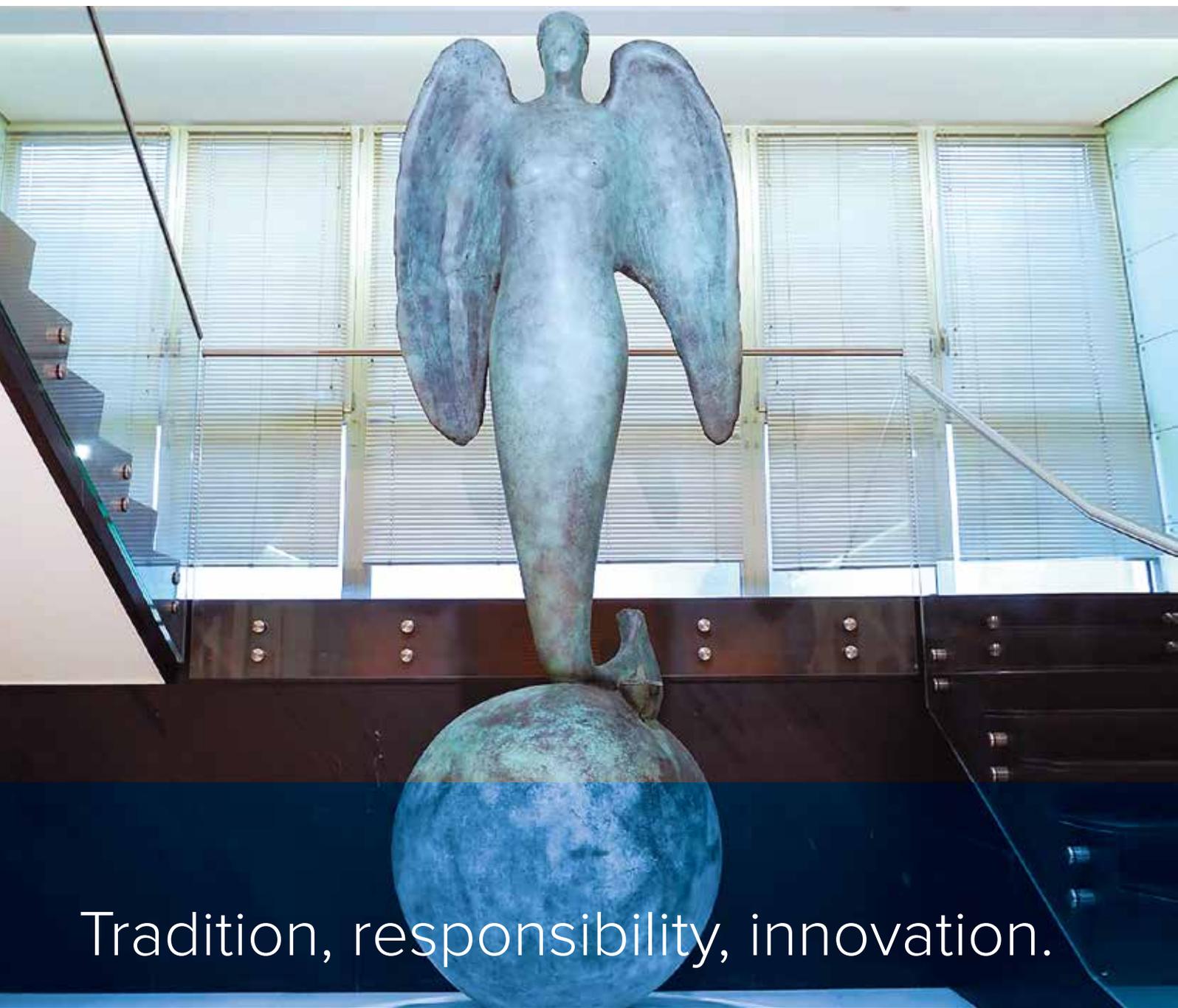




sustainability  
**REPORT**  
2019



GRIMALDI GROUP  
[www.grimaldi.napoli.it](http://www.grimaldi.napoli.it)



Tradition, responsibility, innovation.



GRIMALDI GROUP

2019  
Sustainability  
REPORT



## Summary

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# 1 Letter to stakeholders

Dear Stakeholder,

in presenting the 2019 Sustainability Report, we are pleased to note that at the end of the financial year the Grimaldi Group was awarded the “Excellence in decarbonisation towards 2050” prize by the prestigious magazine *Lloyd's List*.

This award is the most tangible embodiment of our commitment to sustainability. We can mention by way of example the Group's initiatives regarding the use of alternative energy sources through the utilisation of mega batteries and solar panels and our experimentation with hydrogen-powered handling equipment, as well as a new series of cutting-edge hybrid Ro-Ro ships that feature some of the lowest CO<sub>2</sub> emissions ever achieved.

**The Grimaldi Group believes that investing in environmental sustainability is strategic for many reasons, specifically: to develop company awareness/culture/will, to gain efficiency by reducing energy costs, to be prepared to comply with increasingly stringent international legislation and to reduce waste and corporate risks (legal disputes, reputational aspects, etc.). In the coming years, environmental awareness will also play an increasingly bigger role in influencing CSR ratings and the perception that communities have of industry.**

In terms of economic wealth produced, in 2019, the Group exceeded the €3 billion turnover threshold for the second year in a row, with an increase of over €100 million compared to 2018 (+4%) and a significant increase in EBITDA (approximately +24%). Of this amount, over 80% was distributed among suppliers, employees, lenders, the Public Administration and the social community.

The Grimaldi fleet is made up of over 130 ships, 118 of which are directly owned, with an average age of approximately 14 years (significantly lower than the average for the industry and the useful life of the ships). These are modern and technologically advanced ships that are deployed on regular lines, in a network connecting over 140 ports in 50 countries and 4 continents.

The programme to upgrade and expand the fleet continued in 2019 with the delivery to Grimaldi Euromed, in September, of the Pure Car & Truck Carrier (PCTC)

*Grande Mirafiori* from the Chinese shipyard Yangfan, the second of seven sister vessels commissioned by the Group. This is one of the biggest PCTC vessels on the market that can transport around 7,600 CEU (Car Equivalent Units) or, alternatively, 5,400 linear metres of rolling units and 2,737 CEU. From an environmental point of view, this is a highly efficient ship, fitted with an electronically-controlled Man Energy Solutions engine, as required by the new standards for the reduction of nitrogen oxide (NO<sub>x</sub>) emissions, and with an exhaust gas purification system for cutting sulphur oxide (SO<sub>x</sub>) emissions.

An additional 12 GG5G (Grimaldi Green 5<sup>th</sup> Generation) Ro-Ro ships will join the fleet, starting from summer 2020, amounting to a total investment of over USD 800 million. These represent a new generation of Ro-Ro ships with a gross tonnage of 64,000 t, able to transport 7,800 linear metres of rolling units on 5 decks. They will be fitted with hybrid Rolls-Royce propulsion systems able to integrate the functionality of classic marine engines with large lithium batteries that will allow us to reduce emissions to zero when in port. Their garages will have a loading capacity twice in respect of the largest vessels currently operated by the Group and three times that of the previous generation of Ro-Ro ships, while consuming the same amount of fuel. Furthermore, they will be fitted with exhaust gas purifiers (scrubbers) and have 600 square metres of solar panels for energy production.

During 2019, the Grimaldi Group completed the works to lengthen and renovate the flagships *Cruise Roma* and *Cruise Barcelona* at the Fincantieri shipyard in Palermo. The two vessels can now accommodate 3,500 passengers in 499 cabins (amounting to a total of 1,994 beds) and 600 comfortable reclining seats. From a technological perspective, cutting-edge solutions have been implemented to reduce the environmental impact and save energy. Specifically, four exhaust gas purification systems have been installed to cut sulphur emissions by up to 0.1% and to reduce particulate matter by 80%. The ships also have a lithium mega battery system to power them during port stopovers.

The Group is continuing to install scrubber systems in order to comply with the international IMO 2020 regulation that establishes sulphur emission limits from

1 January 2020. In 2019, scrubber systems were installed on 20 ships of the fleet for a total of 52 ships starting from 2018. The 2018 – 2020 investment plan will be completed with 31 more installations, amounting to a total investment of approximately €150 million.

In 2019, the Group joined the European “H2PORTS – Implementing Fuel Cells and Hydrogen Technologies in Ports” project, which will test the use of a tractor for moving rolling units in the port of Valencia. Our subsidiary Valencia Terminal Europa will thus become one of the first European port structures to use hydrogen-fuelled machinery to significantly reduce its environmental impact.

Our desire to contribute to protecting and enhancing the marine environment is attested to by our decision to adhere to the "SAILS" (Sustainable Actions for Innovative and Low-impact Shipping) charter.

This is an initiative that was launched last July 2019 by the French Ministry of Ecological and Solidarity Transition, with the support of Armateurs de France (the French Shipowners' Association).

The Grimaldi Group is the first Italian shipping company to have joined, thereby committing itself to implementing specific actions, such as reducing emissions of atmospheric pollutants and greenhouse gases, reducing the impact of underwater noise from ships, optimising vessels' energy performance, fighting invasive species and protecting cetaceans.

**The global economic crisis caused by the COVID-19 pandemic has left no industry untouched, however the Grimaldi Group is showing extraordinary resilience.**

The COVID-19 pandemic has created an economic crisis across countries, production sectors and social classes, indiscriminately taking everyone by surprise.

The Grimaldi Group is not immune to the effects of a crisis that has affected - to various extents - the sectors in which it operates and, in particular, the transport of passengers and new cars. Nevertheless, it is demonstrating a strong capacity to adapt, which has allowed it to maintain significant levels of operating profitability in the first quarter of the current year, which are just below the levels recorded for the same period in 2019. In recent months, the continuity of transport services has been guaranteed without compromising our ability to protect the health and safety of our employees and passengers.

The individual companies of the Group and the Grimaldi Foundation Onlus have actively contributed to countering the effects of the COVID-19 pandemic and the social and economic hardship it has caused. The Group has made two donations in Spain (amounting to a total of approximately €200,000) to the Red Cross of the Valencian Community to promote the Red Cross Response Plan, an aid program that aims to tackle the

consequences of COVID-19, and to the Clínic Hospital Foundation in Barcelona to develop and purchase equipment and for projects related to carrying out immunity tests on professionals and patients.

For its part, the Grimaldi Foundation Onlus has invested over €700,000 to purchase the latest-generation machinery for the Cotugno and Cardarelli hospitals in Naples. Furthermore, the China-Italy Philanthropy Forum, of which the non-profit Foundation is an active part, has organised a humanitarian air bridge aimed at accelerating the arrival of donations and supplies of medical and sanitary equipment to fight COVID-19 from Beijing.

The non-profit Foundation has also decided to support other Mediterranean countries in the battle against the pandemic by allocating approximately €100,000 to purchase two General Electric 4D Ultrasound Machines for the Department of Gynaecology and Obstetrics of the Mater Dei Hospital in Malta, while a further €100,000 has been donated to the General University Hospital in Heraklion, on the island of Crete, where the COVID-19 unit is located.

**The Grimaldi Foundation Onlus, which was founded in 2007, at the behest of Emanuele Grimaldi and the Grimaldi family, is the leading private family foundation in central and southern Italy in terms of the amounts disbursed, which are used exclusively for social solidarity purposes.**

In 2019, the Foundation disbursed €2.2 million on social projects and finalised the purchase of the former Bianchi institute for over €10 million. This is one of the oldest and most prestigious buildings in the centre of Naples. It is spread over more than 11,000 m<sup>2</sup>, which will be assigned to house the activities of the Family School, in service of the neighbourhood, the city of Naples and its families.

Our focus on human capital, with particular reference to both our administrative and maritime employees, is an integral part of our sustainability strategy.

The Grimaldi Group is strongly rooted in all the main European countries in which it operates. Out of its approximately 16,000 employees all over the world, around 12,600 are European citizens. The majority of the suppliers that the Group works with are also European, 46% of which are Italian, 19% Finnish and 27% from other European countries.

10 July 2020

Gian Luca Grimaldi  
President



## 2 Methodological information

The Grimaldi Group Sustainability Report, as at 31 December 2019, was prepared in compliance with the GRI “Sustainability Reporting Standards”, which were issued in 2016 by the GRI-Global Reporting Initiative in accordance with the “core” application.

This is the fifth Sustainability Report the Group has prepared and represents a continuation of the process of transparent reporting and management of sustainability issues started in 2015.

The identification of the significant aspects to be included within the document involved a materiality process, in line with the provisions of the aforementioned guidelines and in consideration of the principles of stakeholder-inclusion, completeness and analysis of the relevant context.

The “GRI Content Index”, which summarises the content of the Report in reference to the GRI indicators, is given at the end of this document.

The document was prepared on the basis of the Group’s objectives in relation to sustainability performance and recognition of results achieved. The

figures were calculated individually on the basis of the general accounting figures and the Group’s other IT systems. In the case of estimates, the method used to quantify indexes is provided.

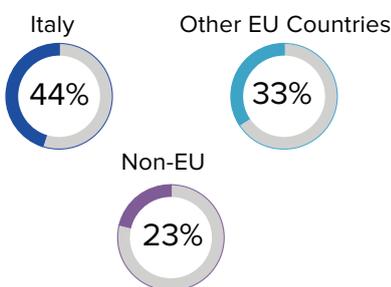
The Report shows, if not otherwise indicated, the situation related to the 3-year period 2017-2019, in order to provide readers with a point of comparison for economic, social, environmental and governance performance. After reporting on the indicators regarding the new GRI Standards, all the figures for 2017-2019 were restated in light of the new requirements of the reporting standard. Any relevant limitations are indicated within the document on a case-by-case basis.

Lastly, the Grimaldi Group has chosen to prepare a report of its accident data for the three-year period considered using the new GRI 403 Standard, published by the Global Reporting Initiative (GRI) in 2018, which replaces the version published in 2016.

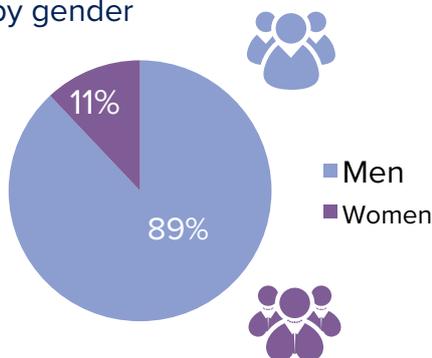
For more information on the perimeter, please see “The reporting perimeter” paragraph in the Appendix.

# A year in a page: 3 our 2019

## Employees subdivided by geographical area



## Employees by gender

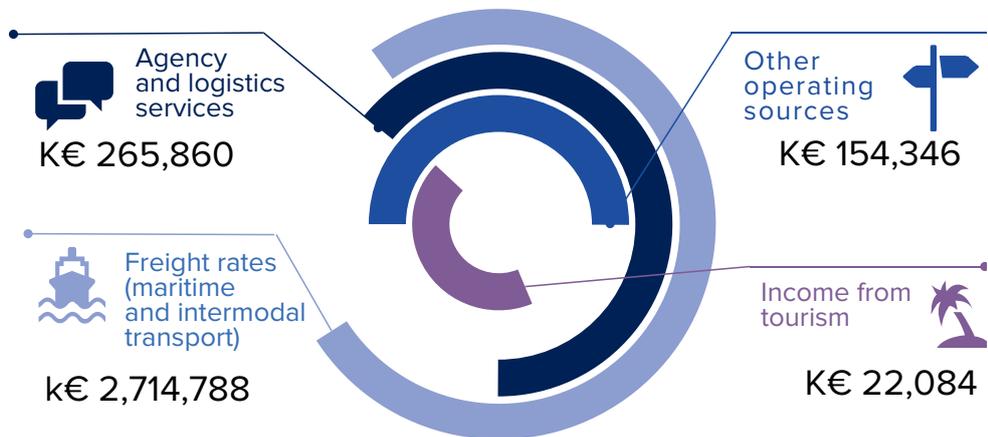




**Fondazione GRIMALDI**

€ 1,601,607  
spent in 2019 by the  
**GRIMALDI FOUNDATION ONLUS**  
on social projects

The Grimaldi Group signed the **SAILS CHARTER**, committing itself - voluntarily - to implement actions to reduce its environmental impact.



**TOTAL GROUP PERSONNEL**



**INDIVIDUALS EMPLOYED in related industries\***



**PASSENGERS**



\*The figure for related industries was calculated using the employment multiplier of 1.72 recorded in the document "The Report on the Maritime Economy – Maritime cluster and development in Italy" (Centro Studi Investimenti Sociali - CENSIS - Centre for Research into Social Investment – for Federazione del Mare [Italian Maritime Federation]).

