimination issues have been received in 2023.

6.3 Health and safety

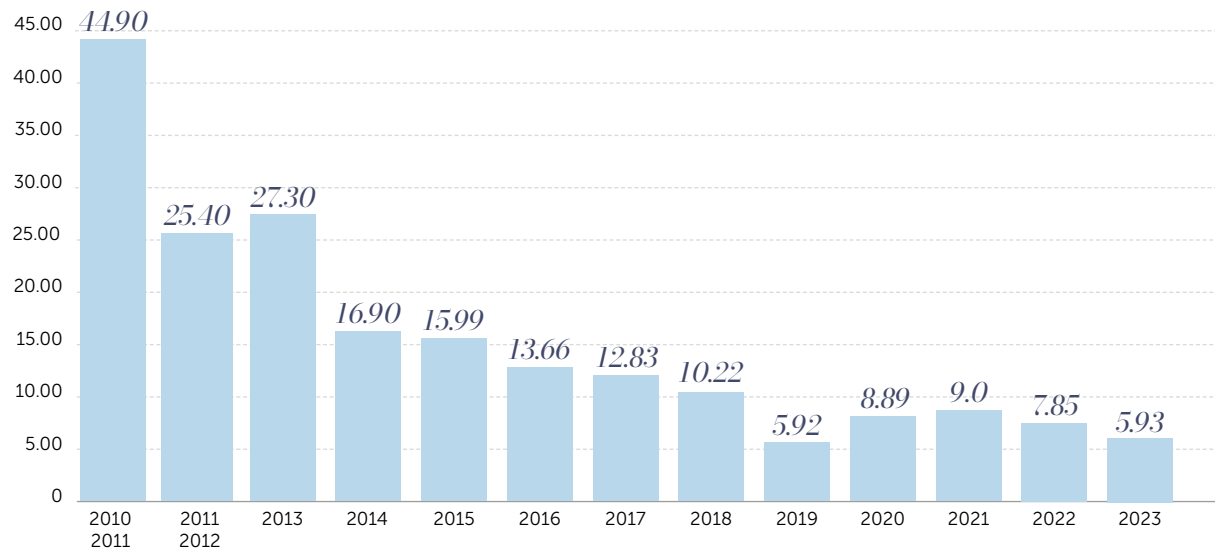
The health and safety of workers has always been of fundamental importance to the Ferretti Group. Ensuring a safe and comfortable working environment is not only a priority for the Group but is also a strategic and development factor for the entire company.

¹⁴ Please note that the figures refer to theoretical and not effective training hours.

Group Injury frequency rate (no. of injuries/million hours worked)

In 2023, no events of serious injuries (i.e., those entailing an absence of over six months) were reported by the companies of the Group, nevertheless the Group will continue to work towards a zero injuries workplace and to possibly keep reducing accident and injury rates. One of the tools used by the Group to achieve such goals is represented by constant HS training activities, conducted both on the basis of the law requirements and on the specific needs of its workforce, in accordance with the main relevant figures (workers, RLS, Supervisors, etc.).

Moreover, in the last 13 years, thanks to a series of measures and policies designed to lower the number of accidents involving its workers, Ferretti S.p.A. has reduced its injury rate (that is, the number of injuries per million hours worked) by 86,8% compared to 2010¹⁵.

Injury frequency rate (no. of injuries/million hours worked) over the last 13 years - Ferretti S.p.A.

¹⁵ The increase in the injury rate in 2020 can be interpreted as an effect of the sudden imposition of pandemic containment measures. These shifted the attention of company workers to the newly adopted COVID-19 prevention measures and temporarily away from all other working risks, especially during the early months of the year.

This extraordinary result was only made possible by detailed, continuous assessment of the potential risks at each of the Group's shipyards and the consequent implementation of all the measures (whether organisational or systems-based) required to eliminate or, where this is not possible, reduce these risks to a minimum. Among the risks identified at the main stages of the production process are a not insignificant chemical risk, a carcinogenic risk, a risk deriving from working at height, a moderate biomechanical risk, a moderate noise risk, a very slight vibration risk and a mechanical risk.

Main investments for safety at shipyards 2019-2023

- Lifelines on all overhead cranes
- Machine qualification - wood with badge (still in the implementation phase)
- Regularisation of scaffolding at Cattolica

In order to prevent potential injuries, each employee receives detailed training on the risks to which he or she is exposed, including practical training. At the end of this process, the work of each employee is then checked, supervised, and coordinated by his or her Contact Person. Each Contact Person is selected from among experienced employees and formally appointed to the role, having received adequate training for the position. Every month the Contact Person attends an **occupational health and safety meeting** along with their colleagues, the Prevention & Protection Service Manager (PPSM) and the EHS Manager. This meeting is an opportunity to share the procedures adopted and practices to be used, and critical issues, injuries and near-misses that have emerged in previous weeks are discussed, as are the related corrective actions, as detailed below.

In the event of an accident or near-miss (any event that could have caused an injury or damage to health but which, by pure chance, did not) involving an employee, a **report** is drawn up which includes a detailed description of the event. A specific section is also filled in relating to the corrective measures identified, indicating the person appointed to implement said measures and the date by which they will be carried out. Each of these events is then illustrated, commented on and shared with the Employer and all Plant Directors at a specific meeting that is held monthly and is called the "**OMT Meeting**". The involvement of Executives and attention to every single accident or near-miss event is fundamental in sharing situations of potential risk and implementing prevention measures across all the Group's shipyards.

Each production site is also associated with a **Company-Appointed Doctor** who is in charge of all the activities related to Occupational Medicine. The Company-Appointed Doctor works alongside the Employer, the EHS Manager and the PPSM to manage professional risks, and particularly focuses on assessing the compatibility between a worker's health and the role he/she performs. In addition to a regular health check, in the event that any worker believes there are specific situations that may cause injury or health problems, he or she may request an extraordinary medical examination to share his/her concerns with the Company-Appointed Doctor and to discuss potential regulations or limitations necessary to safeguard his/her health. In order to ensure maximum confidentiality, every worker's health and risk records are held and managed by each Company-Appointed Doctor in full compliance with privacy regulations.

Safety Meeting



Monthly meeting at every shipyard to discuss accidents and corrective measures

OMT Meeting



Monthly meeting between the employer and facility managers to discuss the measures adopted, practices to be followed and any critical issues

These measures for the prevention and management of injuries have led to positive results in recent years. The Group will continue to work to ensure this figure stays at zero and to reduce every accident and injury rate.

DIRECT EMPLOYEES	MEASUREMENT UNIT	2021	2022	2023
Employee work hours	n.	2,660,838	2,775,405	3,205,134
Total number of recordable work-related injuries, including deaths	n.	31	33	27
of which injuries during commute (only if transport was arranged by the organisation)	n.	0	1	0
of which work-related injuries with serious consequences (> 6 months absence), excluding deaths	n.	0	2	0
of which deaths	n.	0	0	0
Recordable work-related injury rate (calculated per 1,000,000 hours worked)	-	11.65	11.89	8.42
Serious work-related injury rate (calculated per 1,000,000 hours worked)	-	0.0	0.7	0
Death rate (calculated per 1,000,000 hours worked)	-	0	0.0	0
Lost workdays due to injuries	n.	N/A	757	937

In 2023, the Group reported five cases of work-related ill health to INAIL for Ferretti S.p.A.

6.4 Company welfare and industrial relations

Among the company benefits provided for full-time employees, a distinction should be made between those provided by national collective bargaining agreements and the further benefits offered by the Group.

Among the benefits provided by the national collective bargaining agreements, the following should be noted:

- **Life Insurance** (for Executives);
- **Healthcare** (as a fringe benefit and therefore in the form of reimbursement of medical expenses for Executives, or from the Fondo Altea fund for the timber sector);
- **Social Security** (through the Fondo ARCO Fund for the timber sector, through the Fondo COMETA Fund in accordance with national bargaining CCNL Metalmeccanica Industria and through Previndai for Executives);
- **Assistance for workers seconded abroad** (for all company personnel).

Among the further benefits offered by the Group, the following should be noted:

- **Unisalute Healthcare** for managers and expatriates;
- **Assistance for work-related and non-work-related injuries** (for Executives and Directors);
- **Copertura Kasco** coverage, allowing use of a car for workers on company business;
- the **Corporate Welfare System**, according to second level bargaining agreements.

As regards the company welfare plan, Group employees may allocate up to 50% of their results bonus to welfare goods and services, choosing from dozens of options available and enjoying significant tax benefits.

In terms of industrial relations, over the years the Group has built solid relationships which have contributed to the current relationship of trust and mutual respect. Temporary redundancy and shutdown periods were managed with the sector's main trade unions through meetings held in a productive atmosphere.

Specifically, we note that on February 2022 Ferretti S.p.A. and the national and European trade unions and shipyard Workers' Representative Bodies signed an agreement to renew the supplementary second level contract, valid until 31/12/2024.

6.5 Local initiatives

Ferretti Group is very careful in evaluating its potential impact on the community in which it operates, addressing all the efforts in improving the community environment. For this reason, every year the Group chooses carefully which projects to support in order to be consistent with its values and the needs of the community.

Supporting children in El Salvador

Ferretti Group and 7: The David Beckham UNICEF Fund collaborated in 2023 to raise funds for the children of El Salvador with Ferretti Group donating a Riva Anniversario, a special limited-edition boat created by Riva to celebrate the shipyard's 180th anniversary as well as 60 years of the iconic Aquarama of which only 18 units were made, to be sold to the highest bidder at auction.

All the proceeds of the charity auction were donated to the fund to protect children in El Salvador, the funds raised will help UNICEF's efforts to strengthen and improve access to child protection systems, to support

children to stay in school and transform public areas into child friendly spaces, helping children, including those with disabilities, to safely play sports, learn life skills and build resilience.

Il Miglio Blu (The Blue Mile)

La Spezia has always been one of the most important global centres for yacht production, hosting shipyards run by the Ferretti Group, Sanlorenzo, Baglietto and Fincantieri, among others. This concentration of yacht builders in an area around one mile long, combined with the ambition of local administrators to enhance this unique industrial hub, has led to the creation of the Miglio Blu (Blue Mile) project. The project foresees a requalification of the whole area that is designed to enhance this section of the port both aesthetically, making this stretch of road immediately identifiable, and logistically, organising space so as to create a true maritime district which responds to all the specific needs of the sector.

The project also includes the construction of a pedestrian and cycle path, marked with the "Blue Mile" logo, which will allow residents and tourists to rediscover a special, historic place where hundreds of unique yachts are produced every year. The project will also lead to training for around 300 professionals to meet the employment needs of the requalified area, which will have a positive effect on local employment. At the same time, the presence of the La Spezia university hub will also prompt innovation and research, leading to training for highly qualified workers; the objective is therefore to strengthen synergies between the maritime companies and the university hub, including through the direct participation of the Group's companies.

In between 2022 and 2023 a number of specific clusters and working groups were established, including one which will focus on sustainable energy, and work began to restructure Viale San Bartolomeo to create pavements.

Ferretti Group is proud to contribute to the creation of an exclusive nautical district capable of establishing La Spezia as the international capital of the maritime industry.

The donation to La Fenice

The Ferretti Group believes that the companies representing Made in Italy around the world have a duty to support and promote other Italian excellence in the field of culture and historical and artistic heritage. In 2023 the Group made a donation to support the Fondazione Teatro La Fenice, in Venice.

Scuola dei Mestieri

Scuola dei Mestieri is a Ferretti Group project for 18 to 29-year-olds who want to start a career in the high-end Italian yacht industry.

Much more than an extra-curricular internship for career guidance, this course combines theory and experience in the yard – in a program ranging from sessions in the classroom and workshop to on-the-job training in production departments – with the aim of creating real career opportunities.

The goal of transferring knowledge is achieved by exploiting the Group's own know-how: the classroom courses are held by managers and key technical experts who worked in Ferretti Group.

After the successful first edition in Forlì and subsequent launch at the Mondolfo and Sarnico sites, the Group kicked off the second edition of the Scuola dei Mestieri project on November 13, 2023 in Forlì. The goal of this second edition was mainly to focus on the newly acquired Ravenna yard, aiming to grow the workforce in view of the upcoming full functionality. The students on the course were, in fact, based both in Ravenna and Forlì.

In Ferretti Group's vision, the Scuola dei Mestieri is an incubator of young resources attracted by the excellence of Italian boatbuilding.

7. EU Taxonomy

Introduction

To respond to the environmental challenges imposed by the climate crisis and concretely implement the objectives of the European Green Deal, the European Union has set specific climate and energy targets to be achieved by 2030 and 2050. To this end, the private sector is expected to actively participate in the implementation of sustainable projects and activities. With this in mind, the European Institutions have developed the so-called "Taxonomy of economic activities", i.e. a classification of economic activities that can be considered "environmentally sustainable".

This Taxonomy was introduced through Regulation (EU) 2020/852 (hereinafter "Regulation"), published in the Official Journal of the European Union on June 22nd, 2020 and entered into force on July 12th, 2020. The Regulation, which applies to all companies obliged to draw up a Non Financial Statement in accordance with the provisions of Directive 2014/95/EU, implemented in Italy by means of the Legislative Decree 254/2016, provides investors, companies and public institutions with reliable and shared criteria and tools to identify environmentally sustainable economic activities.

In order to proceed with the classification of economic activities, the document divides them into "eligible" and "aligned". An economic activity is defined as "eligible" if it is listed in the Delegated Regulation in relation to one or more environmental objectives, namely: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems. The activity, if eligible, has the potential to contribute substantially to the target setting. On the other hand, an economic activity is "aligned" if, in addition to being eligible, it is carried out in accordance with:

- the technical screening criteria, which are divided into **substantial contribution criteria**, identified on a scientific basis and specific to each of the objectives, and **DNSH** (Do No Significant Harm) criteria, which ensure that the activity does not cause significant harm to any of the remaining five objectives;
- the **minimum safeguards**, i.e. the safeguards implemented by the Group to ensure respect for human rights and international standards in the management of its organisation and along the supply chain.

Over the years, the Regulation has already undergone additions and extensions by means of Delegated Acts that have introduced additional economic activities and modified some criteria.

In 2021, the European Commission published the "Climate Delegated Act"¹⁶, aimed at regulating economic activities that can contribute substantially to the two climate objectives, while in 2023 the "Environmental Delegated Act" was published¹⁷, which, in addition to regulating the remaining four environmental objectives, made some changes to the models to be used for the publication of key performance indicators (KPIs) of non-financial companies. During the same year, Delegated Regulation 2023/2485 was also published, with which amendments were made to the Climate Delegated Act, both in terms of new economic activities and in terms of technical screening criteria.

With regard to the 2023 reporting year, the first in which the Ferretti Group is subject to the Regulation, non-financial companies obliged to prepare a Non Financial Statement are required to provide information

¹⁶ Delegated Regulation (EU) 2021/2139.

¹⁷ The Environmental Delegated Act, European Commission, C(2023) 2486, adopted on 27 June 2023 and entered into force on 1 January 2024.

regarding the share of turnover, capital expenditures (CapEx) and operating expenses (OpEx) associated with the economic activities considered eligible and aligned with the Taxonomy, with reference to the economic activities included in the "Climate Delegated Act". With regard to the activities included in the Environmental Delegated Act, on the other hand, for this first year of reporting, non-financial companies are only required to report the share of eligible turnover, CapEx and OpEx.