# 4 The Grimaldi Group

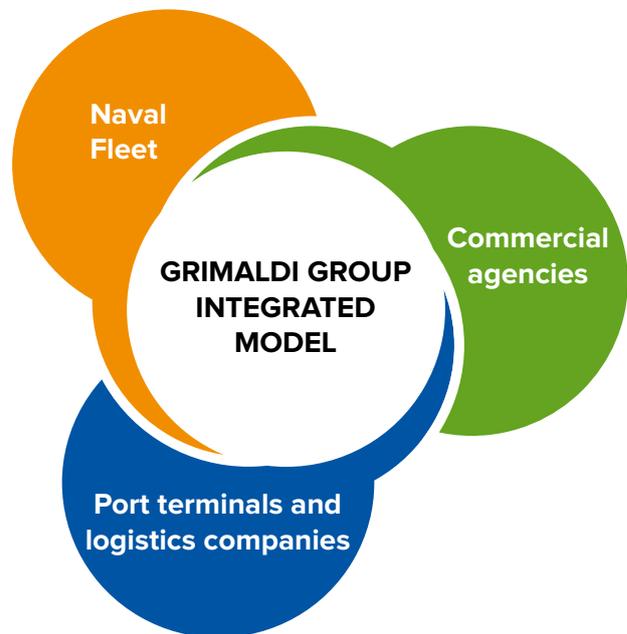
A multinational integrated logistics company, specialized in the maritime transport of vehicles, rolling cargo, containers and passengers

The Grimaldi Group is a perfectly integrated polycentric multinational business, which invests to keep its fleet modern, introduce new technologies and develop a network of port terminals. The Group mainly uses owned vessels to transport cargoes sourced directly from the market. Thanks to these characteristics, the Group is well known in the market as an industrial operator and world leader among Ro-Ro shipping companies. As such, the Group is a reliable partner for customers ranging from multinational car and rolling stock manufacturers to road haulage companies.

The Group has adopted a growth strategy by following an industrial approach centred on the following:

- ploughing back profits;
- an in-depth knowledge of the market and the business, which translates into the ability to react rapidly to market changes;
- the ability to design and deploy vessels that are extremely flexible in terms of cargo mix, thus less exposed to volatility in single market segments;
- commercial coverage of various geographic areas (Mediterranean Sea, Northern Europe, the Baltic, West Africa, North America and South America);
- ongoing attention to energy efficiency, so as to limit the environmental impact from vessels;
- social responsibility, which is shown in the annual allocation of a portion of profits to the non-profit Grimaldi Foundation Onlus.

The Group operates a fleet of over 130 ships, 118 of which are directly owned. The Group's owned ships have an average of approximately 14 years (significantly lower than the average for the industry and the vessel's useful life). These are modern and technologically advanced vessels that are deployed on regular lines, in a network connecting over 140 ports in 50 countries and 4 continents.



The ships are managed by six Group companies, while in terms of port and inland logistics, the Group controls or has significant equity shares in 21 port terminals – in the Mediterranean, Northern Europe, the Baltic Sea and West Africa – and in various logistics companies in different countries.

The Group's agency network includes over 90 commercial agencies (of which 32 are directly owned) in Europe, Africa, North and South America, providing extensive penetration in all the main markets.

A diagram is provided below showing the Group's structure, summarising the main Companies subdivided according to their business (shipping, logistics companies—including companies that manage ports and terminals— maritime agencies).

## GRIMALDI GROUP S.P.A

Italy

SHIPPING	LOGISTICS	AGENCIES
Grimaldi Euromed S.p.A <i>Italy</i>	Grimaldi Terminal Euro/Med S.C.p.A <i>Italy</i>	Grimaldi Logistica España S.I. <i>Spain</i>
Grimaldi Deep Sea S.p.A <i>Italy</i>	Valencia Terminal Europa S.I. <i>Spain</i>	Grimaldi Compagnia di Nav. Do Brazil LTDA <i>Brazil</i>
Malta Motorways of the Sea Ltd <i>Malta</i>	Antwerp Lashing & Securing N.V. <i>Belgium</i>	Grimaldi Potrugal LDA <i>Portugal</i>
Atlantic Container Line AB <i>Sweden</i>	C.E.T.A.L. S.r.l. <i>Italy</i>	Grimaldi Togo S.A. <i>Togo</i>
Minoan Lines S.A. <i>Greece</i>	Savona Terminal Auto S.r.l. <i>Italy</i>	Grimaldi Nigeria Ltd <i>Nigeria</i>
Finlines Plc <i>Finland</i>	Scandinavian Auto Logistics A/S <i>Denmark</i>	Grimaldi Maritime Agencies Sweden AB <i>Sweden</i>
	Wallhamn AB <i>Sweden</i>	Grimaldi Agencies UK Ltd <i>United Kingdom</i>
		Grimaldi Logistica Genova S.r.l. <i>Italy</i>
		Marittima Spedizioni S.r.l. <i>Italy</i>
		Grimaldi Benin S.A. <i>Benin</i>
		Grimaldi Compagnia di Nav. Do Brazil LTDA <i>Brazil</i>
		Grimaldi Germany GmbH <i>Germany</i>
		Grimaldi Ghana Ltd <i>Ghana</i>
		Grimaldi Sardegna S.r.l. <i>Italy</i>
		Grimaldi Belgium N.V. <i>Belgium</i>
		Grimaldi Senegal S.A. <i>Senegal</i>
		Michele Autuori S.r.l. <i>Italy</i>
		L.V. Ghianda S.r.l. <i>Italy</i>
		Grimaldi Catania S.r.l. <i>Italy</i>

Atlantic Container Line AB  
*Sweden*

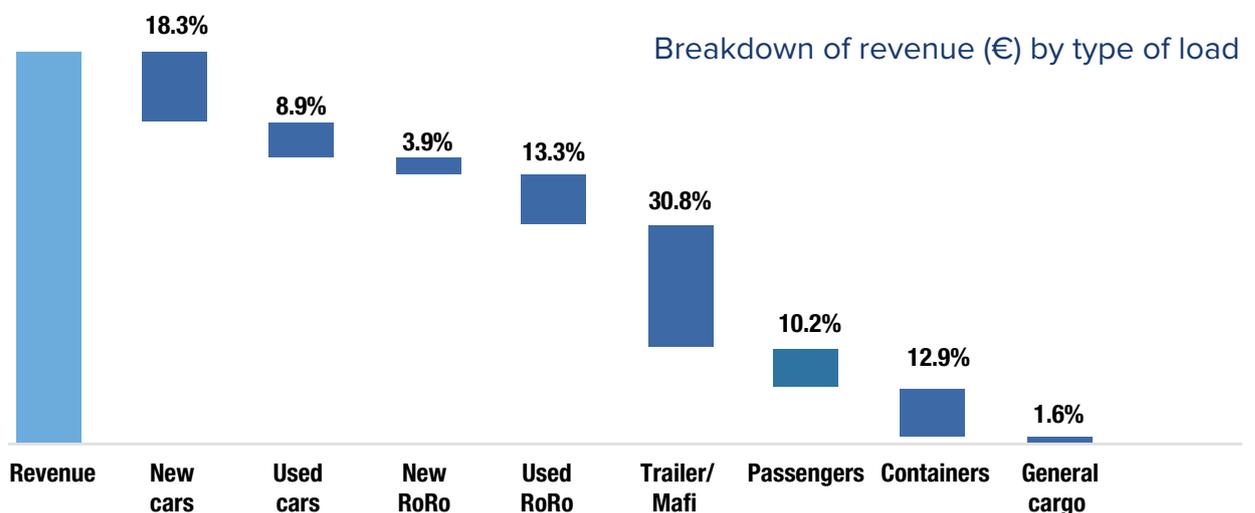
Minoan Lines S.A.  
*Greece*

Finlines Plc  
*Finland*

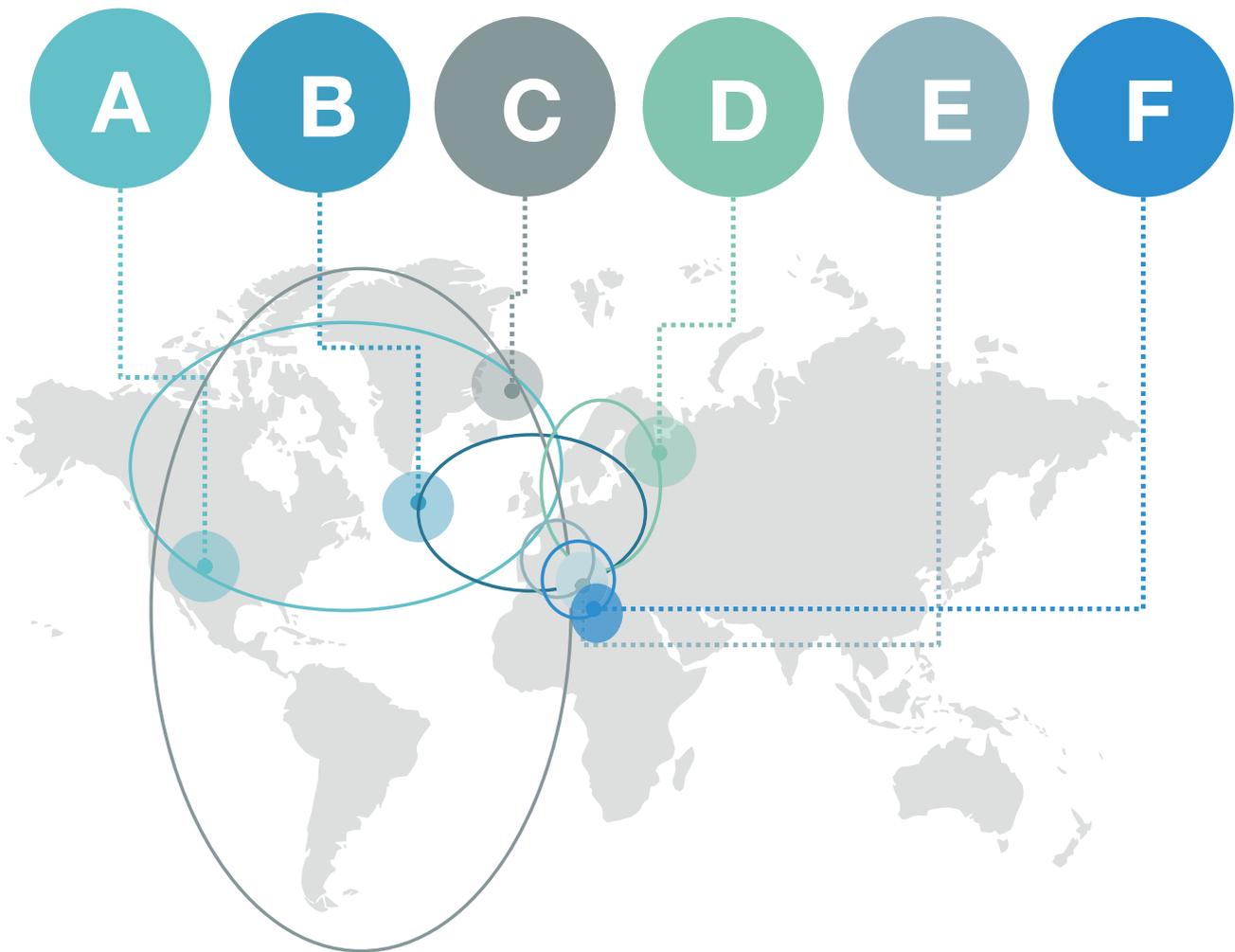
Subholding of a group of companies

The Parent Company Grimaldi Group S.p.A. mainly covers the role as the holding company but continues, albeit in a residual manner, to be the main contractor for certain automotive manufacturers and also pursues its business as a travel agency and tour

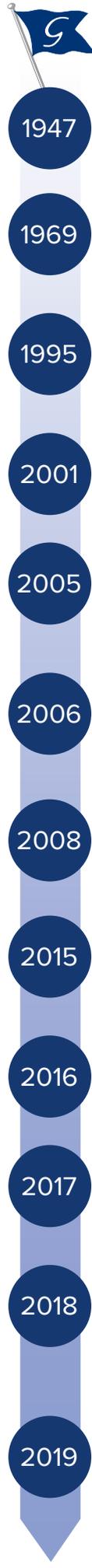
operator, and in this regard it acts as an agent selling passenger tickets for the Group's vessels. Below is a breakdown of the Group's 2019 revenue by type of load.



The Group’s vessels operate on the following routes:



<b>A</b>	<b>ATLANTIC CONTAINER LINE AB (ACL)</b>	It manages maritime lines mainly dedicated to container traffic that connect North America, Northern Europe and West Africa.
<b>B</b>	<b>GRIMALDI EUROMED SPA</b>	It is specialised in the transportation of rolling freight between Northern Europe and the Mediterranean ( <b>Euromed</b> ), on the <b>Motorways of the Sea</b> in the Mediterranean (Short Sea), and in freight transport between the Mediterranean and North America ( <b>Car carriers / MED-AME</b> ), as well as in the transport of passengers in the Mediterranean.
<b>C</b>	<b>GRIMALDI DEEP SEA SPA</b>	It operates in the transport of rolling freight and containers between the ports of Northern Europe, West Africa and South America ( <b>Deepsea</b> ), and in the transport of goods between the Mediterranean and North America ( <b>Car carriers / MED-AME</b> ).
<b>D</b>	<b>FINNLINES PLC</b>	It operates in the transport of goods and passengers between countries on the Baltic coast (Finland, Germany, Sweden, Denmark, Russia, Estonia and Poland), as well as Belgium, Spain and Great Britain.
<b>E</b>	<b>MINOAN LINES S.A.</b>	It provides short-sea shipping services (goods and passengers) between Crete, the islands of the Cyclades and continental Greece.
<b>F</b>	<b>MALTA MOTORWAYS OF THE SEA (MMOS)</b>	This company owns seven ships used mainly for connections between Malta, Sicily and Greece.



*Guido and his brothers Luigi, Mario, Aldo and Ugo Grimaldi create a new ship-owning company, Fratelli Grimaldi SpA, purchasing a Liberty ship.*

*The Group begins a regular connection between Italy and England to transport Fiat cars heading for the British market, quickly gaining the trust of the largest car manufacturers around the world.*

*The brothers Guido, Mario and Aldo Grimaldi decide to separate the Group into two areas (Naples and Genoa). Ugo remains a minority shareholder in the companies based in Naples and Genoa, but later sells all of his equity investments in 1996.*

*The Group acquires ACL (Atlantic Container Line), the leading Ro-Ro operator for connections between Europe and North America (later delisted from the Oslo stock market).*

*The Group sets up Malta Motorways of the Sea (which offers connections between Italy and Malta), after the state controlled company Sea Malta goes bankrupt.*

*The Group acquires control over Finnlines, a Finnish company listed on the Helsinki Stock Market, a leader in the Baltic and North Seas. Finnlines offers freight and passenger transport services in a geographic area with the highest economic growth in Europe.*

*The Group acquires control over Minoan Lines, a Greek company listed on the Athens Stock Market and a leader in the ferry and Ro-Ro sector.*

*The company name is changed to "Grimaldi Group SpA" after a resolution passed on 2 February 2015 by the Shareholders' Meeting. The Groups best year ever in terms of economic performance.*

*Grimaldi Group SpA acquires 100% of the equity investments of Finnlines. Publication of the Group's first Sustainability Report.*

*Launch of the new direct service for Mexico for the transport of rolling freight, project cargoes and automobiles. Opening up the Heraklion - Cyclades Islands and Chania - Piraeus routes.*

*Delivery to Grimaldi Euromed of two new ships, M/v Grande Halifax and the M/v Grande Torino. The Group finalises the construction order for 12 new vessels for a total investment of USD 800 million*

*Grimaldi was the first Italian company to commit itself - voluntarily and above and beyond regulatory obligations - to establish specific actions aimed at helping to proactively protect and development the marine environment, by signing the SAILS charter. In 2019, the M/v Grande Mirafiori, the twin of the Grande Torino, joined the fleet.*

## 4.1 Our history

The Grimaldi Group, through its stakeholders and all its staff, has had deep roots in southern Italy for several generations. With expansion, both organic and through acquisitions, these roots have grown, so much so that the business has become multinational and global, maintaining its headquarters in Naples.

The connection between the Grimaldi Family and the sea dates back to 1348, the year in which the chronicles of the Kingdom of Naples tell us that Queen Giovanna I gave the brothers Rajinerio, Richerio and Perino de Grimaldis a precious solid gold relic, as a guarantee for the hire of three ships.

In the second half of the 1800s, Gioacchino Lauro, a ship owner from Sorrento, founded a steamboat company that became one of the first Italian joint stock companies in the shipping sector.

Gioacchino had a number of children, including: Achille, who inherited his father's passion for the sea and his business sense, became the largest European ship owner between 1960 and 1970, and Amelia, who married the lawyer and land owner Giovanni Grimaldi who, although a cultured man, lacked the seagoing spirit of his ancestors.

It was Amelia, Giovanni's wife, who gave her children a passion for the sea and asked her brother Achille to take her son Guido under his wing.

In 1947, Guido and his brothers Luigi, Mario, Aldo and Ugo Grimaldi founded a new shipping company, buying a Liberty ship, a type of freight ship used by the American fleet during World War Two, and starting Fratelli Grimaldi SpA which would become one of the most important privately-owned



## 1947 - 2019

passion for the sea and good business sense. The birth and development of one of the most important private European fleets

fleets in Europe.