Evaluation of the Ferretti Group's activities

Eligibility analysis

In order to assess the possible eligibility for the six environmental objectives outlined by the Regulation, the Ferretti Group has carried out a mapping of its economic activities, identifying activity **3.3 Manufacture of low-carbon technologies for transport** associated with the objective of climate change mitigation as the main activity related to its business, in particular considering the specific characteristics of the "Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets 2022/C 385/01". This communication, issued on October 6th, 2022 by the European Commission, indicates that qualifiers are assessed as "low carbon" exclusively to determine compliance with technical screening criteria and not in terms of eligibility.

Alignment Analysis

In order to assess the alignment of Turnover, CapEx and OpEx with respect to activity *3.3 Manufacture of low-carbon technologies for transport*, linked to the objective of climate change mitigation, the Group carried out an audit of the following elements:

- compliance with the technical screening criteria, divided into substantial contribution criteria and Do No Significant Harm (DNSH) criteria;
- the fulfilment of minimum safeguards.

Substantial contribution analysis

The requirements of the Regulation to meet the criterion of substantial contribution to the climate change mitigation objective for activity *3.3 Manufacture of low-carbon technologies for transport* are as follows:

- *m. sea and coastal passenger water transport vessels, not dedicated to transporting fossil fuels, that:*
 - I. have zero direct (tailpipe) CO₂ emissions;*
 - II. until 31 December 2025, hybrid and dual fuel vessels derive at least 25 % of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power for their normal operation at sea and in ports;*
 - III. until 31 December 2025, the vessels have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO₂ emission fuels or on fuels from renewable sources.*

In this regard, during the 2023 financial year, the Group developed only one boat that meets these requirements, the Riva El-Iseo model (R27E), i.e. the all-electric propulsion version of the Iseo model. It should be noted, however, that this model has not yet been sold and therefore no revenues related to it have been generated. It should also be noted that the Group is actively dedicated to the research and development of solutions aimed at creating increasingly environmentally friendly boats.

Do No Significant Harm

The purpose of the DNSH compliance review in relation to the DNSH criteria is to ensure that the individual activities identified do not cause harm to the other environmental objectives.

In particular, in order to comply with the DNSH criteria, activity *3.3 Manufacture of low-carbon technologies for transport* must comply with the following criteria:

- Adaptation to climate change: the criteria outlined in Appendix A of the Climate Delegated Act require an analysis to be carried out to identify and assess chronic and acute physical climate risks (listed in Section II of the same Appendix) that affect the activity. This requires a robust assessment of climate risk and vulnerability, based on a precise process set out in the Delegated Act itself. To date, the Group has not carried out an analysis dedicated to the assessment of climate risks and for this reason the criterion is not met.
- Sustainable use and protection of water and marine resources: the criteria outlined in Appendix B of the Climate Delegated Act require an analysis of the risks of environmental degradation related to both the maintenance of water quality and the prevention of water stress, or an environmental impact assessment according to Directive 2000/60/EC of the European Parliament and of the Council. The Group does not currently carry out this type of analysis and for this reason, the criterion is not met.
- Transition to a circular economy: the criteria outlined by the Climate Delegated Act require the activity to assess the *availability of and, where feasible, adopts techniques that support:*
 - a. *reuse and use of secondary raw materials and re-used components in products manufactured;*
 - b. *design for high durability, recyclability, easy disassembly and adaptability of products manufactured;*
 - c. *waste management that prioritises recycling over disposal, in the manufacturing process;*
 - d. *information on and traceability of substances of concern throughout the life cycle of the manufactured products.*

The Ferretti Group is committed to investing in the research of innovative materials and techniques capable of reducing the impact of its products. However, the Group does not believe that to date it has the necessary information available for a full evaluation of the criterion. Therefore, the criterion is considered as not fulfilled as a precautionary measure.

- Pollution prevention and control: the criteria outlined in Appendix C of the Climate Delegated Act require an assessment to be made of specific substances potentially included in manufacturing processes. The Ferretti Group complies with local and international laws regarding the use of hazardous substances. However, since it has not carried out a specific assessment, conservatively, it considers the criterion to be unfulfilled.
- Protection and restoration of biodiversity and ecosystems: The criteria outlined in Appendix D of the Climate Delegated Act require an Environmental Impact Assessment (EIA) procedure to be carried out and the implementation of mitigation and compensation measures necessary for the protection of the environment. To date, the Group does not carry out this type of analysis and for this reason the criterion is not met.

Minimum safeguards

In order to verify compliance with the criteria defined by the minimum safeguards, the Ferretti Group carried out an assessment of the main corporate structures and policies, aiming to assess compliance with a series of international standards and principles, including the Organisation for Economic Co-operation and Development (OECD) guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the main conventions of the International Labour Organization (ILO), such as the International Bill of Human Rights.

The Ferretti Group pays great attention to respect for human rights and the proper conduct of business, making these elements a solid foundation of its business. In order to ensure and promote these principles, the Group has implemented a public Code of Ethics, which serves as a reference to outline the main guidelines for corporate conduct.

The Group is also committed to the fight against gender inequalities, making use of a "Diversity policy of the Administrative and Control Bodies".

The adoption of this policy underlines the focus on diversity in its various forms, both within the Board of Directors and within the Group at large. During the selection process, the Group adopts strict principles of non-discrimination, respecting internationally accepted standards and principles.

Upholding the importance of a transparent and ethical work environment, the Group has established a whistleblowing policy, making it public and easy to access for all its various stakeholders. This system makes it possible to report any unethical behaviour, thus promoting a culture of integrity in the Group.

With regard to corruption, the Ferretti Group has adopted Model 231, with a particular focus on corruption crimes, further reaffirming its commitment to legality and transparency.

However, with a conservative and prudential approach, the Group recognizes the need for further progress in terms of due diligence policies and supply chain control. In this perspective, it does not yet consider its practices fully aligned with the required parameters, continuing to work to improve these aspects.

Contextual Information & Accounting Policy

This paragraph describes the methodological and accounting approaches used to calculate the Turnover, CapEx and OpEx KPIs required by the regulations, based on what is reported in the Annexes of Delegated Act 2178/2021 of the Regulation, analyzing the information based on the activities deemed eligible and, if necessary, aligned.

The calculation methods, the structure of the different indicators analysed in relation to the activities defined by the EU taxonomy and the methods of numerical extraction are presented in order to quantify the items included in the numerator of each indicator. It should be noted that items relating to intercompany transactions are excluded from the analysis carried out to calculate the indicators, in accordance with the Regulation.

The elaboration of the indicators required the involvement of the Group's administrative and accounting structures which, on the basis of the indications set out in Annex 1 to Delegated Act 2178/2021, identified the accounting items to be associated with the various KPIs, starting with the consolidated financial statement items.

Additionally, it should be noted that the Capex and Opex KPIs do not incorporate any elements related to the requirements for a plan to expand economic activities aligned with the taxonomy or to enable economic activities eligible to alignment with the taxonomy, as described in §1.1.2.2 of Annex 1 of Delegated Act 2178/2021.

Turnover

In line with the provisions defined by Annex 1 of the Delegated Act 2021/4987, the Turnover KPI has been calculated as the ratio between the share of net revenues obtained from products or services, including intangibles, associated with taxonomy-aligned economic activities (numerator) and the Group's net revenues (denominator). In accordance with the international accounting reference IAS 1.82 (a) cited by the Regulation, in order to avoid *double counting*, any revenue generated by the sale of Intercompany products or services has been excluded from the calculation of the KPI. Consequently, the denominator of the Turnover KPI corresponds to the item "Net revenues" presented in the Consolidated Income Statement, showing a value of € 1,134,484 thousand.

In accordance with the requirements of the Annexes of the Disclosure Delegated Act 2021/4987, in calculating the numerator, the Group considered only revenues related to economic activities identified as eligible. Specifically, the turnover generated by the Group deemed eligible is associated with activity 3.3 - *Manufacture of low-carbon technologies for transport* (Climate Change Mitigation), which refers to *Ferretti S.p.A.'s core business, the manufacture of boats*.

CapEx

As described in the Regulation, the calculation of the denominator of the CapEx KPI includes the additions to assets presented during the 2023 financial year for tangible assets, intangible assets and right of use of assets (in accordance with IFRS 16), including those deriving from business combinations, considered before depreciation, impairment and any revaluation, including those deriving from restatements and impairments, excluding changes in fair value. In accordance with the provisions defined by Annex 1 of the Delegated Act 2021/4987, the denominator of the CapEx KPI was calculated starting from the items "Increases in owned assets" and "Increases in assets for rights of use" recorded during the year and reported in [Note 30 – Buildings, plant and equipment] and the item of "Increases" recorded during the year in [Note 31 – Intangible assets Intangible assets] excluding the goodwill. To cover the accounting references required by IAS16, IAS38 and IFRS16, a breakdown of the denominator composition with reference to the asset categories mentioned, is given below:

- Intangible assets with a finite life: € 19,485 thousand;
- Property, plant and equipment: € 127,584 thousand;
- Rights of use related to tangible assets: € 8,320 thousand.

The value considered in the denominator of the Capex KPI therefore amounts to € 15,389 thousand.

To identify the numerator, an analysis of the additions associated to point (a)¹⁸ of § 1.1.2.2 of Annex 1 of the Disclosure Delegated Act was carried out. In particular, the values related to the additions allocated to the activity that generates Turnover were extracted, that is activity 3.3 - *Manufacture of low-carbon technologies for transport* (Climate Change Mitigation) This essentially encapsulates the core activities of the Group. Within this context, only the net revenues attributed to *composite yachts, made-to-measure yachts, super yachts, FDS and Wally sailboats*, were considered, for a total value of € 1,064,476 thousand.

OpEx

For the calculation of the OpEx KPI, the chart of accounts of the Group was analysed in detail in order to isolate cost items attributable to the categories defined by Annex 1 of the Delegated Act 2021/4987 as follows:

- Non-capitalized R&D;
- Building renovation measures;
- Short-term leases;
- Maintenance and Repair;
- Day-to-Day Servicing of assets.

With reference to the FAQ¹⁹ published by the European Commission, the expenses incurred by the Group for the cleaning of the assets have been included in the calculation of the denominator with reference to the category "any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment".

18 Capital expenditures included in the denominator that are related to assets or processes associated with taxonomy-aligned economic activities.

19 FAQ 12 of Commission Notice C (2022) 385/01 of 06.10.2022.

On the basis of the categories mentioned above, the denominator of the OpEx KPI is € 10,037 thousand.

For the identification of the operating expense values associated with the numerator of the Opex KPI, the Group mainly identified expenses related to the maintenance of owned assets, maintenance of non-owned assets and cleaning related to "Day to Day servicing of assets" related to point (a)²⁰ of § 1.1.2.2 of Annex 1 of the Disclosure Delegated Act. In particular, the above-mentioned categories included in the management accounts of Ferretti S.p.A. were considered instrumental to the performance of core business activities, as they are functional to the manufacture of boats.

It should be noted that, since the activities relating to the gas and nuclear sectors, included in the Complementary Delegated Act (Delegated Regulation 2022/1214), are not eligible, the related tables are not published.

²⁰ Par. 1.1.3.2 of (EU) Delegated Regulation 2021/2178: operational expenditure related to assets or processes associated with taxonomy-aligned (eligible) economic activities, including training and other human resources adaptation needs, as well as direct non-capitalised R&D costs.

Share of turnover deriving from products or services associated with economic activities aligned and eligible for the Taxonomy - information relating to the year 2023 (data in €/k)²¹

FINANCIAL YEAR 2023	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						
	Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
		k €	%		Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY - ELIGIBLE ACTIVITIES										
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which enabling				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which transitional				0.00%						
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)										
Manufacture of low carbon technologies for transport	3.3 CCM 3.3 CCA	1,067,476.00 €	94.09%	AM	N/AM					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,067,476.00 €	94.09%	94.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (A.1 + A.2)		1,067,476.00 €	94.09%	94.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy non-eligible activities (B)		67,008.00 €	5.91%							
Total (A + B)		1,134,484.00 €	100.00%							

21 The methods of representation of information, following regulatory clarifications, may be subject to updates.

DN SH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Turnover aligned (A.1.) or eligible (A.2.) Year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N	N	N	N	N	N	N	0.00%		
N	N	N	N	N	N	N	0.00%	E	
N	N	N	N	N	N	N	0.00%		T
							0.00%		
							0.00%		
							0.00%		

RATIO OF TURNOVER / TOTAL TURNOVER

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.00%	94.09%
CIRCA	0.00%	0.00%
WRT	0.00%	0.00%
THAT	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Share of capital expenditures deriving from products or services associated with taxonomy-aligned economic activities – Disclosure for the year 2023 (data in €/k)²²

FINANCIAL YEAR 2023		YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA					
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
		k €	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY - ELIGIBLE ACTIVITIES									
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which enabling				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which transitional				0.00%					
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)									
Manufacture of low carbon technologies for transport	3.3 CCM 3.3 CCA	139,914.01 €	90.04%	AM	N/AM				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		139,914.01 €	90.04%	90.04%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (A.1 + A.2)		139,914.01 €	90.04%	90.04%	0.00%	0.00%	0.00%	0.00%	0.00%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy non-eligible activities (B)		15,474.99 €	9.96%						
Total (A + B)		155,389.00 €	100.00%						

22 The methods of representation of information, following regulatory clarifications, may be subject to updates.

DN SH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx aligned (A.1.) or eligible (A.2.) Year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N	N	N	N	N	N	N	0.00%		
N	N	N	N	N	N	N	0.00%	E	
N	N	N	N	N	N	N	0.00%		T
							0.00%		
							0.00%		
							0.00%		

PROPORTION OF CAPEX / TOTAL CAPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.00%	90.04%
CIRCA	0.00%	0.00%
WRT	0.00%	0.00%
EC	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Share of operating expenses deriving from products or services associated with taxonomy-aligned economic activities – Information for the year 2023 (data in €/k)²³

FINANCIAL YEAR 2023		YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA					
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular Economy (8)	Pollution (9)	Biodiversity (10)
		k €	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL
A. TAXONOMY - ELIGIBLE ACTIVITIES									
A.1 ENVIROMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		- €	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which enabling				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
of which transitional				0.00%					
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)									
Manufacture of low carbon technologies for transport	3.3 CCM 3.3 CCA	6,610.36 €	65.86%	AM	N/AM				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		6,610.36 €	65.86%	65.86%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (A.1 + A.2)		6,610.36 €	65.86%	65.86%	0.00%	0.00%	0.00%	0.00%	0.00%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy non-eligible activities (B)		3,427.24 €	34.14%						
Total (A + B)		10,037.61 €	100.00%						

23 The methods of representation of information, following regulatory clarifications, may be subject to updates.

DNHS CRITERIA ('DOES NOT SIGNIFICANTLY HARM')

Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular Economy (14)	Pollution (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx aligned (A.1.) or eligible (A.2.) Year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N	N	N	N	N	N	N	0.00%		
N	N	N	N	N	N	N	0.00%	E	
N	N	N	N	N	N	N	0.00%		T
							0.00%		
							0.00%		
							0.00%		

PROPORTION OF OPEX / TOTAL OPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.00%	65.86%
CIRCA	0.00%	0.00%
WRT	0.00%	0.00%
THAT	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Methodological note

Reporting criteria

The 2023 Non Financial Statement represents the fifth step in the Ferretti Group's Sustainability journey, which began in 2020 with the publication of the first Sustainability Report. In this document, the Group has updated and extended its reporting of the main initiatives, activities and performance in environmental, social and governance terms.