Commercial activities grew constantly during the 1950s and 60s.

In 1970, the car carrier Warrington began a regular service, transporting Fiat automobiles from Italy to the British market. The strategic agreement signed between Fratelli Grimaldi SpA and the car company based in Turin represented a strategic opportunity for growth for the company, which in this way began to create a complex network of commercial routes, initially in the Mediterranean and later in Europe, the Near East, Western Africa and South America.

The glorious Eighties represented another turning point in the Company's development. In fact, the Neapolitan shipping company began an impressive re-conversion programme that led to the gradual abandoning of the oil trade in favour of specialisation in ferry boats and automobile transportation.

The Grimaldi Group closed out the 20th century by implementing a plan to acquire new ships and to transform itself from a shipping company that merely owned and operated ships and managed maritime traffic, to a logistics operator. In this way, the acquisition of terminals and hubs in the main ports used by the Group's ships began, from North Europe to the Mediterranean and the coasts of Africa. All this in order to make traffic faster and goods more secure, with the use of owned structures independent from those of the ports.

Starting in 2000, the company began a process to acquire various maritime companies listed on international stock markets, including ACL, Finnlines and Minoan Lines, achieving a global leadership in the Ro-Ro sector.

However, on 5 September 2010 the Grimaldi family

was dealt a painful blow. Guido Grimaldi passed away peacefully at his home, aged nearly 93, and the Group and Italian shipping lost one of the key figures in their shared history.

Some of the most significant initiatives that occurred at the end of 2010 include the restart of the Mediterranean Express service, which returned to the historic route between the Mediterranean and Western Africa, served continuously from the mid-1970s until 1995.

In 2017, the Group further strengthened its leadership in maritime connections over the ocean thanks to the launch of the new direct service to Mexico for the transport of rolling freight, project cargoes and automobiles, as an extension of the regular service which connects the Mediterranean to North America, operating very successfully since 2015.

In October 2017, the subsidiary Minoan Lines signed an agreement with the Greek company Attica Holdings for which it undertook to divest the entire equity package (48.53%) of Hellenic Seaways while the counterparty undertook to transfer the *Mv High-speed 7* catamaran (to Minoan Lines) and the *Mv Superfast XII* to Grimaldi Euromed. The agreement became effective in June 2018, after receiving the approval of the Greek Antitrust commission.

In more recent years, the Group has concentrated on developing and modernising its fleet, by ordering new car carrier, Con-Ro, Ro-Ro and Ro-Pax ships. In 2018, the fleet was expanded with two new ships for Grimaldi Euromed, the *Mv Grande Halifax* and the *Mv Grande Torino*, from the Chinese shipyards Jinling (last of the 3 ships ordered) and Yangfan (the first of the new series) respectively. In 2019, on the other hand, the *Mv Grande Mirafiori*, the *Grande Torino's* twin, joined the fleet. These three ships are deployed



The Group is dedicated to excellence, social responsibility and transport solutions that promote sustainable mobility in terms of the environment

on the connections between the Mediterranean and North America (Canada, the United States and Mexico).

In 2019, the Grimaldi Group was distinguished by its consolidation of the initiatives undertaken in the environmental and sustainability fields. In the first half of the year, the lengthening and modernisation works on the fleet's two flagships, *Cruise Roma* and *Cruise Barcelona*, were completed, making them the first zero-emission-in-port vessels operating in the Mediterranean. Indeed, lithium mega batteries that charge while sailing have been installed on the two ships, so that during port stopovers all the ships electrical loads can be powered by drawing energy from these batteries and without needing to turn on any internal combustion engine. The construction work for the

*Eco Valencia* and *Eco Barcelona* have also gotten under way. These ships are the first in a series of 12 bearing the initials GG5G (Grimaldi Green 5th Generation), which the Grimaldi Group commissioned from the Chinese shipyard Jinling in spring 2018.

Lastly, on 23 August 2019, Grimaldi represented Italy at the Sustainable Actions for Innovative and Low-Impact Shipping. During this event, the Grimaldi Group signed the SAILS charter, committing itself - voluntarily and above and beyond regulatory obligations - to adopt specific actions to reduce atmospheric pollution, greenhouse gas emissions, the underwater acoustic impact of ships and optimise the energy performance of vessels.

## 4.2 Our Business Model

The Grimaldi Group is well known as an industrial operator, an outright leader in Europe and one of the world's leading Ro-Ro shipping companies. As such, the Group is a reliable partner for customers ranging from multinational automobile and rolling stock manufacturers to road haulage companies.

The Group also holds an important position in passenger transport (Ro-Pax) at both the national and European level.

The Group's competitive advantages derive from

the application of a long-term business strategy designed to add value via the horizontal and vertical integration of its business. The fundamental elements of this strategy, namely monitoring of costs and the multi-annual policy of re-investing profits generated, are combined with constant attention to energy efficiency, so as to limit the environmental impact of vessels, and social responsibility, which is shown in the annual allocation of a portion of profits to the Grimaldi Foundation Onlus.

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The Group's growth strategy is therefore developed following an industrial arrangement considering six main lines, all closely interconnected.

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**01** At the basis of the Group’s strategy is the commitment to **reinvest a large part of its profits**, to guarantee the efficacy and efficiency of its operations, while simultaneously maintaining long-term competitiveness within the market. The year 2019 closed with net consolidated profit of €287 million, up compared to 2018, mainly due to the increase in turnover and lower procurement costs for fuels, thanks to the lower average price of oil. EBITDA in 2019 came to €664 million, with an increase of 23.6% compared to 2018.

**02** Another line of the business model is **in-depth knowledge of markets and the business**, which translates into flexibility and an ability to quickly react to changes, whether regulatory, geopolitical, or competitive. With the strength of a century behind it, the Group has over time consolidated considerable experience in the maritime transport sector, overcoming crises and adapting its organisation to the requirements of the market.

**03** The third guideline in the business model is the ability **to design and deploy vessels that are extremely flexible** in terms of cargo mix and route, thereby making them less exposed to volatility in any single market. The business can count on a fleet of over 130 ships, 118 of which directly owned, with an average age of approximately 14 years (significantly lower than the average for the industry and the useful life of the ships). These are modern and technologically advanced ships, deployed on regular lines in a network connecting over 140 ports in 50 countries and 4 continents. The upgrade of the fleet goes hand in hand with that of containers and handling and lifting equipment.

**04** The business model aims also to guarantee **commercial coverage** of multiple geographic areas (Mediterranean Sea, Northern Europe, the Baltic, West Africa, North and South America). Over the last few years, the network of services offered has been extended and strengthened through the opening of new routes and the inauguration of new Motorways of the Sea. In December 2019, Finnlines finalised a new order for the construction of two Ro-Pax units from the China Merchants Jinling Shipyard (Weihai). These new vessels referred to as “Superstars” will be larger and more technologically advanced than the existing “Star Class vessels”.

**05** Another guideline of the model is a **constant attention to energy efficiency**. In fact, the Group recently invested in the construction of new “Grimaldi Green 5th Generation” ships, with twice the garage load capacity compared to the largest ships operated by the Group and three times compared to the previous generation of Ro-Ro vessels, but with the same fuel consumption. During port stopovers, the energy requirements on these ships will be met by lithium batteries, which recharge during navigation using solar panels. Fossil fuel will however be used during navigation.

**06** The last guideline of the business model is **social responsibility**, which translates in the annual allocation of a portion of profits to the non-profit Grimaldi Foundation Onlus (Non-profit Charity), which after 10 years of work has become a reference point in Naples and Southern Italy. The foundation not only manages projects in favour of families in difficulty but also disburses financing to meritorious associations or bodies.

## 4.3 Our Mission and our Values

Our Group's method of operating is based on three pillars that guide our activities and our relationships with all stakeholders.

### MISSION

"The Grimaldi Group's mission is to provide efficient, reliable, innovative and high-quality services for maritime transport of freight and passengers, by constantly working to identify the needs and expectations of our customers. The Group is dedicated to excellence, social responsibility and transport solutions that promote sustainable mobility for the environment."



### VISION

In order to achieve its mission, the Group works to continue along the path to strategic growth, focussed on developing passenger and freight traffic and port terminals, with the commitment to offer the market the best guarantees for efficient corporate management, and maintaining a constructive dialogue with the larger community of stakeholders, with an eye to creating sustainable growth.

### VALUES

To achieve its objectives, the Grimaldi Group is inspired by the following principles:

- Respect for all legal and regulatory provisions in effect in the countries in which the Group operates;
- Honesty and integrity in business relationships;
- Proper conduct in relations with customers and quality in the services it provides;
- Impartiality;
- Respect for its employees and contract workers, and for people in general;
- Protection of the environment and safety, also in terms of workplaces.



## The Group's headquarters in Naples

The values that inspire the Grimaldi Group's way of working and how it interacts with all those people who work with it are the following:

Our values	
<b>QUALITY</b>	<p>Offer high quality services that satisfy or exceed customers' reasonable expectations and necessities.</p> <p>Provide exhaustive information, efficiently and courteously, about the transport service prices and methods, so that customers can make informed decisions.</p>
<b>INTEGRATION</b>	<p>Avoid any discrimination based on age, sex, sexual orientation, health, nationality, political or religious beliefs.</p> <p>Cooperate actively to achieve the Group's objectives.</p> <p>Share useful information with co-workers.</p>
<b>PROFESSIONALISM</b>	<p>Provide services in a professional, independent and impartial manner, honestly and respecting the Group's methods, policies and working practices.</p> <p>Avoid any possible conflicts of interest, in particular in regards to personal, financial or family interests that could influence the independence of decision makers.</p>
<b>SUBSTANCE</b>	<p>Constantly improve the quality of services provided.</p>
<b>INNOVATION</b>	<p>Disseminate a culture of accident prevention and awareness of risks to worker health and safety, actively promoting the same, also through appropriate training courses and information.</p> <p>Develop and implement innovative technical solutions that minimise environmental impacts and guarantee maximum safety levels.</p>
<b>ENVIRONMENT</b>	<p>Manage and mitigate the environmental impacts from Group activities.</p>

# Governance system and business ethics

The governance system adopted by the Grimaldi Group is focused on maximising value, controlling corporate risk and providing transparency to stakeholders.

The governance model of the Parent Company is

based on the traditional organisational model, consisting of the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, the independent auditing firm, and the Supervisory Body (pursuant to Italian Legislative Decree 231/2001).

SHAREHOLDERS' MEETING
Represents all Shareholders
<ul style="list-style-type: none"> <li>• Approves the Standalone and Consolidated Financial Statements.</li> <li>• In case of urgency, can adopt resolutions assigned to the Board of Directors and the Executive Committee.</li> </ul>

BOARD OF STATUTORY AUDITORS
Five auditors, including the President, two standing auditors and two alternate auditors
<ul style="list-style-type: none"> <li>• Provides the supervisory function pursuant to articles 2403 and subsequent of the Italian Civil Code.</li> </ul>

BOARD OF DIRECTORS
President (Gian Luca Grimaldi), two Chief Executive Officers (Emanuele Grimaldi, Diego Pacella) and a Director (Quintino Spetrini)
<ul style="list-style-type: none"> <li>• The BoD is responsible for ensuring objectives are achieved and for developing strategic guidelines.</li> <li>• In addition, the BoD creates guidelines for the risk management system, assesses their adequacy and identifies the main company actors involved.</li> </ul>

In order to guarantee supervision, integrated management and the utilisation of industrial synergies and know-how within the Group, certain members of

the parent company's Board of Directors also serve as directors for the main subsidiaries.

The highest governing body within the Group consists of:

GRIMALDI GROUP SPA BOARD OF DIRECTORS, BY GENDER	U.M.	2019	2018	2017
Men	no.	4	4	4
Men	%	100	100	100

GRIMALDI GROUP SPA BOARD OF DIRECTORS, BY AGE	U.M.	2019	2018	2017
>50 years	no.	4	4	4
>50 years	%	100	100	100



## The Code of Conduct

defines the general standards behind company ethics

### 5.1 Model 231 and the Code of Conduct

Italian Legislative Decree no. 231 of 2001 introduced a form of corporate liability. In 2014, the Group's Italian companies adopted an Organisational and Management Model in compliance with this decree, simultaneously appointing the members of the Supervisory Body (SB).

The Model consists of a general and special part. In particular, the special part details the organisational protections adopted to manage individual areas of risk (crimes against the public administration, corporate crimes, crimes breaching regulations to protect workplace health and safety, environmental crimes, organised crime and transnational crimes, money-laundering), highlighting for each of these:

- Crimes which could be committed in the abstract;
  - Types of activities subject to the risk of crimes;
  - Corporate departments which carry out activities subject to the risk of crimes;
  - Audit standards relevant to individual areas of risk;
  - Conduct standards to be respected in order to reduce or eliminate, if possible, the risk that crimes will be committed;
  - Informational flows sent to the Supervisory Body.
- The purpose of the Model is to create a structured and organic system of procedures, rules and audits, to be carried out both before preventively and after the fact, in order to considerably reduce and prevent the risk that the various types of crimes identified under the law will be committed, as identified during the risk assessment process.

Specifically, updating of the Model involved the introduction of new crimes involving corporate liability, including: corporate crimes (false declarations in corporate publications, false declarations in corporate publications of listed companies), environmental crimes (environmental pollution, environmental disaster, trafficking and/or abandonment of highly radioactive materials, impeding monitoring, non-reclamation, illegal burning of waste), money laundering and similar (self-laundering).

The Model applies to all those who work to achieve the Company's purpose and objectives.

It follows that it applies not only to members of corporate bodies (whether shareholders or directors), auditors and individuals who are members of the Supervisory Body, employees and more generally all workers formally included within the Company, but also external consultants, partners, commercial operators and contractors with the Company (e.g. agents and maritime agents, suppliers and service providers), within the limits of the duties carried out in the name of or on the account of the Entity.

The Supervisory Body is responsible for ensuring proper application of the Model. Members of the SB hold their position for three years and are responsible for the following tasks:

- Overseeing the efficacy of the Model, as well as compliance with the provisions contained therein;
- Periodically verifying the effectiveness and adequacy of the Model;
- Assessing and suggesting methods to update the

Model;

- Ensuring necessary information is communicated. All notifications involving violations of the Model are analysed and investigated in compliance with the regulations on the protection of personal information.

During 2019, the Supervisory Body did not receive any notifications.

An integral part of the 231 Model is the Group's Code of Conduct, which was adopted with the belief that ethical business actions favour success for all companies, contributing to spreading a culture of reliability, correctness and transparency in the activities performed to achieve company goals.

The Code of Conduct defines the general standards behind company ethics, providing a structure of behavioural norms to follow in managing the daily activities of all Group companies, useful for properly and efficiently achieving company objectives in the maritime transport sector, which involves ever-increasing competition and complexity, worldwide.

The Code must be followed by the Group's top level figures, all personnel (administrative and maritime), and all stakeholders with which the Group has re-

lationships (external contractors, buyers, partners, suppliers, agents, customers, etc.).

The Grimaldi Group's activities are carried out in a socially responsible, impartial and ethical manner, adopting policies to ensure equity and properness in the management of business relationships, guaranteeing worker safety, and promoting and encouraging ecological awareness, while fully complying with the laws that apply in the countries in which the Grimaldi Group has a presence. All business relationships are structured around integrity and loyalty and are carried out without any conflicts of interest. To achieve this objective, the Grimaldi Group requires all of its directors, managers and other employers to comply with the highest ethical standards for business in their work, as established in the Code of Conduct and in accordance with the policies and Guidelines to which it makes reference. For this reason employees are constantly invited to be professional, to respect their colleagues and the customers, to commit themselves to achieving the goals set by the Group, increasing the efficiency of the direct and indirect production processes and paying attention to costs to avoid all kinds of waste.

## 5.2 Compliance

The Grimaldi Group works in compliance with regulations, both the national laws applied in all the geographic areas in which it operates, and the international laws established by the International Maritime Organization (IMO)<sup>1</sup>.

Some of the Group's companies are involved in various legal cases involving civil/administrative disputes. A review of pending disputes as of 31 December 2019, also in the light of the insurance in

place, does not reveal any significant contingent liabilities, to the extent that would require provisions in addition to the amount already recognised in the consolidated balance sheet.

As regards the proceeding of the AGCM (*Autorità Garante della Concorrenza e del Mercato* - the Italian Antitrust Authority), initiated in 2014, no updates can be made with respect to last year's Report.

<sup>1</sup>) The IMO is the United Nations agency which defines global standards to regulate environmental, health and safety performance within the international maritime sector.