In order to accurately and clearly update the topics covered in this report, in 2023 the Board of Directors reviewed and approved the information reported in the present document.

This report, for the year 2023, has been prepared using the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") reporting framework published by the Global Sustainability Standards Board, following the option "In accordance". In addition, following the listing process concluded in 2022, reference was made to the disclosures in the ESG Reporting Guide (Main Board Listing Rules - Appendix C2) of the Hong Kong Stock Exchange, which are set out in the Content Index. This Non Financial Statement refers to specific standards of the framework that have been chosen for reporting. They are summarised in the table below:

MACRO-CATEGORY	MATERIAL TOPIC	GRI ASPECT
Product and customers	Customer protection and safety	GRI 416: 2016 - Customer health and safety GRI 417: 2016 - Marketing and labelling GRI 418: 2016 - Customer privacy
	Research and development	-
People	Human and civil rights	GRI 2: General Disclosures GRI 408: 2016 - Child Labour GRI 409: 2016 - Forces or Compulsory Labour
	Human capital development, retention and satisfaction	GRI 2: General Disclosures GRI 401: 2016 - Employment
	Occupational health and safety	GRI 403: 2018 - Occupational health and safety
	Diversity, equal opportunities and inclusion	GRI 405: 2016 - Diversity and equal opportunity GRI 406: 2016 - Non-Discrimination
Value for the local area	Development and value creation for local communities	GRI 201: 2016 - Economic performance GRI 204: 2016 - Procurement practices
	Community investments	-
	Anti-corruption and money laundering	GRI 205: 2016 - Anti-corruption
	Sustainable supply chain management	GRI 414: 2016 - Supplier social assessment GRI 308: 2016 - Supplier environmental assessment

Reduction of environmental impacts of the production process	Waste management and product's end-of-life	GRI 306: 2020 - Waste
	Polluting atmospheric emissions	GRI 305: 2016 - Emissions
	Water resources	GRI 303: 2018 - Water and effluents
	Energy consumption	GRI 302: 2016 - Energy
	Raw materials consumption	GRI 301: 2016 - Materials
	GHG emissions	GRI 305: 2016 - Emissions
	Biodiversity	GRI 304: 2016 - Biodiversity

The purpose of the document is to describe the activities, objectives and performance achieved by the Group in the three-year reference period regarding issues identified through the materiality analysis, described in chapter 3 of this document. The Group's Non Financial Statement is published annually and is distributed to stakeholders through the Company's usual communication channels. A short version of the 2022 Sustainability Report has been published together with the 2022 Annual Report, while the extended version has been published on November 27, 2023 and it is available at <https://www.ferrettigroup.com/en-us/Sustainability/Sust-archiv>

This Non Financial Statement has been published together with the 2023 Annual Report on March 28, 2023, so as to provide an insightful description of the firm's commitment and effort towards sustainability.

All figures reported refer to the reporting year between January 1, 2023, and December 31, 2023, and refer to all Group companies on a consolidated basis with the exception of some data expressly indicated in the text. In particular, environmental information are only collected by production sites and facilities, since commercial offices has a marginal contribution to the Group's environmental impacts. The reporting boundary and reporting period are the same as the information reported in the 2023 Annual Report and are consistent with those of the previous year, with the exception of Il Massello S.r.l. and F.li Canalicchio S.p.A., which have been fully acquired at the end of 2022 and included in the sustainability reporting process from 2023.

All data are presented in comparison with the two years prior to this Statement, namely 2021 and 2022, in order to provide greater detail and highlight the main trends occurring during the three-year period. Given the consideration of extending the perimeter to cover previous years, the data has been accordingly adjusted. Kindly note that the GRI 301-1 indicator strictly applies to the entity Zago S.p.A. and does not include the other entities within the group.

This Non Financial Statement represents the first edition subject to external assurance, in accordance with the International Standard on Assurance Engagement (ISAE 3000 Revised) by the independent auditor EY S.p.A.. Quantitative indicators that do not refer to any general or topic-specific disclosure of the GRI Standards are not subject to external assurance.

The sources of the parameters used to calculate the data presented in this report are as follows:

- The **Conversion to GJ of energy sources** used by the Group was carried out using the conversion factors provided by the Ministry for the Environment and Protection of the Land and the Sea (MATTM) in the National Standard Parameters Table for 2023 (for natural gas), and by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA), available in the document "2023 UK Government GHG Conversion Factors for Company Reporting" (for electricity and fuels).
- **Direct GHG emissions (Scope 1)** produced by the Group and due to the consumption of natural gas were calculated using the emission factors provided by the Ministry for the Environment and Protection of the Land and the Sea (MATTM) in the National Standard Parameters Table for 2023 (for natural gas). As regards consumption of electricity, f-gases, diesel and petrol, on the other hand, the emissions factors used were those provided by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA), available in the document "2023 UK Government GHG Conversion Factors for Company Reporting". Specifically, in calculating CO₂ emissions associated with the vehicle fleet, the reference factor for "Upper medium" vehicles was used.
- When calculating energy indirect (**Scope 2**) **Location-Based** GHG emissions, the emission factors used were those published by Terna in the document "International Comparisons 2020 - 2019 data" (for Italian sites) and by the United States Environmental Protection Agency (EPA), in the "eGRID – all fuels" database available online (for US sites). For **Scope 2 Market-Based** emissions the emission factor used was the one published in 2021 by the Association of Issuing Bodies in the document "European Residual Mixes – Results of the calculation of Residual Mixes for the calendar year 2021" (for Italian sites) and by the United States Environmental Protection Agency (EPA), in the "eGRID – all fossil fuels" database available online (for US sites)²⁴.

No reference has been made to Comply or Explain Provisions KPI A 2.5 (*Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced*) that is not deemed applicable to the Group's business. As regards KPI B6.3 (*Description of practices relating to observing and protecting intellectual property rights*), please see the discussion of this topic in the "Business - Intellectual Property" section of the Prospectus published in March 2022 on the Group's website.

For any information regarding this document please contact Margherita.Sacerdoti@ferrettigroup.com and Alessandro.Pellegrini@ferrettigroup.com.

24 The Location-Based approach uses an average emission factor which refers specifically to the Italian electricity production mix, while the Market-Based approach uses emission factors based on rates defined contractually with electricity suppliers. Given the absence of specific electricity agreements between the companies of the Group and the suppliers (e.g. a Guarantee of Origin purchase), for this calculation an emission factor related to the national "residual mix" was used.

GRI Content Index & HKEX Index

Ferretti Group has reported the information cited in this GRI content index for the period 01/01/2023 - 31/12/2023 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): N/A

Material topics - Specific standard disclosure

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details		1.2 Ferretti Group profile 1.4 Group Governance		
	2-2 Entities included in the organization's sustainability reporting		Methodological note		
	2-3 Reporting period, frequency and contact point		Methodological note		Reasons for omission are not permitted for these disclosures
	2-4 Restatements of information		Methodological note		
	2-5 External assurance		External assurance statement		
	2-6 Activities, value chain and other business relationships		1.2 Ferretti Group profile 2.4 Value creation: figures and achievements		
	2-7 Employees		6.1 Key figures Tables of figures		
	2-8 Workers who are not employees		6.1 Key figures Tables of figures		
	2-9 Governance structure and composition		1.4 Group Governance		
	2-10 Nomination and selection of the highest governance body		1.4 Group Governance		
	2-11 Chair of the highest governance body		1.4 Group Governance		
	2-12 Role of the highest governance body in overseeing the management of impacts		3. The Group's responsibilities: our journey towards sustainability		
	2-13 Delegation of responsibility for managing impacts		1.4 Group Governance		
	2-14 Role of the highest governance body in sustainability reporting		Methodological note		
	2-15 Conflicts of interest		1.4 Group Governance		
	2-16 Communication of critical concerns		1.4 Group Governance		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEGESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body		As of 2023, the Group does not implement any specific training activities for the Board of Directors on sustainable development		
	2-18 Evaluation of the performance of the highest governance body		As of 2023, the Group does not evaluate the Board of Directors' performance in managing the firm's ESG impacts		
	2-19 Remuneration policies		1.4 Group Governance		
	2-20 Process to determine remuneration		1.4 Group Governance		
	2-21 Annual total compensation ratio		1.4 Group Governance		
	2-22 Statement on sustainable development strategy		Welcome message from our CEO		
	2-23 Policy commitments		1.4 Group Governance 5.2 Environmental impacts 6.2 Training and Development		
	2-24 Embedding policy commitments		Compliance with policy commitments is guaranteed by various company bodies: the ESG Committee which, in carrying out its tasks, also monitors compliance with the commitments defined in company policies; the Supervisory Board in the field of Model 231 and related documents; the shipyards representatives, for compliance with regulations in the field of environmental compliance (ISO 14001)		
	2-25 Processes to remediate negative impacts		Apart from the Whistleblowing procedure, there are no other measures implemented to remediate to negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns	B7.2	1.4 Group Governance		
	2-27 Compliance with laws and regulations ²⁵	GD A1	No incidents of non-compliance with law and regulations occurred during the three-year reporting period		

25 The GRI 2-27 defines as Laws and Regulations:
 - international declarations, conventions, and treaties;
 - national, subnational, regional, and local regulations;
 - binding voluntary agreements made with regulatory authorities and developed as a substitute for implementing a new regulation;
 - voluntary agreements (or covenants), if the organization directly joins the agreement, or if public agencies make the agreement applicable to organizations in their territory through legislation or regulation.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 2: General Disclosures 2021	2-28 Membership associations		3. The Group's responsibilities: our journey towards sustainability		
	2-29 Approach to stakeholder engagement		3. The Group's responsibilities: our journey towards sustainability 3.1 The Ferretti Group's stakeholders 3.2 The materiality analysis		
	2-30 Collective bargaining agreements		Tables of figures		
ECONOMIC PERFORMANCE INDICATORS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics		3.2 The materiality analysis	Reasons for omission are not permitted for these disclosures	
	3-2 List of material topics		3.2 The materiality analysis		
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B7	3.3 ESG Risk Management 1.4 Group Governance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	KPI B8.2	2.4 Value creation: figures and achievements		
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B7	3.3 ESG Risk Management 1.4 Group Governance		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	KPI B5.1	2.4 Value creation: figures and achievements		
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B7	3.3 ESG Risk Management 1.4 Group Governance		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	KPI B7.1 KPI B7.2 KPI B7.3	1.4 Governance del Gruppo		
ENVIRONMENTAL PERFORMANCE INDICATORS					
MATERIALS					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. A2	5.2 Environmental Impacts		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	KPI A2.5	4.1 Research, innovation and sustainability Tables of figures		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
ENERGY					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. A2	5.2 Environmental Impacts		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	KPI A2.1	5.2.1 Energy and climate footprint Tables of figures		
	302-3 Energy Intensity	KPI A2.1	Tables of figures		
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. A2	5.2.3 Water: a precious resource		
GRI 303: Water and Effluents 2018	303-1 Interaction with water as shared resource	G.D. A2	5.2.3 Water: a precious resource		
	303-3 Water withdrawal	KPI A2.2 KPI A2.4	5.2.3 Water: a precious resource Tables of figures None of the Ferretti Group sites is located in an area of water stress		
BIODIVERSITY					
GRI 3: Material Topics 2021	3-3 Management of material topics		5.2 Environmental impacts		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		5.2.5 Biodiversity		
EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. A1 G.D. A4	5.2.1 Energy and climate footprint		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	KPI A1.1 KPI A1.2	Tables of figures		
	305-2 Energy indirect (Scope 2) GHG emissions	KPI A1.1 KPI A1.2	Tables of figures		
	305-4 GHG emissions intensity	KPI A1.2	Tables of figures		
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	KPI A1.1	5.2.2 Polluting atmospheric emissions monitoring and reduction Tables of figures		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
WASTE					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. A1 G.D. A3	5.2.4 Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	KPI A3.1	5.2.4 Waste		
	306-3 Waste generated	KPI A1.3 KPI A1.4	5.2.4 Waste Tables of figures		
	306-4 Waste diverted from disposal	KPI A1.3 KPI A1.4	5.2.4 Waste Tables of figures		
	306-5 Waste directed to disposal	KPI A1.3 KPI A1.4	5.2.4 Waste Tables of figures		
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B5	2.4 Value creation: figures and achievements 3.3 ESG Risk Management		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	KPI B5.2 KPI B5.3 KPI B5.4	2.4 Value creation: figures and achievements		
SOCIAL PERFORMANCE INDICATORS					
EMPLOYMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B1	6.4 Company welfare and industrial relations		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	KPI B1.2	Tables of figures		
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B2	6.3 Health & Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	G.D. B2 KPI B2.3	6.3 Health & Safety		
	403-2 Hazard identification, risk assessment, and incident investigation	G.D. B2	6.3 Health & Safety		
	403-3 Occupational health services	KPI B2.3	6.3 Health & Safety		
	403-4 Worker participation, consultation, and communication on occupational health and safety		6.3 Health & Safety		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	KPI B2.3	6.3 Health & Safety		
	403-6 Promotion of worker health		6.4 Company welfare and industrial relations		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	KPI B2.3	6.3 Health & Safety		
	403-8 Workers covered by an occupational health and safety management system		6.3 Health & Safety		
	403-9 Work-related injuries	KPI B2.1 KPI B2.2	6.3 Health & Safety Tables of figures		
	403-10 Work-related ill health	KPI B2.1	6.3 Health & Safety Tables of figures		
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B1	6. Our People: pride, passion and belonging		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	KPI B1.1	Tables of figures		
NON-DISCRIMINATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B1	6. Our People: pride, passion and belonging		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	G.D. B1	6. Our People: pride, passion and belonging No incidents of discrimination occurred during the three-year reporting period		
CHILD LABOUR					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B4	1.4 Group Governance		
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	KPI B4.1 KPI B4.2	1.4 Group Governance		
FORCED OR COMPULSORY LABOUR					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B4	1.4 Group Governance		
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	KPI B4.1 KPI B4.2	1.4 Group Governance		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REFERENCE TO HKEXESG REPORTING GUIDE	LOCATION	OMISSION	
				REQUIREMENT(S) OMITTED	REASON EXPLANATION
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B5	2.4 Value creation: figures and achievements		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	KPI B5.2 KPI B5.3	2.4 Value creation: figures and achievements		
CUSTOMER HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B6 KPI B6.4	2.3 Customer relations		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	G.D. B6 KPI B6.1 KPI B6.2	No incidents occurred during the three-year reporting period		
MARKETING AND LABELLING					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B6	4.2 Quality system		
GRI 417: Marketing and Label- ling 2016	417-3 Incidents of non-compliance concerning marketing communications	G.D. B6 KPI B6.3	No incidents occurred during the three-year reporting period		
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	3-3 Management of material topics	G.D. B6	2.3 Customer relations		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	KPI B6.5	2.3 Customer relations No incidents occurred during the three-year reporting period		
COMMUNITY INVESTMENTS					
Non GRI Topics		G.D. B8 KPI B8.1 KPI B8.2	6.5 Local initiatives		
		KPI B5.1	2.4 Value creation: figures and achievements		
RESEARCH AND DEVELOPMENT					
Non GRI Topics			4. Luxury and innovation: the Quality and Exclusivity of our Products		