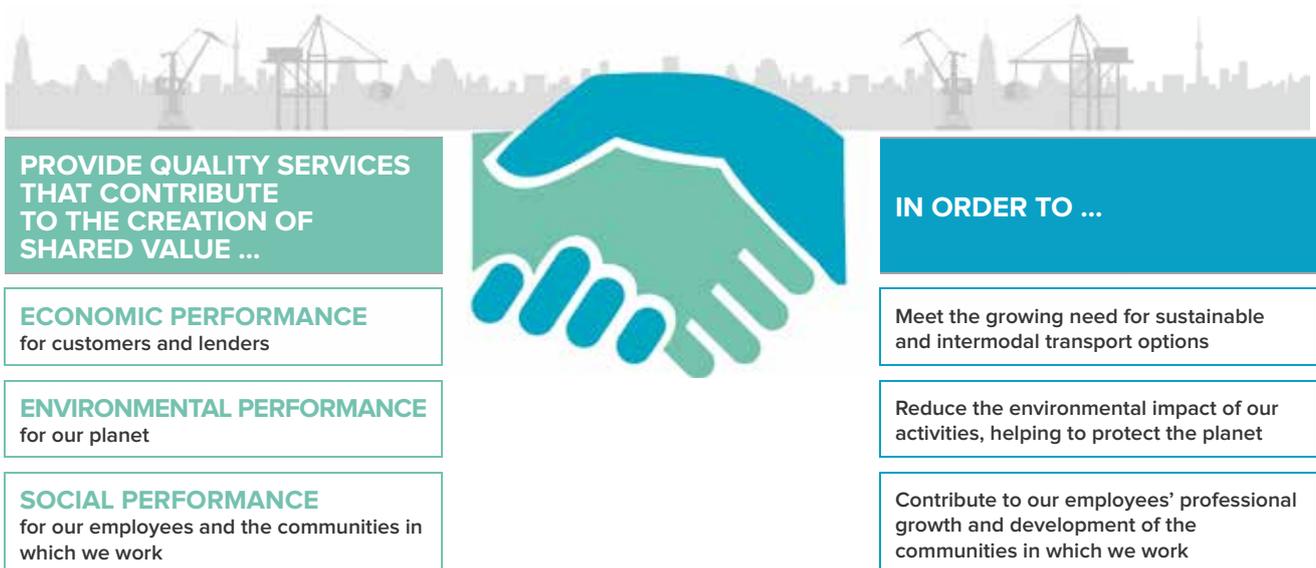
# 6 Our sustainability strategy

Our sustainability strategy has the objective of creating value for our customers and passengers, for the communities in which we operate, for our staff and the companies in the Group, while simultaneously minimising our environmental impacts.

Operating in a sustainable manner is a strategic priority for us, and to that end we have taken a path that increasingly integrates sustainability issues with business.

Our way of doing business is focused on creating value for the Group and its main stakeholders. We are aware that operating effectively and efficiently depends on building stable and positive relationships and carefully managing the impacts caused to the external environment. Proactively managing these aspects makes it possible to contribute to the Group's growth in the relevant geographic areas and activate opportunities to create shared value.

## CREATE SHARED VALUE



To create shared value, it is necessary to:

- Develop and execute innovative projects that contribute to improving the maritime transport sector, increasing the capacity to meet market requirements (door-to-door);
- Continue constant communication with all stakeholders, to create the best conditions for their involvement;
- Pay the utmost attention to the people who work for us, investing in safety (both ashore and on-board) and their professional development;
- Protect the environment, by implementing projects that help to reduce our environmental impact;
- Provide quality services with added value to our customers.

The Group, with the aim of increasing its commitment to doing business sustainably, is committed to contributing to the achievement of 9 of the 17 Sustainable Development Goals (SDGs), defined in the context of the United Nations Agenda 2030 for

Sustainable Development and which aim to make a decisive improvement in the lives of all humanity. Measurement of KPIs for sustainability can help the Group to measure the contribution it makes to achievement of the UN goals as identified.



Specifically, the Grimaldi Group is focused on reducing both air and marine pollutants. A few examples of the initiatives being carried out by the Group that are helping us to achieve the aforementioned SDGs are given below:



The Group is dedicated to continuous research of advanced sustainable technologies such as: engine exhaust gas purification systems, ballast water treatment systems, silicone coatings that do not release biocides and harmful substances, and a water filtering system to help removing micro-plastics from the Mediterranean Sea.



In order to keep reducing emissions, since 2017 the Grimaldi Group has been investing in new environmentally-friendly technologies, such as lithium batteries and solar panels, which will

be installed on new hybrid Ro-Ro ships (the first of which is expected to be delivered during summer 2020).



A waste management system has been developed on all Group vessels, which is achieved via separate waste collection. In order to raise awareness amongst passengers concerning waste collection on board, in 2019 the Grimaldi Group continued its participation in the MAREVI-VO's #EmergenSea program and also sponsored the Nautici In Blu courses for environmental training in nautical schools/institutes.



The Grimaldi Group is striving to improve water usage on board ships by preventing waste via special projects. Furthermore, in 2019, 51,345 tonnes of fresh water were produced by desalinating seawater thanks to the osmosis systems installed on 3 of the fleet's ships.

## 6.1 Our Stakeholders and Channels for Dialogue

In carrying out its business, the Group interacts with various categories of stakeholders who play a primary or secondary role based on their ability to influence the business and, in turn, be influenced.

In particular, mapping of stakeholders was done in consideration of the various parameters that reflect the significance and importance that these subjects have for the Group. Specifically:

- **Responsibility:** subjects in relation to which the Group has responsibilities (legal, financial, operating, etc.);
- **Influence:** subjects which influence or could potentially influence the Group's decision making processes;
- **Proximity:** subjects with which the Group has established lasting relationships and those which work regularly with the Group based on their activities and operations;
- **Representation:** subjects which, for legal and/or cultural or traditional reasons, represent other individuals who influence or could potentially influence the Group's decision-making processes;
- **Strategy:** subjects which, due to strategic decisions made by the Group, are considered key stakeholders.

In the light of these aspects, the Grimaldi Group has identified the following categories of key stakeholders, shown in the image below.



During 2019, the Group continued its commitment to communicating with its stakeholders in a number of ways, through various channels used either regularly or in a targeted manner.

Some of the main tools used regularly include the issuing of press releases containing news and promotions, the publication of the bilingual quarterly newsletter **Grimaldi News**, which provides the main news about the Group, as well as sailing schedules for all the regular services offered and contact information of Grimaldi agencies and offices, the multilingual half-

yearly publication of the on-board magazine **Grimaldi Magazine Mare Nostrum**, which contains travel information and articles about the main connected tourist destinations, and the publications **Finnlines News** and **Minoan Wave**, which provide not only in-depth information on the two subsidiaries respectively, but also cultural and tourist travel tips. All press releases, as well as the magazines and the most important articles published in the Italian and foreign press, can be consulted and downloaded from the Group's institutional website ([www.grimaldi.napoli.it](http://www.grimaldi.napoli.it)).

## 6.2 Group Highlights

### FEBRUARY

The Grimaldi Group and its subsidiary Valencia Terminal Europa (VTE) announced that they were joining the European “H2PORTS - Implementing Fuel Cells and Hydrogen Technologies in Ports” project, with the main aim to provide efficient solutions that facilitate the rapid transition from a fossil-fuel based industry to a low carbon and zero emissions industry.

More specifically, as part of this project, two pilot projects will be tested in real operating conditions: a tractor for moving rolling units, fuelled by hydrogen cells and a mobile hydrogen refuelling station, which will provide the necessary fuel to guarantee the continuous working cycles of the aforementioned machinery.

Thanks to this project, VTE has become the first European port structure to use hydrogen-fuelled machinery in order to significantly reduce its environmental impact.

**2** Emanuele Grimaldi takes part in the “Sud, la ripresa riparte dalla Campania” - The South: The Recovery of Southern Italy - Forum, organised by the Italian Associated National Press Agency (ANSA) at the National Archaeological Museum of Naples (MANN). The Group’s CEO was asked to talk about the Group’s position of excellence internationally, while also keeping its roots and its decision-making centre in the city of Naples.

**19** The intermodal sea/train link between Greece and Germany offered by the Grimaldi Group in collaboration with Rail Cargo and Samskip is presented at the Fusina Motorways of the Sea Terminal (Venice). The service provides three connections per week between the Port of Venice and the interport of Duisburg (via Tarvisio) for the transport of semi-trailers.

### MARCH

The Grimaldi Group announces it is upgrading its logistics base in the port of Savona by completing a multi-storey terminal designed for storing brand new automobiles. In December 2017, the company Savona Terminal Auto, led by the Neapolitan Group, began works on extending its facilities and storage areas with the aim of increase capacity in the port of

Savona for the automotive market, for an investment of over €7 million.

### APRIL

The steel cutting ceremony was held for the first in a series of 12 ships bearing the initials GG5G (Grimaldi Green 5th Generation), which the Grimaldi Group commissioned from the Chinese shipyard Jinling in the spring of the previous year.

These represent a new generation of Ro-Ro ships that are 238 metres long and 34 metres wide, with a gross tonnage of 64,000 tonnes, able to transport 7,800 linear metres of rolling units on 5 decks. They will be fitted with hybrid propulsion systems able to integrate the functionality of classic marine engines with large lithium batteries that will allow to reduce emissions to zero when the ships are in port.

Furthermore, these new Grimaldi GG5G ships will be fitted with exhaust gas purifiers (scrubbers) and have 600 square metres of solar panels for energy production.

### MAY

**27** The presentation ceremony for the “new” *Cruise Roma*, the first vessel in the Mediterranean with zero emissions in port, was held in the port of Barcelona. Civil and maritime authorities, Grimaldi Group customers and partners took part in the celebrations. In particular, Mercé Conesa i Pagès, President of the Port Authority of Barcelona, Leandro Melgar Casillas, Director of Explotación de Puertos del Estado, Francesco Maria di Majo, President of the Central Tyrrhenian Sea Port Authority, and Gaia Danese, General Consul of Italy in Barcelona, attended the event. Guido Grimaldi, the Neapolitan Group’s Corporate Short Sea Shipping Commercial Director, did the honours.

### JUNE

**18** The Malta Summer Event was held at the Hilton Quarterdeck, the Group’s annual event to celebrate its presence on the island of Malta. Local authorities, clients, partners and top managers within the Group took part in the event. As representatives of the Maltese and Italian Governments, Ian Borg, the Minister of Transport, Infrastructure and Investment Projects, and Italian Ambassador to



## Mare Nostrum Awards 2019



**This is the international journalism award** sponsored by the Grimaldi on-board magazine Mare Nostrum, **dedicated to promoting maritime travel in the Mediterranean, and, in particular, to raising awareness about the Motorways of the Sea, with the aim of enhancing this exceptional opportunity for exchange, connection and sustainable development for all countries in the Mediterranean.**

The award's international jury is chaired by the journalist **Bruno Vespa** and is composed of important names from the world of culture and journalism. The competition is open to professional journalists, freelance journalists and photographers who have published a piece of work about a sea voyage in the Mediterranean, in particular highlighting the advantages of the Motorways of the Sea in economic, social and environmental terms. **The 2019 Mare Nostrum Awards** gave out equal prizes to the top five winners, **for a total of €50,000.** The special prize **"Cavaliere del Lavoro Guido Grimaldi"**, established by the Grimaldi family in memory of the founder of the Neapolitan Group, was awarded to the journalist Sergio Luciano, lead editor of the monthly magazine Economy.

Malta, Mario Sammartino, were both present.

### JULY

**1** A second presentation ceremony was held for the **"new" Cruise Roma** at the Port of Civitavecchia. Mercé Conesa i Pagès and Francesco Maria di Majo honoured the event with their presence once again, together with Ernesto Tedesco, the Mayor of Civitavecchia, Vincenzo Leone, Captain of the Maritime Directorate of Lazio, and Mauro Coletta, Director General of the Italian Ministry of Infrastructure and Transport.

Thanks to these two ceremonies, which were held in the two ports the ship runs between, namely Barcelona and Civitavecchia, the Grimaldi Group was able to show the lengthening and renovation works that have been completed on-board these flagships at the Fincantieri shipyard in Palermo. Even before the works, the *Cruise Roma* and *Cruise Barcelona* were amongst the biggest ferries for freight and passenger transport in the world. By adding an 29-metre extension section, the units now measure 254 metres and can accommodate 3,500 passengers in 499 cabins (amounting to a total of 1,994 beds) and 600 comfortable reclining seats. Furthermore, the three restaurants on board can accommodate 850 people, 280 more than before, thanks to the addition of a "Family self-service" restaurant. Lastly, in regards to vehicles, the 3,000-m<sup>2</sup> vehicle space has a capacity for 271 cars, while over 3,700 linear metres are intended for around 210 heavy goods vehicles.

From a technological perspective, cutting-edge solutions have been implemented to reduce the environmental impact and save energy. Specifically,

four exhaust gas purification systems have been installed to cut sulphur emissions by up to 0.1% in volume and to reduce particulate matter by 80%. A lithium mega battery system is also installed, the biggest in the world to be installed aboard a ship, with a capacity of over 5.5 MWh to power the ship when stationary in port, without the need to turn on the diesel-generators, thereby achieving the objective of Zero Emissions in Port<sup>®</sup> promoted by the Grimaldi Group.

Furthermore, for 2019 also the Grimaldi Group announced that it is opting to use Google tools to increase the brand awareness of "Grimaldi Lines" and to grow the number of bookings made on passenger ships. The new campaign "Sogna, vivi, viaggia" - Dream, Live, Travel - uses the TrueView for Action format, which was also used last year with significant results.

### AUGUST

**23** Once again, the Grimaldi Group confirms its contribute to protecting and enhancing the marine environment by adhering to the "SAILS" (Sustainable Actions for Innovative and Low-impact Shipping) Charter. This statement allows companies operating in the maritime transport sector to formalise and pursue their pioneering commitments aimed at protecting our planet and its inhabitants.

The initiative was launched by the French Ministry of Ecological and Solidarity Transition (*Ministère de la Transition Ecologique et Solidaire*), with the support of *Armateurs de France* (the French Shippers' Association), 10 members of which have already signed the document.

The Grimaldi Group is the first Italian shipping com-

pany to have signed the charter, thereby committing itself to implement specific actions, in addition to its legislative obligations, such as reducing emissions of atmospheric pollutants and greenhouse gases, reducing the impact of underwater noise from ships, optimising vessels' energy performance, fighting invasive species and protecting cetaceans.

In the passenger transportation sector, the Group announced it was doubling the Civitavecchia-Olbia seasonal maritime connection, thereby confirming Sardinia as a key tourist destination of the Grimaldi Lines routes offered in Italy.

## SEPTEMBER

**12** The Pure Car & Truck Carrier (PCTC) *Grande Mirafiori* was delivered to the Grimaldi Group from the Yangfan shipyard in Zhoushan. After the *Grande Torino*, which joined the fleet in December 2018, this is the second of seven sister ships that the Neapolitan group has commissioned from the Chinese shipyard.

The vessel has a length of 199.90 metres, a width of 36.45 metres, a gross tonnage of 65,255 tonnes and a service speed of 19 knots. Registered under the Italian flag, this is one of the biggest PCTC vessels on the market and it can transport around 7,600 CEU (Car Equivalent Units) or, alternatively, 5,400 linear metres of rolling stock and 2,737 CEU. It is also an extremely flexible ship: thanks to its four hoistable decks, it can carry any kind of rolling units (trucks, tractors, buses, diggers, etc.) up to 5.3 metres high. Furthermore, it has two access ramps, one on the side and one on the stern, the latter of which can load cargo units of up to 150 tonnes. The layout of the various decks and the internal ramp system minimise the risk of damage during loading/unloading operations.

From an environmental point of view, the *Grande Mirafiori* is a highly efficient ship, fitted with an electronically-controlled Man Energy Solutions engine, as required by the new standards for the reduction of nitrogen oxide (NOx) emissions, and with an exhaust gas purification system for cutting sulphur oxide (SOx) emissions. Additionally, it complies with the most recent standards in terms of the treatment of ballast water.

The *Grande Mirafiori* bolsters the weekly Ro-Ro connection operated by the Grimaldi Group between the Mediterranean and North America

(Canada, the United States and Mexico), together with the already deployed *Grande Torino*, *Grande Halifax*, *Grande Baltimora* and *Grande New York*.

## OCTOBER

**4-6** The **XXIII Euromed Convention *From Land to Sea***, an international summit organised by the Grimaldi Group, was held in Giardini Naxos, Sicily. 700 top players from finance, transport, logistics and ports are present, who have come from all over the world to discuss issues of global interest, such as energy efficiency and environmental sustainability, the opportunities for the development of intermodal transport and short sea transport.

In the opening speech, the Grimaldi Group confirms that its present is green and its future will only prove to be increasingly so, with the prospective objective of sailing and transporting goods and passengers with zero emissions. During the last year the Group has planned substantial investments in Research & Development, thus attesting to its strong commitment to decarbonisation policies in order to protect the planet. The commitment to decarbonisation has achieved significant results: in the last two years, the volume of goods transported by the Grimaldi Group has grown by 17%, while fuel consumption and sulphur and particulate matter for every mile performed have been significantly reduced.

Also in October, the new Grimaldi Lines website was launched online, which can be viewed at [www.grimaldi-lines.com](http://www.grimaldi-lines.com). The result of a precise overhaul in terms of graphics and an in-depth reorganisation of the content, with the aim of ensuring a more immediate browsing and user experience, the new site contains a blog with lots of travel ideas and a large proposal of cultural and folk events.