Tables of figures

Environmental data – Energy – GRI 302-1

ENERGY SOURCE	MEASUREMENT UNIT	2021	2022	2023
NATURAL GAS	GJ	77,768	56,896	61,715
DIESEL (site use)	GJ	37,703	49,296	51,444
DIESEL (vehicle fleet)	GJ	16,142	17,325	16,239
PETROL (site use)	GJ	2,157	2,355	1,802
LPG (site use)	GJ	52	52	31
ELECTICITY PURCHASED FROM THE GRID	GJ	54,489	56,637	64,269
ELECTRICITY FROM AUTOPRODUCTION	GJ	1,727	2,365	3,234
DISTRICT HEATING	GJ	8,546	9,814	8,901
TOTAL	GJ	198,583	194,740	207,635

Environmental data – GHG emissions – GRI 305-1, 305-2

CATEGORY	MEASUREMENT UNIT	2021	2022	2023
SCOPE 1	ton CO_{2e}	8,615	8,567	9,222
From gas	ton CO _{2e}	4,371	3,198	3,488
From diesel (site use)	ton CO _{2e}	2,823	3,798	3,830
From diesel (vehicle fleet)	ton CO _{2e}	1,209	1,335	1,209
From petrol (site use)	ton CO _{2e}	152	164	127
From LPG (site use)	ton CO _{2e}	3	3	2
From f-gas refills	ton CO _{2e}	57	68	565
SCOPE 2, LOCATION BASED	ton CO_{2e}	5,275	5,523	6,190
From electricity	ton CO _{2e}	4,870	5,058	5,746
From district heating	ton CO _{2e}	405	465	444
SCOPE 2, MARKET BASED	ton CO_{2e}	7,320	7,640	8,586
From electricity	ton CO _{2e}	6,915	7,174	8,142
From district heating	ton CO _{2e}	405	465	444

Environmental Data - Energy and emissions Intensity - GRI 302-4, 305-4

ENERGY INTENSITY	MEASUREMENT UNIT	2021	2022	2023
Revenue	GJ / Euro million	214.1	181.6	183.0

EMISSIONS INTENSITY	MEASUREMENT UNIT	2021	2022	2023
Revenue	tCO _{2e} (Sc.1 + Sc.2 Location-Based) / Euro million	15.0	13.1	13.6

Environmental Data - Pollutant emissions - GRI 305-7

POLLUTING ATMOSPHERIC EMISSIONS²⁶	MEASUREMENT UNIT	2021	2022	2023
NO _x	kg	1,309	1,110	1,575
Volatile Organic Compounds (VOC)	kg	6,099	8,608	49,540
Particles (PM)	kg	140	77	1,134
Hazardous Air Pollutant (HAP)	kg	49	115	130
Heavy metals	kg	0	0	4,358
TOTAL	kg	7,597	9,910	56,736

Environmental Data - Water - GRI 303-3

WATER WITHDRAWAL BY SOURCE²⁷	MEASUREMENT UNIT	2021	2022	2023
Total withdrawn from groundwater (e.g., wells)	m ³	58,036	60,827	63,369
Total withdrawn from third parties (e.g., mains water)	m ³	46,032	51,060	66,467
TOTAL	m³	104,068	111,887	129,836

26 Group pollutant emissions data reported in the table do not include figures for the Fort Lauderdale shipyard (FL, USA). The pollutant emission data for Zago and F.lli Canalicchio sites are estimates based on 2022 figures, since the data for 2023 are not yet available. Regarding all other sites, pollutant emissions have been measured during period assessments.

27 2021 and 2022 data have been updated, compared to the previous Sustainability Report, for a refinement of the calculation methodology.

Environmental Data - Water Intensity

WATER INTENSITY	MEASUREMENT UNIT	2021	2022	2023
Revenue	m ³ / Euro million	112.2	104.3	114.4

Environmental Data - Waste²⁸ - GRI 306-3, 306-4, 306-5

HAZARDOUS WASTE	MEASUREMENT UNIT	2021	2022	2023
Forlì	kg	70,910	148,263	100,772
Ancona CL	kg	71,400	68,410	75,350
Mondolfo	kg	48,104	57,157	69,320
La Spezia	kg	26,478	35,380	45,271
Cattolica	kg	15,920	14,470	19,300
Ancona FSY	kg	10,860	10,490	15,272
Sarnico	kg	12,240	13,140	10,810
Zago S.p.A.	kg	7,270	7,580	11,065
R.A.M. S.p.A.	kg	N/A	3,640	2,151
Il Massello S.r.l.	kg	N/A	N/A	23
F.lli Canalicchio S.p.A.	kg	N/A	N/A	0
TOTAL	kg	263,182	358.530	349,334

NON-HAZARDOUS WASTE	MEASUREMENT UNIT	2021	2022	2023
Forlì	kg	1,048,860	1,636,667	1,131,080
Ancona CL	kg	356,570	453,040	500,390
Mondolfo	kg	328,880	499,720	531,130
La Spezia	kg	514,720	468,090	623,605
Cattolica	kg	61,150	251,150	333,220
Ancona FSY	kg	236,830	253,690	420,070
Sarnico	kg	146,600	152,090	185,010
Zago S.p.A.	kg	284,170	298,790	336,580

28 Group waste data reported in the tables do not include figures for the Fort Lauderdale shipyard (FL, USA).

R.A.M. S.p.A.	kg	N/A	38,950	58,186
Il Massello S.r.l.	kg	N/A	N/A	193,672
F.lli Canalicchio S.p.A.	kg	N/A	N/A	61,595
TOTAL	kg	2,977,780	4,052,187	4,374,538

Environmental Data - Material²⁹ - GRI 301-1

ZAGO S.P.A. MATERIALS

MATERIALS	MEASUREMENT UNIT	2021	2022	2023
RENEWABLE MATERIALS				
Poplar plywood	m ³	174.54	203.01	187.63
MDF and chipboard	m ³	27.28	25.96	27.43
Okoume plywood	m ³	185.33	332.63	271.49
Okoume composite plywood	m ³	232.52	358.61	230.26
Blockboard exotic wood	m ³	5.48	0	0
Fir timber	m ³	84.6	58.7	98.89
European hardwood timber	m ³	15.31	12	7.19
Exotic woods planks	m ³	33.03	23.48	38.36
Veneer and alpi blocks	m ³	21	23.32	32.56
Silicate panels	m ³	275.47	201.99	122.95
Wood veneer	m ³	13.69	6.99	13.18
Cardboard	kg	3,755	4,765	3,500
NON-RENEWABLE MATERIALS				
Plastic	kg	7,963	9,346	8,192

29 Material data reported in the tables include only figures for Zago S.p.A.

Social Data – Staff breakdown (headcount at 31.12.2023) – GRI 2-7

FERRETTI GROUP				
CONTRACT TYPE	GENDER	2021	2022	2023
Permanent contract	Female	230	252	280
	Male	1,305	1,361	1,569
	Other	0	0	0
	Not disclosed	0	0	0
	Total	1,535	1,613	1,849
Temporary contract	Female	18	11	17
	Male	46	68	103
	Other	0	0	0
	Not disclosed	0	0	0
	Total	64	79	120
Non-guaranteed hours employees	Female	0	0	0
	Male	0	0	2
	Other	0	0	0
	Not disclosed	0	0	0
	Total	0	0	2
TOTAL		1,599	1,692	1,971

CONTRACT TYPE	REGION	EMEA			AMAS			APAC		
		GENDER	2021	2022	2023	2021	2022	2023	2021	2022
Permanent contract	Female	204	226	254	22	22	22	4	4	4
	Male	1,269	1,321	1,527	32	37	39	4	3	3
	Other	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0
	Total	1,473	1,547	1,781	54	59	61	8	7	7

Temporary contract	Female	18	11	17	0	0	0	0	0	0
	Male	46	68	102	0	0	0	0	0	1
	Other	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0
	Total	64	79	119	0	0	0	0	0	0
Non-guaranteed hours employees	Female	0	0	0	0	0	0	0	0	0
	Male	0	0	2	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0
	Total	0	0	2	0	0	0	0	0	0
TOTAL	1,537	1,626	1,902	54	59	61	8	7	8	