## NOVEMBER

**8** The christening ceremony of the ***Grande Torino* PCTC vessel** was held in the port of Civitavecchia, with the Italian model and showgirl Cristina Chiabotto acting as godmother of the vessel. The event, which was conducted by the journalist Massimo Gilletti, saw the participation of the local authorities, the top management of the Supply Chain of Fiat Chrysler Automobiles (FCA), the top management of the Neapolitan Group, the shipyard president and the port community of Civitavecchia.

The event fell on the occasion of the 50<sup>th</sup> anniversary from the start of commercial relations between

the Grimaldi Group and the FCA, when the first car carrier ship with the “Grimaldi Lines” brand was named *Warrington* in tribute to Fiat UK, whose headquarters were in the homonymous English city at that time. The *Warrington* was deployed on the connection between Italy and the United Kingdom to transport Fiat cars destined for the British market. The *Grande Torino* is used on the Grimaldi Group’s weekly Ro-Ro connection between the Mediterranean and North America, mainly to transport FCA vehicles.

In the same month, the Grimaldi Group announced that it was adhering to the Ancona Blu Agreement protocol, promoted by the Port System Authority of the Central Adriatic Sea and the Harbour Authority of Ancona and dedicated to the topic of air quality in ports, envisaging the possibility of adopting measures that are even more restrictive than what is provided by EU regulation. Indeed, the Group has already equipped its *Cruise Europa* and *Cruise Olympia* vessels, which call the port of Ancona, with scrubber systems.

Meanwhile, the subsidiary Finlines announced the signing of an agreement with the German terminal Lübecker Hafen-Gesellschaft (LHG) to transport cars destined for the Russian market. To this end, Finlines will call Port Bronka, the port of St. Petersburg (Russia), twice a week from January 2020, while the cars will reach Lübeck by train.

## DECEMBER

Thanks to initiatives launched in the last few years, and the investment plan put in place to raise energy efficiency and reduce harmful emissions, the Grimaldi Group won, by way of the unanimous vote of the judges, the “Excellence in Decarbonisation towards 2050” award at the Lloyd’s List Europe Awards, which were celebrated in London at the Hilton Hotel, Park Lane. The event was organised by the prestigious international publication Lloyd’s List and was hosted by the English actor Hugh Dennis. Out of the 400 shipping professionals who attended the ceremony, there were also representatives from the main international organisations within the sector, such as the Secretary-General of the IMO (International Maritime Organisation), Kitack Lim, and the Secretary-General of the ICS (International Chamber of Shipping), Guy Platten. The Group’s commitment was considered to be an example to be followed, especially due to the objectives achieved, which are often better than those set forth by the most recent international envi-

ronmental regulations.

Furthermore, in regards to environmental sustainability, the Grimaldi Group put its words into action when, together with the main industry players, it announced that it had presented the IMO with a proposal to create an International Maritime Research Fund (IMRF).

This fund will be used in R&D to develop zero-carbon propulsion technologies and systems, as well as environmentally-friendly fuels (hydrogen, ammonia, etc.): the aim is to reduce by 50% the greenhouse gases produced by the sector by 2050 (compared to levels recorded in 2008) and then continue on to the total decarbonisation of shipping worldwide.

The fund will be financed by shipping companies from all over the world through a contribution of USD 2.00 per tonne of marine fuel purchased. Considering the amount of fuel currently consumed by the sector globally, it is expected that the total amount raised will be USD 5 billion, over a 10-year period.

The Grimaldi Group announces the arrival of a new Ro-Pax ship called *Venezia*. Built in 2004 by the Visentini shipyard, the *Venezia* is a modern ferry equipped with comfortable cabins inside and outside and offers various services for travellers. It is able to transport 1,000 passengers in addition to around 2,250 linear metres of rolling freight. This vessel will enhance the mixed freight and passenger connections between Venice and Greece.

Meanwhile, the subsidiary Atlantic Container Line (ACL) announced that it had renewed the agreement with the British company Peel Ports for the dockings of ACL fleet ships at the port of Liverpool until 2035. ACL is already the largest shipping company specialised in transoceanic transport operating at the *Royal Seaforth Container Terminal* (RSCT) in Liverpool and the port’s longest serving container carrier. Similarly, the Peel Ports Group is making a significant investment at RSCT to accommodate ACL’s new fleet of five G4 ships; the passage entrance to the Seaforth basin has been extended by 28 metres to allow safe access to the terminal for the large G4 ships. Additionally, Peel Ports is adding capacity to its vehicle storage area in order to manage the growing cargo requirements of ACL. This new agreement demonstrates the trust the company has in the growing volume of transatlantic trade between the United Kingdom and North America and, at the same time, its commitment to the port of Liverpool and the strong relationship that has been established for over 50 years.



## Euromed Convention From Land to Sea

Since 1997, it has aimed to promote short sea shipping in Europe and its economic, environmental and social benefits.

### 6.3 Materiality analysis

In order to update the list of material issues to be accounted for within this document, the Group reviewed the analysis carried out for the first time in 2015. In particular, the results of the analysis process done by the subsidiary Finnlines were also taken into consideration and involved the company's management in identifying material issues for the Group.

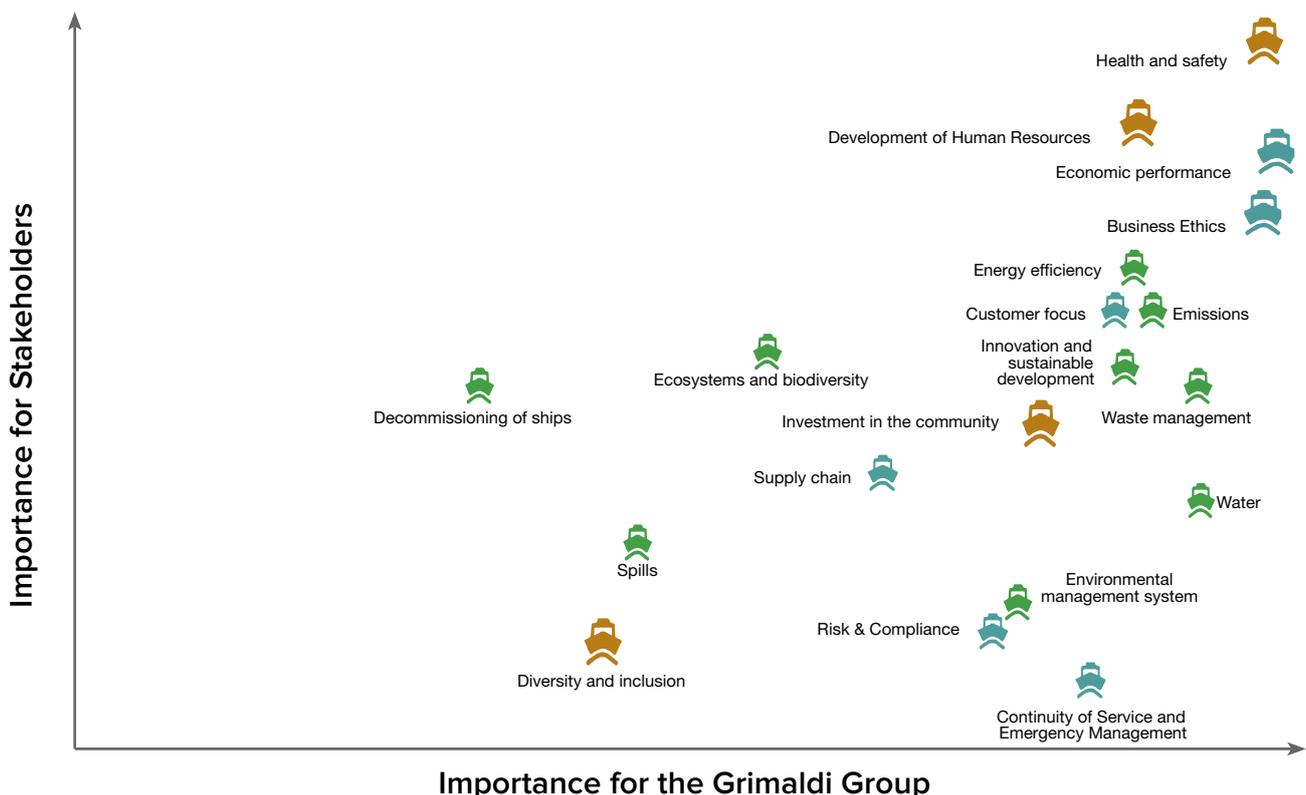
The materiality analysis is a process that consists of identifying, categorising and prioritising a series of issues that are relevant to the company from an economic, social and environmental point of view, in order to identify issues classified as "material" and position them within a materiality matrix.

An issue is considered material if it has a real or po-

tential impact, whether economic, social and/or environmental on the organisation, or when it is able to significantly affect the assessment of the organisation by stakeholders.

The materiality matrix combines the priorities assigned by external stakeholders with internal priorities, in order to identify issues that are priorities for the Grimaldi Group and its stakeholders.

Material issues, which are examined further in this document, are those located in the upper right quadrant, meaning they are of high relevance both for the company and for stakeholders (for more information, please see the section "Materiality analysis process" in the Annex).



Cap.6 - Our sustainability strategy

SOCIAL ISSUES	POSSIBLE IMPACTS FOR THE GRIMALDI GROUP	STAKEHOLDERS INVOLVED		
<b>Employee health and safety</b>	Worker productivity Business continuity Improvement of working conditions Ship detention prevention	Grimaldi Group	Staff	
<b>Making the most of Human Resources</b>	Staff retention Attracting talent Worker productivity	Grimaldi Group	Staff	
<b>Investment in the community</b>	Improving the socio-economic situation Company reputation	Community		
<b>Diversity and inclusion</b>	Improvement of corporate climate Staff retention Attracting talent Company reputation	Grimaldi Group	Staff	
ECONOMIC ISSUES	POSSIBLE IMPACTS FOR THE GRIMALDI GROUP	STAKEHOLDERS INVOLVED		
<b>Economic performance</b>	Business continuity Investment Plan	Grimaldi Group	Staff	Customers
<b>Business Ethics</b>	Group reputation Transparency in operations Crime prevention	Grimaldi Group	Suppliers	Community
		Customers	Institutions	
<b>Innovation and sustainable development</b>	Energy efficiency Cost reduction (e.g. fuel) Competitiveness Rapid adjustment to Regulations	Community		Suppliers
		Customers		Environment
<b>Supply chain</b>	Business continuity Quality of operations Group reputation	Suppliers		
<b>Risk &amp; Compliance</b>	Monitoring of corporate risks Prevention of legal disputes	Grimaldi Group	Customers	Suppliers
<b>Continuity of Service and Emergency Management</b>	Monitoring of economic risks associated with service interruptions Economic and criminal Sanctions	Grimaldi Group		
<b>Customer focus</b>	Competitiveness Brand protection	Grimaldi Group	Customers	
ENVIRONMENTAL ISSUES	POSSIBLE IMPACTS FOR THE GRIMALDI GROUP	STAKEHOLDERS INVOLVED		
<b>Energy efficiency</b>	Cost reduction (e.g. fuel) Competitiveness Reduction of environmental impacts Company reputation	Environment	Community	Customers
<b>Emissions</b>	Reduction of environmental impacts Regulatory compliance (e.g. sulphur)	Environment		Institutions
<b>Ecosystems and biodiversity</b>	Protection and preservation of the land	Environment		
<b>Spills</b>	Interruption of service Environmental protection Economic and criminal Sanctions	Grimaldi Group	Customers	
<b>Water</b>	Protection of the environment and ecosystem	Environment		
<b>Environmental management system</b>	Proper supervision and monitoring of environmental issues Prevention of environmental risks	Grimaldi Group		
<b>Waste management</b>	Environmental protection	Environment		
<b>Decommissioning of Ships (scrapping)</b>	Environmental protection Local worker health and safety	Environment	Community	Customers



## 6.4 Economic Performance: Creating Shared Value

In this section, in compliance with the requirements of the GRI-Global Reporting Initiative's Standards, we provide an added value schedule, based on re-classification of the income statement in the Group's Consolidated Financial Statements.

**Economic value generated** represents a measurable economic wealth produced during the year by the Grimaldi Group and the added value analysis allows to obtain an objective measurement of the economic/social impact created, measuring the

wealth created for the benefit of all stakeholders.

**Distributed economic value** is a qualitative/quantitative index of the Group's social impact and of the real extent of the social responsibilities taken on.

The **economic value kept** within the Group represents part of the wealth that guarantees the economic sustainability of the business, reinvested in innovation and services for customers to continue the process of continuous improvement.

GENERATION AND DISTRIBUTION OF ECONOMIC VALUE					
FIGURES IN THOUSANDS OF EURO	2019	2018	2017	DELTA '19-'18	DELTA %'19-'18
<b>DIRECTLY-GENERATED ECONOMIC VALUE</b>	<b>3,173,999</b>	<b>3,062,697</b>	<b>2,941,568</b>	<b>111,302</b>	<b>4%</b>
Revenue from sales	3,002,732	2,920,723	2,762,049	82,009	3%
Other income (other income, financial income, portion of profits...)	171,267	141,974	179,519	29,293	21%
<b>DISTRIBUTED ECONOMIC VALUE</b>	<b>2,570,279</b>	<b>2,571,612</b>	<b>2,383,771</b>	<b>-1,333</b>	<b>0%</b>
Suppliers	2,072,336	2,102,944	1,921,780	-30,608	-1%
Employees	412,949	395,928	385,116	17,021	4%
Lenders	51,056	51,330	52,081	-274	-1%
Public Administration	31,775	18,657	22,187	13,118	70%
Community	2,163	2,753	2,607	-590	-21%
<b>ECONOMIC VALUE RETAINED</b>	<b>603,720</b>	<b>491,085</b>	<b>557,797</b>	<b>112,635</b>	<b>23%</b>
Depreciation	316,728	279,015	259,415	37,713	0.14
Total profit	286,992	212,070	298,382	74,922	0.35



## Over € 3 billion

generated in 2019

In 2019, the Grimaldi Group generated a value of around €3 billion, a slight increase compared to 2018 (+4%).

The distributed economic value (just over 81% of the economic value generated) mainly consists of the following items:

- **Suppliers** (€2 billion): this item represents the portion of economic value generated that the Group invested in the economic system, through the purchase of raw materials, goods and services. The main expense items are associated with the Group's core business and are related to the purchase of fuels and lubricants, general navigation expenses and expenses for port services;
- **Employees** (€413 million): this item represents the portion of economic value generated that the Group provided to its employees, in the form of salaries or other benefits (e.g. meal tickets, training expenses, living and travel expenses, etc.);
- **Lenders** (€51 million): this item represents the portion of economic value generated that the Group provided to its lenders as interest on loans received;
- **Public Administration** (€32 million): this item rep-

resents the portion of economic value generated that the Group distributed to public administrations, both central and local, through taxes and contributions levied (direct and indirect taxes, duties paid and contributions);

- **Community** (€2 million): this item represents the portion of economic value generated that the Group distributed to local communities to support the organisation of social, environmental and cultural initiatives through the Grimaldi Foundation Onlus.

The value that the Group did not distribute to its stakeholders, but kept internally in the form of amortisation/depreciation and allocation to reserves, to be reinvested to guarantee business continuity and sustainability, consists of the following items:

- **Amortisation and depreciation** (around €317 million): this represents the portion of economic value kept within the Group for amortisation and depreciation of tangible and intangible fixed assets;
- **Consolidated profit** (around €287 million): this represents the profit which, based on management decisions, is mainly reinvested in the Group to finance the purchase of new ships, technological innovation, etc.

# We create value for our stakeholders

## 7.1 Our customers

Service quality represents a key element for the Group's business strategy, in order to build relationships of solid and lasting trust with customers.

Through the Company Rules for Passenger & Vehicle Transportation and the General Transport Conditions, the Group has defined its rules and minimum standards, to guarantee the quality of the services it offers to passengers with particular attention to the disabled, children and pregnant women. Through these rules the Group intends to transfer to employees and customers the values pursued. The mission is to provide efficient, reliable, innovative and high quality services for maritime transport of freight and passengers, by constantly working to identify the needs and expectations of our customers. The Group is dedicated to excellence, social responsibility and transport solutions that promote sustainable mobility.

The initiative Bed & Care start-up for the implementation of the Your Disability Manager service, begun in 2018, continued in 2019, and provides assistance and travel solutions for people with disabilities and the elderly. The agreement is part of a broader Accessible Tourism project which resulted into a series of agreements, interventions and working instructions. Moreover, inspection trips were carried out on board all ships to improve the level of hospitality, both from a structural perspective and in terms of the preparation of the personnel in charge.

Additionally, the first mini-library on board designed for young readers, called L'Attraccalibro, was in-

roduced on the passenger ships of the fleet. The initiative is aimed at children and teenagers aged 0 to 14, with collective reading events which foster coming together and socialisation, and the option of renting books for free, to spend some time relaxing and reading alone. **L'Attraccalibro** is an initiative that was created in collaboration with Giunti Editore, the top publishing group in the book market and a leader in children and young people books.