FERRETTI GROUP

CONTRACT TYPE	GENDER	2021	2022	2023
Full-time	Female	242	254	287
	Male	1,345	1,422	1,664
	Other	0	0	0
	Not disclosed	0	0	0
	Total	1,587	1,676	1,951
Part-time	Female	6	9	10
	Male	6	7	10
	Other	0	0	0
	Not disclosed	0	0	0
	Total	12	16	20
TOTAL		1,599	1,692	1,971

		EMEA			AMAS			APAC		
CONTRACT TYPE	GENDER	2021	2022	2023	2021	2022	2023	2021	2022	2023
Full-time	Female	217	228	261	21	22	22	4	4	4
	Male	1,309	1,382	1,621	32	37	39	4	3	4
	Other	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0
	Total	1,526	1,610	1,882	53	59	61	8	7	8
Part-time	Female	5	9	10	1	0	0	0	0	0
	Male	6	7	10	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0
	Total	11	16	20	1	0	0	0	0	0
TOTAL		1,537	1,626	1,902	54	59	61	8	7	8

Social Data – Employees by age group and gender (headcount at 31.12.2023) – GRI 405-1

		FERRETTI GROUP											
		2021				2022				2023			
		<30	31-50	>50	TOT.	<30	31-50	>50	TOT.	<30	31-50	>50	TOT.
Manager	Male	0	74	27	101	0	63	30	93	0	62	45	107
	Female	1	17	9	27	0	16	10	26	0	10	12	22
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0	0	0	0
	Total	1	91	36	128	0	79	40	119	0	72	57	129

White collars	Male	45	209	50	304	63	221	57	341	81	266	67	414
	Female	27	128	28	183	32	130	32	194	39	147	41	227
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0	0	0	0
	Total	72	337	78	487	95	351	89	535	120	413	108	641
Blue collars	Male	42	535	369	946	78	536	381	995	136	571	446	1,153
	Female	2	24	12	38	2	27	14	43	2	27	19	48
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0	0	0	0
	Total	44	559	381	984	80	563	395	1,038	138	598	465	1,201
Total	Male	87	818	446	1,351	141	820	468	1,429	217	899	558	1,674
	Female	30	169	49	248	34	173	56	263	41	184	72	297
	Other	0	0	0	0	0	0	0	0	0	0	0	0
	Not disclosed	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	117	987	495	1,599	175	993	524	1,692	258	1,083	630	1,971	

Social data – Employees covered by collective bargaining agreements - GRI 2-30

FERRETTI GROUP

EMPLOYEES	MEASUREMENT UNIT	2021	2022	2023
Total number of employees on December 31	n.	1,599	1,692	1,971
Number of employees covered by collective bargaining agreements	n.	1,537	1,626	1,902
Percentage of employees covered by collective bargaining agreements	%	96%	96%	96%

All employees from the EMEA region are covered by collective bargaining agreements. Employees from the AMAS and APAC region, although not officially covered, are granted with similar working conditions and terms of employment, and their contracts respect local laws and regulation on the matter.

Social data - New hires during the reporting period - GRI 401-1

NEW HIRES		FERRETTI GROUP		
GENDER	AGE GROUP	2021	2022	2023
Female	<30	16	13	23
	31-50	18	29	30
	>50	0	3	5
	Total	34	45	58
Male	<30	45	72	100
	31-50	65	92	136
	>50	12	20	30
	Total	122	184	266
Other	<30	0	0	0
	31-50	0	0	0
	>50	0	0	0
	Total	0	0	0
Not disclosed	<30	0	0	0
	31-50	0	0	0
	>50	0	0	0
	Total	0	10	0
TOTAL NEW HIRES		156	229	324
HIRING RATE		9.8%	13.5%	16.4%

NEW HIRES		EMEA			AMAS			APAC		
GENDER	AGE GROUP	2021	2022	2023	2021	2022	2023	2021	2022	2023
Female	<30	14	11	21	1	1	1	1	1	1
	31-50	15	22	28	3	6	2	0	1	0
	>50	0	2	4	0	1	1	0	0	0
	Total	29	35	53	4	8	4	1	2	1
Male	<30	45	70	97	0	2	2	0	0	1
	31-50	57	82	126	8	10	9	0	0	1
	>50	10	16	25	2	4	4	0	0	1
	Total	112	168	248	10	16	15	0	0	3
Other	<30	0	0	0	0	0	0	0	0	0
	31-50	0	0	0	0	0	0	0	0	0
	>50	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0
Not disclosed	<30	0	0	0	0	0	0	0	0	0
	31-50	0	0	0	0	0	0	0	0	0
	>50	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0
TOTAL NEW HIRES		141	203	301	14	24	19	1	2	4
HIRING RATE		9.2%	12.5%	15.8%	25.9%	40.7%	31.1%	12.5%	28.6%	50.0%

Social data - Employee departures during the reporting period - GRI 401-1

DEPARTURES		FERRETTI GROUP		
GENDER	AGE GROUP	2021	2022	2023
Female	<30	5	5	5
	31-50	18	22	22
	>50	5	3	4
	Total	28	30	31
Male	<30	15	8	31
	31-50	27	54	61
	>50	24	44	46
	Total	66	106	138
Other	<30	0	0	0
	31-50	0	0	0
	>50	0	0	0
	Total	0	0	0
Not disclosed	<30	0	0	0
	31-50	0	0	0
	>50	0	0	0
	Total	0	10	0
TOTAL DEPARTURES		94	136	169
TURNOVER RATE		5.9%	8.0%	8.6%

DEPARTURES		EMEA			AMAS			APAC		
GENDER	AGE GROUP	2021	2022	2023	2021	2022	2023	2021	2022	2023
Female	<30	5	4	4	0	1	0	0	0	1
	31-50	14	14	19	4	6	3	0	2	0
	>50	5	2	3	0	1	1	0	0	0
	Total	24	20	26	4	8	4	0	2	1
Male	<30	14	8	30	0	0	1	1	0	0
	31-50	23	44	52	2	9	9	2	1	0
	>50	23	42	41	1	2	3	0	0	2
	Total	60	94	123	3	11	13	3	1	2
Other	<30	0	0	0	0	0	0	0	0	0
	31-50	0	0	0	0	0	0	0	0	0
	>50	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0
Not disclosed	<30	0	0	0	0	0	0	0	0	0
	31-50	0	0	0	0	0	0	0	0	0
	>50	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0
TOTAL DEPARTURES		84	114	149	7	19	17	3	3	3
TURNOVER RATE		5.5%	7.0%	7.8%	13.0%	32.2%	27.9%	37.5%	42.9%	37.5%

*Social data – Health & Safety*³⁰

WORK-RELATED INJURIES	M.U.	2021	2022	2023
EMPLOYEES				
Employee worked hours	n.	2,660,838	2,775,405	3,205,134
Total number of recordable work-related injuries	n.	31	33	27
of which commuting incidents	n.	0	1	0
of which high-consequence work-related injuries	n.	0	2	0
of which fatalities	n.	0	0	0
Rate of recordable work-related injuries	-	11.65	11.89	8.42
Rate of high-consequence work-related injuries	-	0.0	0.7	0.0
Rate of fatalities	-	0.0	0.0	0.0
Lost workdays due to injuries	n.	N/A	757	937
EMPLOYEES				
WORK-RELATED ILL HEALTH	M.U.	2021	2022	2023
Cases of recordable work-related ill health	n.	8	13	5
Fatalities resulting from work-related ill health	n.	0	0	0

30 H&S data reported in the tables do not include figures for workers who are not employees.



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For the document compliant with articles 3 and 4 of Legislative Decree 254/2016 and the GRI standards,
please refer to the 2023 Annual Report.