The Group guarantees the constant and timely adjustment of the General Transport Conditions for passengers, services and organisation according to the current national and international legislation on the subject of passenger transport by sea and, specifically, as indicated in Regulation (EU) no. 1177/2010 of 24/11/2010, which took effect on the 18/12/2012.

To pursue and implement the attention that the Grimaldi Group pays to its customers, it introduced for all lines the registration of passengers through a computerised e-booking system.

The data collection system may be either digital **A** or manual **B**, based on the systems found on board and in ticket offices.

### **A - Ships with a digital data registration system**

At the time of the booking, the e-booking system collects information from all passengers. Furthermore, "special assistance" requests are transcribed and automatically reported, in the event that passengers make an explicit request. Afterwards, the passenger list is sent to the Purser, port agents or



## The Group's main awards in 2019

### GREEK HOSPITALITY AWARDS

- Minoan Lines obtained the Silver Award in the Best Greek Coastal Shipping at the Greek Hospitality Awards, organised by Ethos Awards at the Athenaeum InterContinental in Athens.

### LOYALTY AWARDS

- During the 2019 Loyalty Awards, organised in Athens by the company Boussias Communications, Minoan Lines received the Silver Award in the category for Best Customer Loyalty and Tourism Engagement Program, for its Bonus Club, which has been running for 14 years.

### ITALIA TRAVEL AWARDS

- Grimaldi Lines was chosen as the most loved ferry company by Italian passengers. The jury of the 2019 Italia Travel Awards decided so, which is made up of not only of travel agents and operators, but also travellers who expressed their preference for each category considered. The Italia Travel Awards is a prestigious recognition that, now in its fourth year, celebrates the commitment and expertise of the tourism industry, with the aim of encouraging development and professionalism within the sector.

### TOP CORPORATE SUPERBRANDS

- Minoan Lines is one of the Top Corporate Superbrands in Greece for 2018-2019 in the Transport category, according to the votes at the Superbrands Awards, a prestigious biennial event held at the Megaron Concert Hall in Athens on 3 June. This is the 3rd time that Minoan Lines has been proclaimed the winner in this category, proving itself to be a pioneer in the field.

### LABEL FOR ALTERNATING SCHOOL/WORK QUALITY (BAQ)

- The Grimaldi Group also obtained the 2019 Label for Alternating School/Work Quality (Bollino per l'Alternanza di Qualità - BAQ) once again this year. This prestigious award is given by Confindustria in relation to the significant contributions in terms of training that the Group has provided during the 2018/2019 school year, through the alternating school-work activities that are freely offered on board, during educational trips.

### LOGISTICS MANAGEMENT QUEST FOR QUALITY

- Atlantic Container Line was ranked as one of the best North American operators in the survey conducted by Logistics Management Magazine. The 36th Quest for Quality award is the most important award given by the magazine, which is based on the results of a customer satisfaction survey on the main transport methods.

### LLOYD'S LIST EXCELLENCE IN DECARBONISATION TOWARDS 2050

- The Grimaldi Group won the "Excellence in Decarbonisation towards 2050" award at the Lloyd's List Europe Awards, which were celebrated in London at the Hilton Hotel, Park Lane on 10 December 2019. The event was organised by the prestigious international publication, Lloyd's List, and was hosted by the English actor Hugh Dennis.

Out of the 400 shipping professionals who attended the ceremony, there were also representatives from the main international organisations within the sector, such as the Secretary-General of the IMO (International Maritime Organisation), Kitack Lim, and the Secretary-General of the ICS (International Chamber of Shipping), Guy Platten.

The Group's spearheading commitment to setting a good example for the entire sector via investment in innovation strongly impressed the jury of the Lloyd's List Europe Awards, which unanimously declared the Neapolitan shipping company the inaugural winner of this important award.

### AMERICAN HONDA PREMIER PARTNER AWARD

- Atlantic Container Line (ACL) received the Honda's annual Partner Award, given during a special ceremony in Manhattan Beach, in California. ACL was awarded for providing excellent quality, value and customer service to support Honda's business and activities.

### RO-RO LINE OF THE YEAR

- For the third year in a row, the Grimaldi Group obtained the "Ro-Ro Line of the Year" award at the 2019 Global Freight Awards, the main award program in the industry that awards excellence in all areas of freight transport. The ceremony, which was organised by the specialist publication Lloyd's Loading List and presented by English comedian and actor Tom Allen, was held at the Royal Lancaster Hotel in London.

### HEAVY LIFT ENVIRONMENTAL AWARD

- The "Environment Award" was presented at the 2019 Heavy Lift Awards during the inaugural ceremony at the Hilton Old Town Hotel in Antwerp. The event was conceived to celebrate people and companies whose vision, innovation and commitment are helping to shape this vibrant industry. Specifically, the judges praised the many initiatives that the Grimaldi Group has created, demonstrating a considered approach to environmental problems in the day-to-day running of its operations and in its long-term strategy.

the authorities. At the time of boarding, the Purser checks, corrects any incorrect information and completes the aforementioned list, as provided for by Italian Decree 13/10/1999. Within 30 minutes of the vessel departing, the Purser, or their delegate, must send the complete and updated passenger list to the central Naples Passenger Department via email or fax. The 30-minute limit also applies to night departures and holidays. The booking department updates the passengers data as soon as possible and as a matter of priority.

#### **B - Ships with a manual data registration system**

The ship receives the boarding list from the port ticket offices. This list is updated by the personnel on board. Within 30 minutes of the vessel departing, the Purser must send the complete and updated passenger list to the Naples Passenger Department via email or fax. The 30-minute limit also applies to night departures and holidays. Then the booking department updates the passenger data as soon as possible and as a matter of priority. On board the ships, if the Purser is not on board, the responsibility for the application of the procedure described above falls to the Master. The data is used and processed for statistical and commercial purposes required to analyse the productivity of the department and define the business strategies to be adopted. To date, the studies produced primarily examine volumes and chosen route. Cabin type, vehicle category, purchasing channel, gender and age are currently processed in a secondary manner.

Furthermore, for the purposes of personal data processing, the Group has worked intensively to comply with the GDPR (General Data Protection Regulation) privacy directives. Specifically, the Personal Data Processing Policy was updated in five languages, as well as the general conditions of the contract in regards to privacy. Moreover, a specific register was created for personal data processing by the Passenger Department. Contracts to appoint External Data Processors were signed and the sales intermediaries who are the autonomous data controllers of this processed data were made aware of this and asked to show the related information document to shared customers. Lastly, the promotional activity of sending newsletters was better regulated and defined in the three areas of soft spam, general marketing and targeted marketing. During 2019, there were no privacy breaches.

2) [customer@grimaldi.napoli.it](mailto:customer@grimaldi.napoli.it)

### **7.1.1 PASSENGER TRANSPORT**

The Group has made available to passengers a specific email address<sup>2</sup> for managing reports and complaints, submitted in a meticulous, immediate and careful manner. The Customer Service Department responds to all complaints received within and no later than 30 days from the date of receipt. Once processed, and thus dealt with, they are added to a specific Register. Complaints and comments concerning the shore and board services offered are shared with the various departments of the fleet, ticket offices and the ships concerned. The study and analysis of these comments support the Group in choosing the strategies to take to overcome the critical issues raised and contributes to improve the service. Additionally, inspections of terminals and on board the Ro-Pax ships are also carried out weekly, in order to intervene directly to resolve the problems emerged.

The degree of customer satisfaction is also measured by analysing the suggestion forms that are placed in the cabins and common areas of the ships. All the suggestion forms collected are processed in the form of monthly and yearly statistics, thanks to which the degree of satisfaction with the offered service can be seen. Four reference parameters are used (insufficient, sufficient, good, excellent), which mainly concern the services offered and the activities present on board the Ro-Pax ships. We also examine the most important comments left by customers on the suggestion forms, which are shared with the departments concerned so that the suitable corrective actions can be adopted. The level of satisfaction of the offer was further monitored by conducting a monthly comparison of the trend of opinions expressed as a percentage between the year in exam and the previous one.

### **7.1.2 FREIGHT TRANSPORT**

The Grimaldi Group is a world leader in transporting rolling freight. It is a leading supplier for car manufacturers, for whom it is always searching for logistics solutions that allow efficient and integrated door-to-door transport. Due to the quality of its services, it continues to be chosen and rewarded by the world's leading vehicle manufacturers. Indeed, the dense network of maritime connections operated guarantees punctual services between the main ports on four continents, as well as Pre-Delivery Inspection services, storage and workshops at its port terminals.

In 2019, the Group's customer services were acknowledged once again by the 2019 Tourism Awards, which were held at the "Hellenic Cosmos" cultural centre, where Minoan Lines received the following important awards:

**GOLDEN AWARD** for its Support of Local Communities and Corporate Social Responsibility

**GOLDEN AWARD** "New Destinations" in the Attractions & Destinations category for promoting new Greek tourist destinations, thanks to the Piraeus-Chania (Crete Island) and Heraklion (Crete)-Cyclades Islands lines.

**SILVER AWARD** for the Integrated and Creative Online Strategy and Communication entitled "In Cycladed with Sifis"

**SILVER AWARD** in the Digital & Technology category for the creation of "Minoan Lines Get-away", a bilingual travel blog.

These awards attest to the constant efforts of Minoan Lines management and staff ashore and onboard to improve maritime transport, to respect the environment and the continuous support offered to both the community/society and to travelling passengers.

With regards to the transport of other rolling freight, the Group is a pioneer in the development of the *Motorways of the Sea* concept, i.e. frequent, fast, punctual and cost-effective short-sea connections for transporting trucks and semi-trailers. The *Motorways of the Sea* represent a sustainable and efficient alternative to road transport, allowing traffic congestion and to avoid road accidents, delays in deliveries and excessive fuel costs, while offering the option for timely and regular shipments among the most important ports in Europe.

The policy pursued by the Group in this sector is to offer connections that meet the needs and demands of the market, thereby creating a relationship of mutual trust and collaboration with the customers.

Over the last 20 years, the Group has repeatedly been recognised by customers and specialised publications for the services offered to its clientèle. In turn, it has been honouring some of its best trading partners with awards for a few years now.

On 4 October 2019, the third edition of the Grimaldi Excellence Awards took place, an event that awards the best partners and customers for the quality of



services supplied to the Group in 2019.

This year saw the Port of Helsinki (Finland) and Wallhamn (Sweden) triumph in the **Port and Port Terminal** categories respectively. Allalouf Shipping and Grimaldi Sardegna were awarded in the **Agent** category,

while Ecospray won the title of best supplier for 2019.

For the **Customer** category, 10 road haulage companies were awarded for distinguishing themselves for the substantial increase in volumes transported with the Grimaldi Group on short-sea routes. Additionally, awards were given to FCA, Ford and GEFCO, the three most important clients in the automotive sector in terms of turnover.

Angelo di Martino was given the **Career Award** for his long career that has seen him successfully hold key roles, not only within his family's eponymous group, but also in important national and international associations.

Lastly, the **Green Award** was a new addition to the third edition of the Grimaldi Excellence Awards. Dedicated to sustainability, it was awarded to Automar Logistics.



## 7.2 Our People

The Grimaldi Group has always worked in the conviction that the capacities and qualities of its employees are the basis of its success, whether they work ashore or onboard.

For this reason, all activities that protect and enhance personnel are of central and strategic importance for the Group, with the aims of creating lasting relationships of reciprocal trust, attracting new talent and guaranteeing a healthy and safe working environment.

The Group can boast of solid relationships with the main union organisations in its sector, based on continuous dialogue (at least quarterly) and cooperation, to share any issues and proposals for improvement coming from employees. In Italy, the Group has trade union representatives within its workforce for the FILT-CGIL, FIT-CISL and UIL-Trasporti trade unions who signed the CCNL (National Collective Labour Agreement). The company's Trade Union Representatives have been part of the company for over 20 years and the working relationship is based on active collaboration and the prompt resolution of queries, any problems that may arise and improvements proposed by employees. In 2019, employees covered by collective contract agreements accounted for 96% of maritime personnel and 88% of administrative personnel for the entire reporting period<sup>3</sup>.

During 2019, the 2nd Level Agreement continued to be applied, which made improvements to the provisions of the CCNL (National Collective Labour Agreement). This agreement also provided for adherence to the National Additional Assistance Fund UNISALUTE, which offers healthcare and injury treatment. In addition to remuneration improvements, the Agreement also includes new benefits in

favour of workers relative to: improvements in diems for every mission day and greater flexibility in holiday hours and methods of use (without prejudice to legal regulations relative to use of holiday days), as well as institutionalisation of seniority bonuses upon reaching 20, 25, 30 and 35 years of service. These benefits, deriving from the 2nd Level Agreement, are added to those already existing, such as the arrangement of a private policy paid for entirely by the company (in addition to INAIL insurance) for administrative personnel on missions.

Meetings with Trade Union Representatives were constructive and always aimed at resolving problems in the interest of the Employees and the Group to achieve the common objective of expanding and increasing productivity of the Fleet.

As far as disputes are concerned, during 2019 no significant cases arose.

Among the Group's foreign subsidiaries, Finelines considers the basis of its success its attention to human capital, in particular to long-term cooperation between shore and maritime personnel. The company promotes well-being in the workplace and work skills as essential long-term factors of success. Improvement of performance was implemented mainly through increasing the cohesion of the team, concentrating attention on improving the leadership capacity and ensuring fair recruitment capable of adding value to the company.

Minoan Lines believes that the personality of each employee contributes significantly to its success and intends to recruit people with adequate skills who also have the aim of maintaining high standards of services, both ashore and onboard.

The company cooperates with the most important

<sup>3</sup>) The reporting perimeter covers 97% for 2019 and 95% for 2018 and 2017 regarding shore personnel. The reporting perimeter covers 80% for 2019, 2018 and 2017 regarding maritime personnel.

educational institutions and offers employment opportunities through its own job centres. Promoting equality and equal opportunities in the sector in which it operates is the Company’s main objective and is supported at all levels of the administrative structure.

In addition, the company invests in the training of its employees with the aim of continually improving their professional development.

### 7.2.1 PERSONNEL SELECTION POLICIES

The Human Resources Department (HR) manages requests for new staff coming from the various company departments, both in the case of replacing personnel (e.g. maternity) and in the case of increasing staff, taking particular care in selecting and making the best use of protected categories.

Once requests have been surveyed, if the need is confirmed, they are presented to the Board for further assessment and final approval. Alongside the approval procedure, the HR Department supports

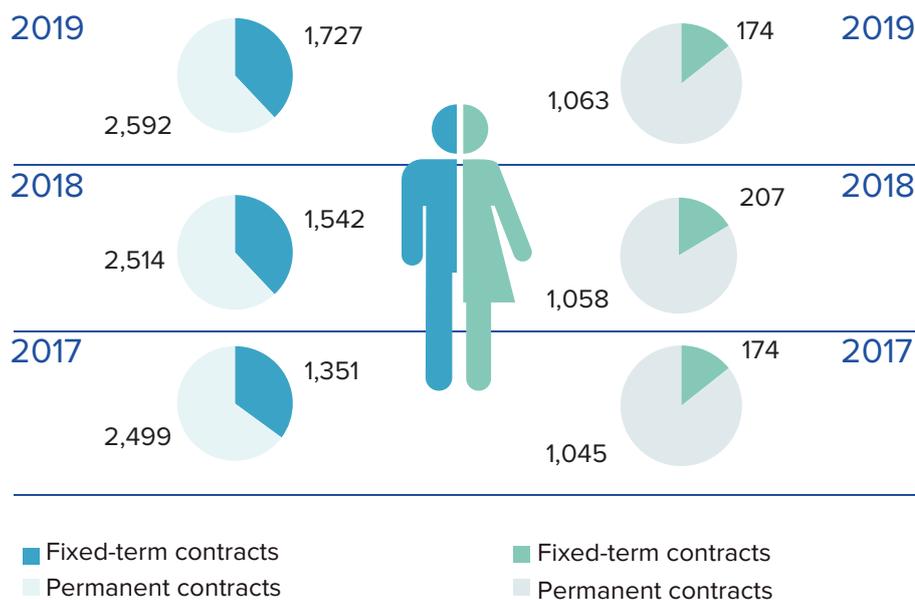
the department that has requested the resource in setting out the necessary skills and defining the professional profile required. When approved, the profile is cross-checked with the internal database populated by spontaneous applications on the “work with us” section of the Grimaldi company website. After having identified a number of ideal candidates, a commission, defined on the basis of the skills to be assessed, selects the individuals most suitable for the position in question. The procedure is completed with a decision taken by the majority of the commission, although the manager of the department which requested the resource can always ask to carry out further in-depth interviews.

The type of contract adopted for beginning new employment positions, above all for the more junior profiles, is the professionalising apprenticeship which, at the moment, offers the best contractual profile in terms of costs and possibility of creating training/specific insertion pathways.



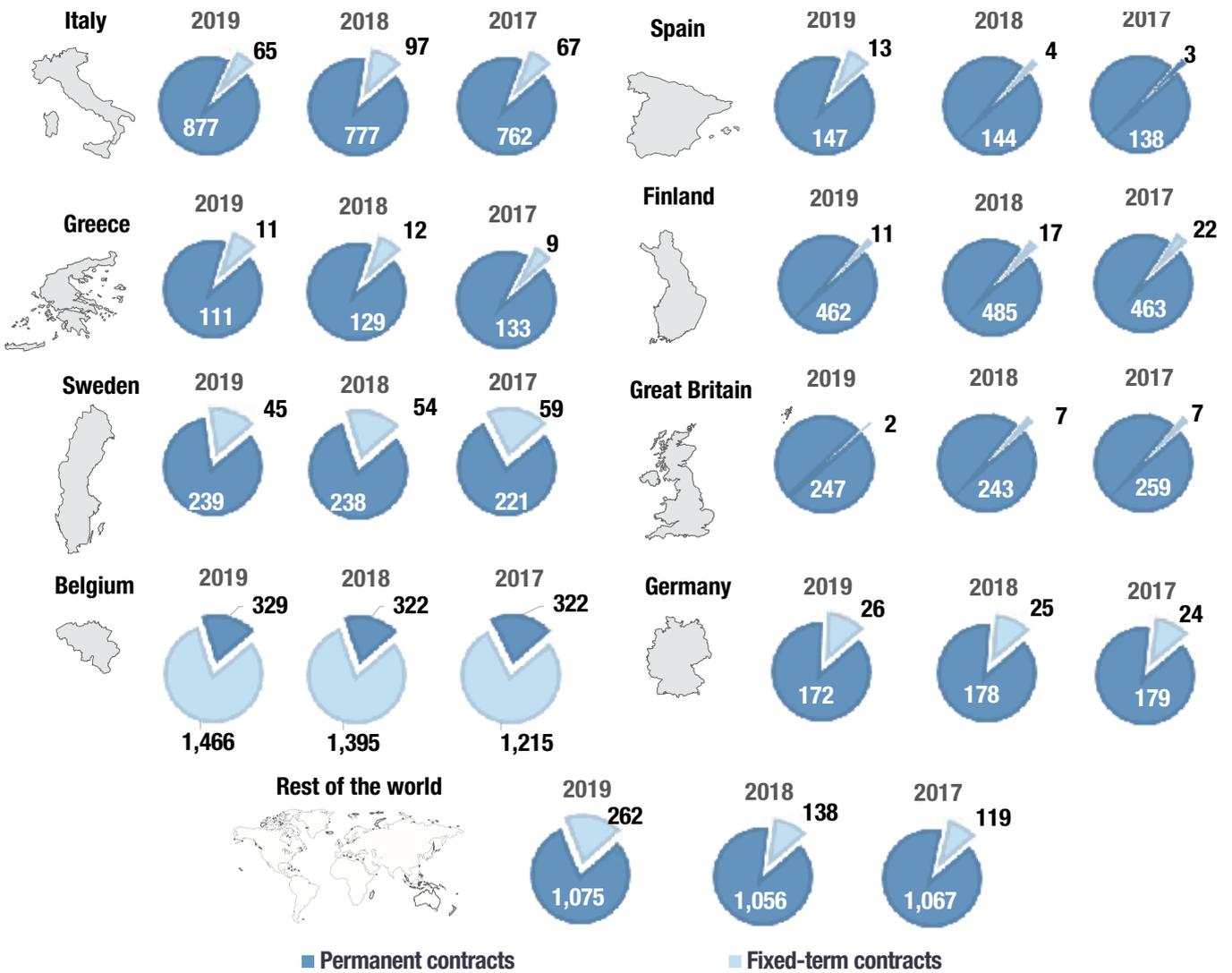
## Shore personnel

102-8: Personnel divided by gender and contract type<sup>4</sup>

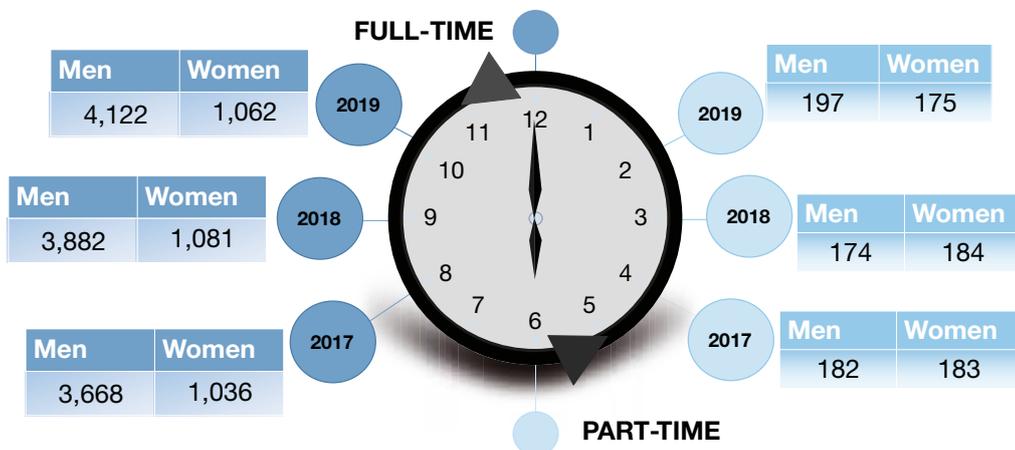


<sup>4</sup> The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.

102-8: Personnel divided by geographic area and contract type<sup>5</sup>

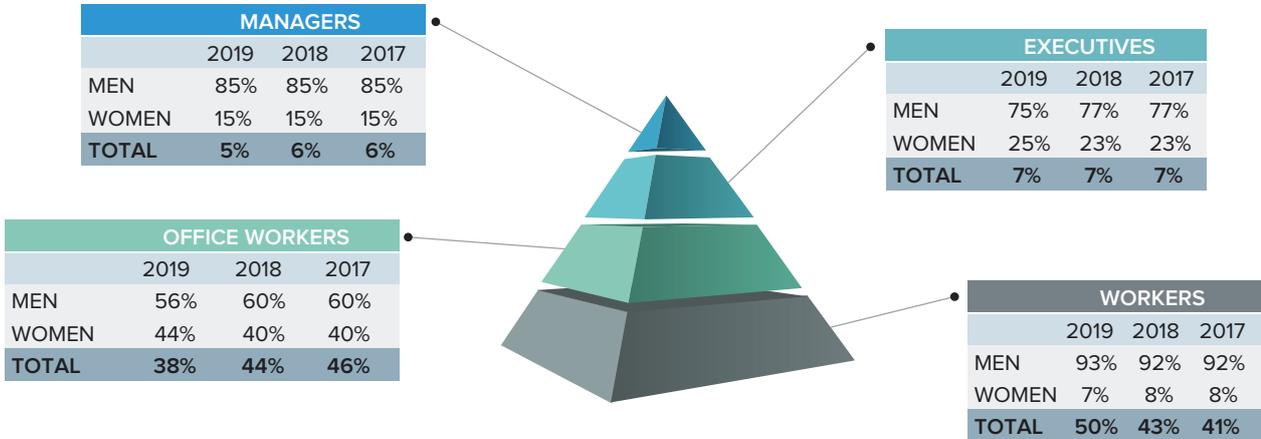


102-8: Personnel divided by type of work<sup>6</sup>

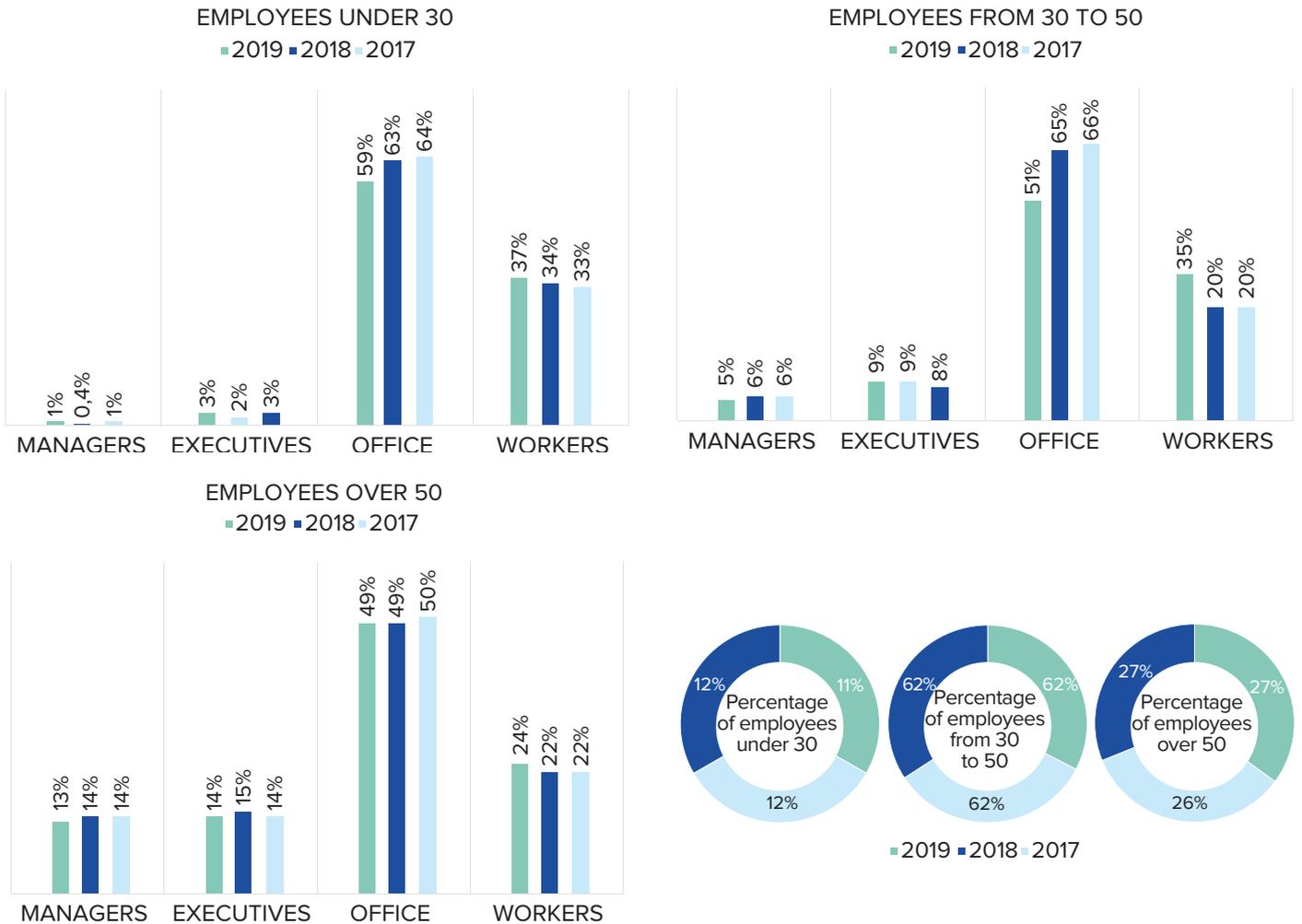


5) The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.  
 6) The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.

405-1: Breakdown of personnel by professional category and by sex<sup>7</sup>



405-1: Breakdown of personnel by professional category and age<sup>8</sup>



7) The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.

8) The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.



## At the basis of the success of the Group

there are the skills and the quality of their collaborators, both they operate onboard or ashore

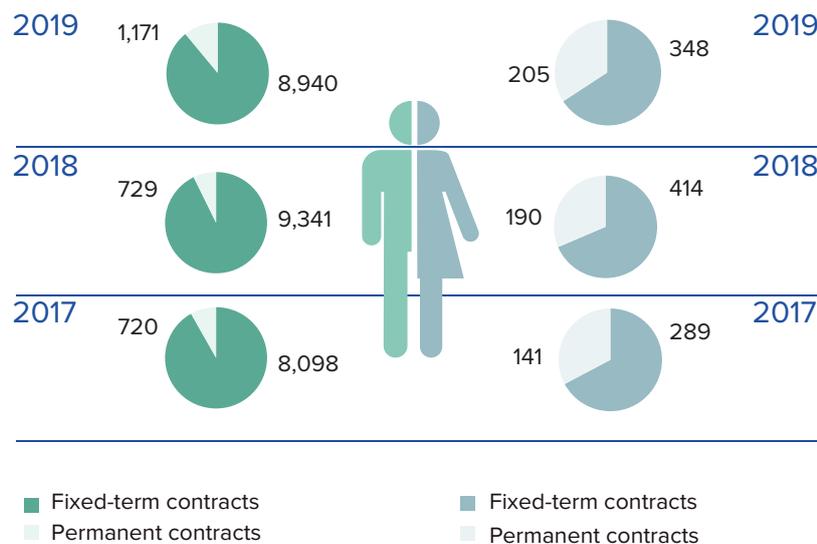


### Maritime personnel

When selecting crew personnel to work onboard ships, the process of identifying, assessing and selecting staff is the direct responsibility of the Crewing Department. The selection procedure for these workers considers possession of a STCW certification<sup>9</sup> as a bare minimum, as well as meeting all the requirements of the flag the ship sails under. Abroad, initial selection is done by personnel agencies, with final approval given by the Crewing Department.

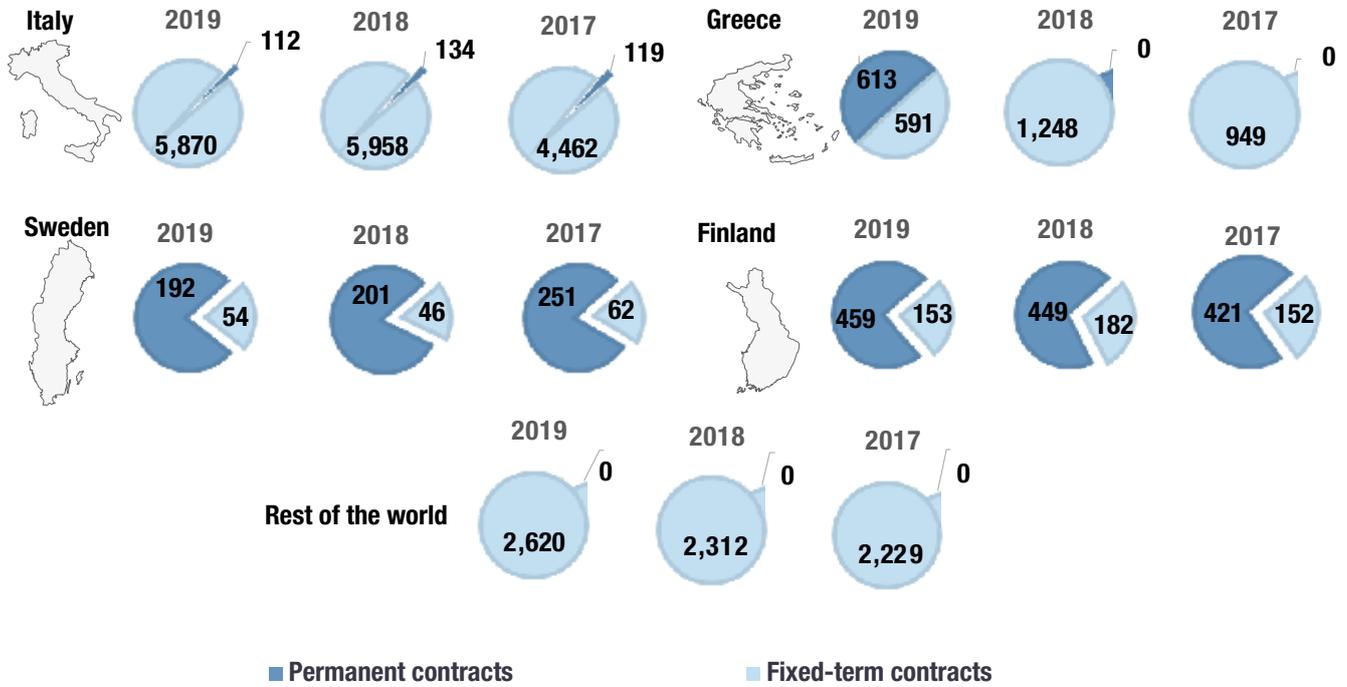
In reference to the figures concerning the recruitment and termination of maritime personnel, considering the different forms of national legislation that apply to the Group's six shipping companies and accounting for the mixed nature of the information, starting from this report the Group has decided to not display this information as it is not representative. Nevertheless, the data related to the number of personnel (GRI 102-8) refers to contracts activated during reporting period.

102-8: Personnel divided by gender and contract type<sup>10</sup>

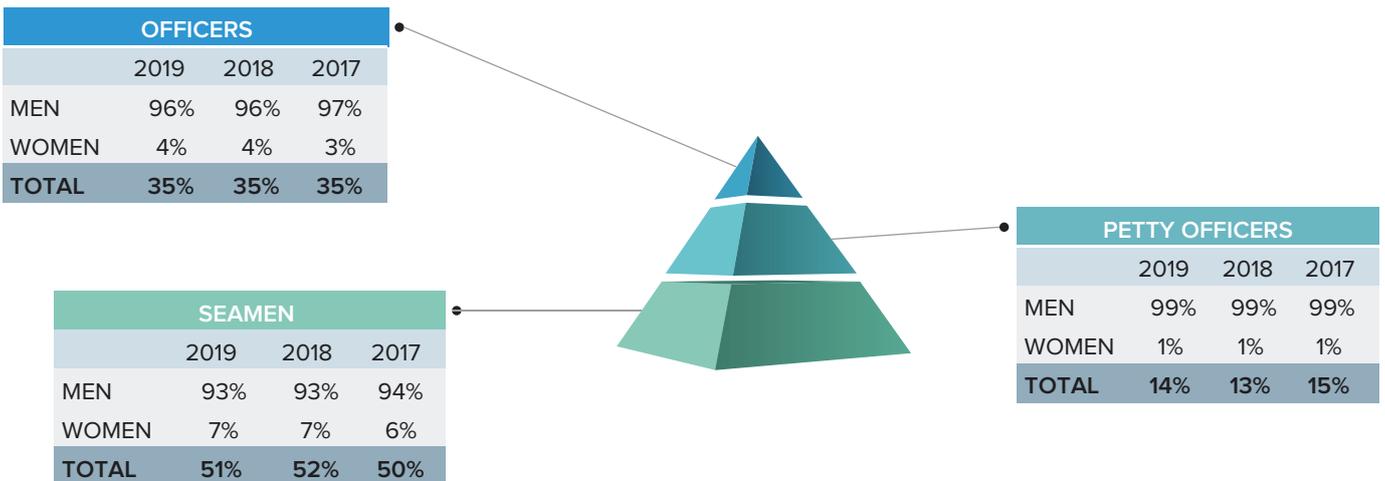


9) International convention on training, certification and watchkeeping standards for seafarers, also known as the STCW 1978 Convention, or simply STCW (Standards of Training, Certification and Watchkeeping for Seafarers).  
 10) The reporting perimeter covers 100% for 2019 and 80% for 2018 and 2017.

102-8: Personnel divided by geographic area and contract type<sup>11</sup>



405-1: Breakdown of personnel by professional category and by sex<sup>12</sup>



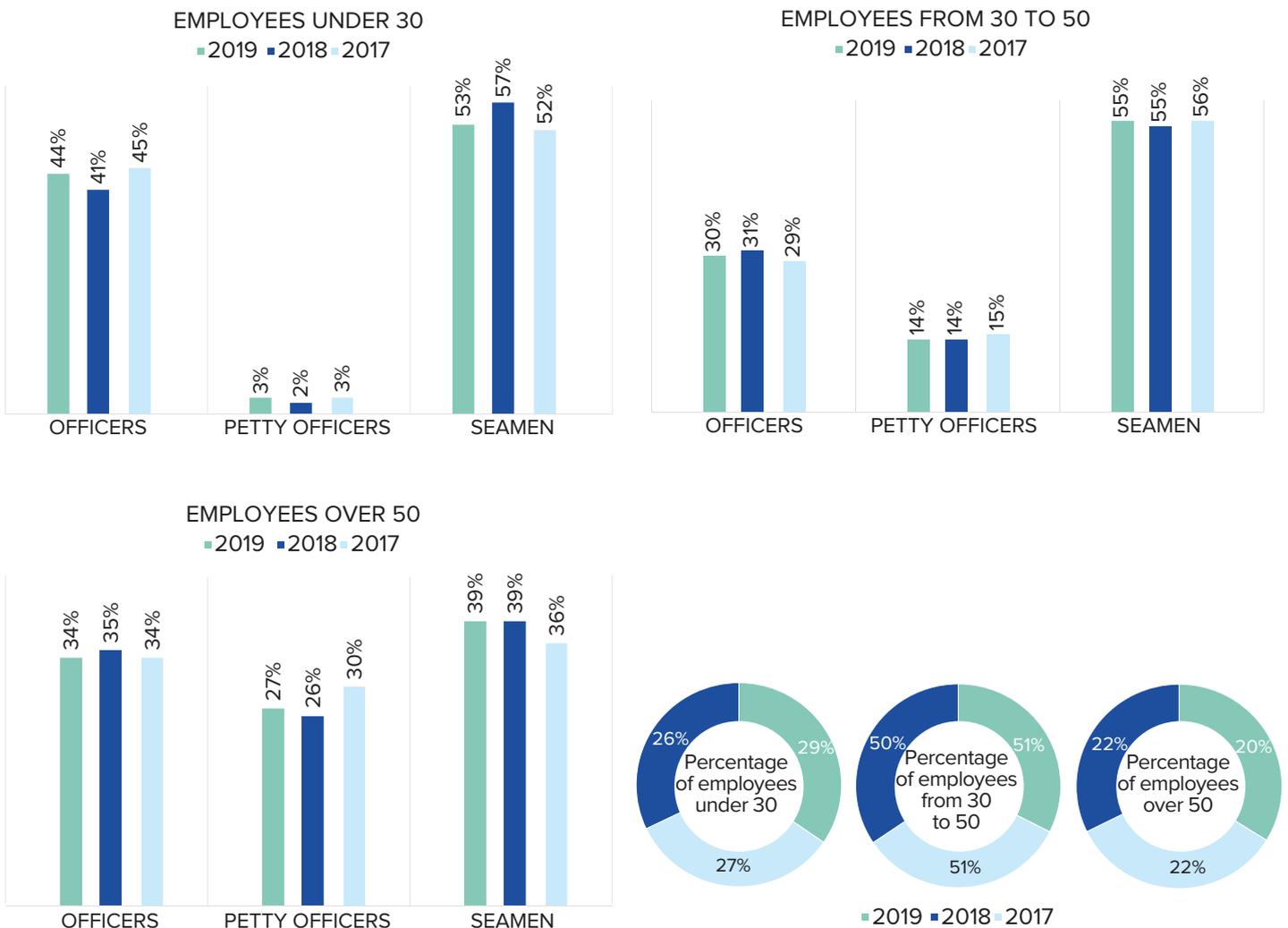
11) The reporting perimeter covers 100% for 2019 and 80% for 2018 and 2017.

12) The reporting perimeter covers 80% for 2019, 2018 and 2017 regarding maritime personnel.



**To take care, enhance and protect**  
personnel is a priority

405-1: Breakdown of personnel by professional category and age<sup>13</sup>



<sup>13</sup>The reporting perimeter covers 80% for 2019, 2018 and 2017 regarding maritime personnel.



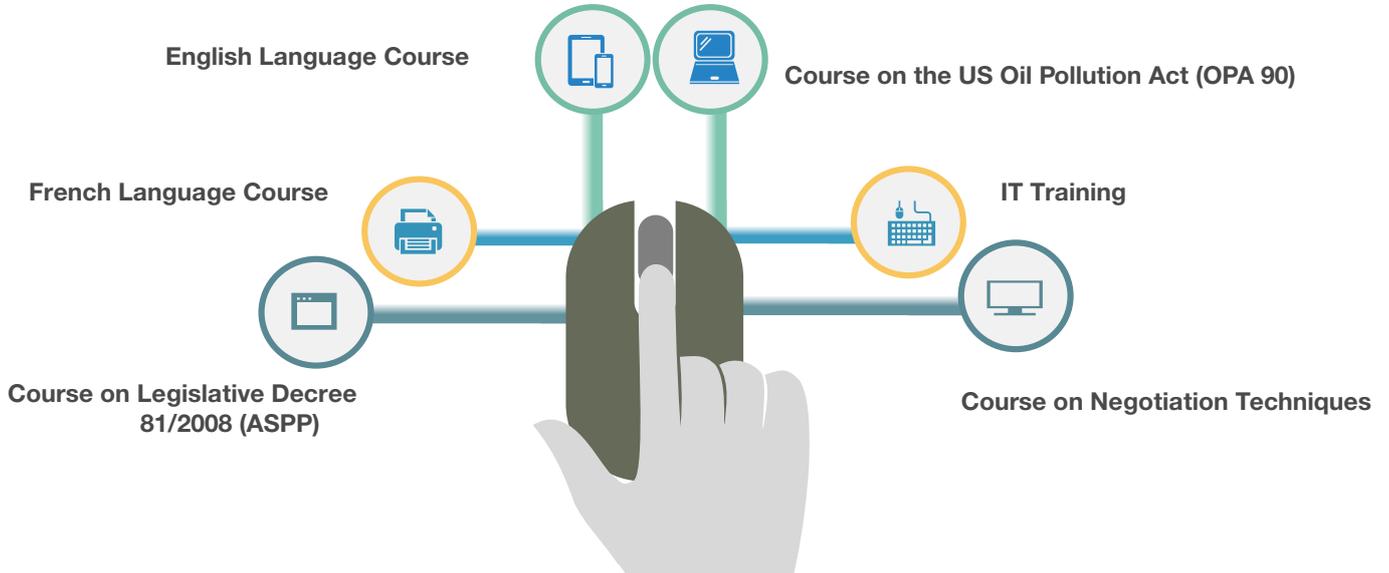
## Specific courses and large-scale exercises (onboard-ashore).

Particular attention is paid to on-board staff training

### 7.2.2 TRAINING AND SKILL DEVELOPMENT

Training requirements are determined every year as part of the merit-based evaluation of the workforce, in order to identify and correct any shortcomings in staff training. In particular, every evaluator can express for each employee any training needs,

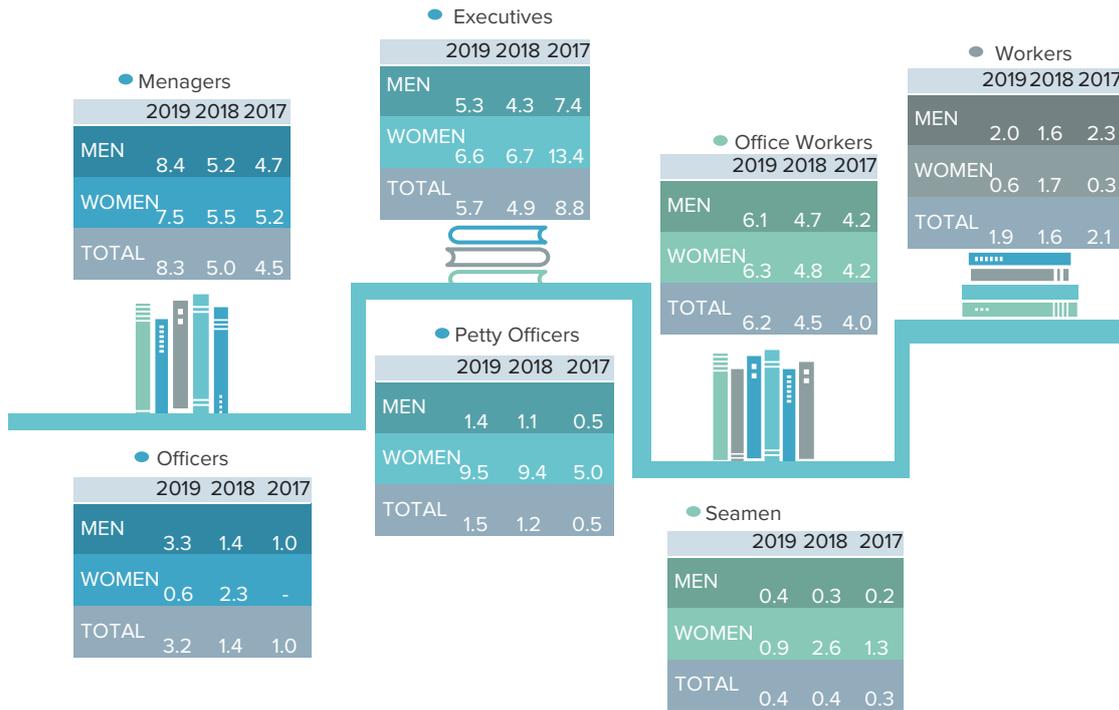
whether technical or relative to soft skills. In 2019, the usual attention was paid to employee training courses that involved the entire organisational structure and, in particular:



At the end of the courses, in order to assess the trainer's work, the Human Resources Department provides participants with an anonymous questionnaire to obtain qualitative and quantitative feedback on each session.

Overall, in 2019 the Group had an average of 4.1 training hours for shore personnel, considering the 5,560 employees in this category, and 1.53 average training hours for maritime personnel, considering a total of 10,226 employees in this category<sup>14</sup>.

<sup>14</sup>) The reporting perimeter covers 100% for the 2019, 84% for the 2018 and 82% for the 2017 regarding shore personnel. The reporting perimeter covers 80% for the 2019, 2018 and 2017 regarding maritime personnel.



401-1: Average training hours, by professional category and by sex

In addition, the Group, in order to keep its employees up-to-date with new technologies, has installed a navigation, manoeuvre and maritime telecommunications simulator.

This is a *Transas 5000* model which complies with the IMO standards and can simulate manoeuvres in different sea and weather conditions.

The *Transas 5000* Simulation System offers training at all levels (basic, intermediate and advanced training). This feature means it is possible to cover a vast range of trainees at different levels, nautical students, and also expert seafarers, river pilots, port pilots, tugboat operators, etc.

Currently the simulator is used only for training Deck Officers and on numerous occasions for internships organised for the students of the Nautical Institutes with which the Group collaborates.

In fact, again in order to guarantee maximum safety in the workplace, thanks to the simulator, accidents that have occurred in the past with the Group's ships are analysed. The same conditions present at the moment of the accident are recreated and an analysis of the event is carried out. Finally, possible corrective actions that could be carried out if the situation reoccurs are identified.

### 7.2.3 PERFORMANCE EVALUATION

The entire workforce undergoes an annual performance evaluation. This activity, which is not viewed as a mere regulatory requirement by the Company, is a way to reward those employees who have been most involved and active in the processes of improving and growing the Group.

Each manager responsible for Company Departments are asked by Human Resources to complete assessment forms on the performance of each employee and to organise, at least once a year, an interview to determine the extent to which the objectives set the previous year have been met, indicate any problems, and identify new objectives for the future.

The Personnel Department actively participates in assessing staff performance and, during the year, launched a project to digitalise the assessment process, which became necessary due to the growing number of personnel within the company.

During 2019, 25% of staff was involved in merit-based projects. In fact, the Group is strongly convinced that rewarding staff for talent strengthens their loyalty to the Group, helping them to feel like an integral part of a strong, solid and well-organised system.



#### 7.2.4 WORKPLACE HEALTH AND SAFETY

In 2019, the updating process of the RAD (Risk Assessment Documents) for Grimaldi Euromed, Grimaldi Deep Sea and the Grimaldi Group - for all offices - continued and all the risks pertained to in Italian Legislative Decree 81/08 were assessed again. With regards to the health and safety in the workplace, the prevention and protection team was audited and the engagement logic was modified, leading to a new coordination procedure between the activities of the three companies, with a simulation of an evacuation following a fire also being run.

In regards to training, all workers receive sufficient and adequate training on working methods and on risk prevention at the time they are hired or when they change working task. According to the risk assessment done for the activities, particular attention is also paid to the proper use of the Personal Protective Equipment (PPE) deemed necessary, as well as the working methods and procedures to be adopted to guarantee adequate workplace safety conditions.

Furthermore, in the area of first aid, every floor of the Naples headquarters and external offices are equipped with a defibrillator and the first aid teams have been trained on how to use them.

Lastly, pursuant to Italian Legislative Decree no. 81/08, information activities directed at employees are repeated upon:

- hiring;
- any time changes occur in the company's activities, judged significant in terms of their impact on worker health and safety conditions;
- when significant changes are made to relevant regulations that require revised risk assessments with regard to worker health and safety;
- when tasks change.

Pursuant to article 28, paragraph 1, letter F), tasks have been identified that expose workers to specific risks which require recognised professional abilities, specific experience, adequate training and/or education.



## 7.3 Our suppliers and agents

One of the Grimaldi Group's objectives is to establish relationships with its business partners based on transparency, correctness and impartiality.

Except for Minoan Lines, the Chartering & Bunkering Department handles the Group's supplies of fuel, paying the maximum attention to limiting costs and to searching for any new suppliers on the destination markets of the ships. Requests must reach the department five working days before the bunkering day.

The procedure involves sending a procurement request from the ship using a specific form containing all the necessary specifications. Once the request has been received, it is entered on the "spot market", if there is no agreement, or is sent to any supplier with which the Group has pre-set agreements.

The spot request is processed through a tender among all the suppliers present in the port involved in order to obtain the best price on the market. Once the tender has been completed and/or the confirmation received from the supplier a bunker confirmation is sent to the ship.

For each request the itinerary of the ship is always assessed in order to check whether the port in which the ship has requested the bunkering is the cheapest of the entire itinerary.

The Grimaldi Group's procurement activities are managed by the Procurement Department (UACQ – Procurement Department). The UACQ is organised into 3 specialised buying groups, amounting to a total of 30 units. The first group purchases replacement parts and services for "engine and deck" equipment. The second group purchases consum-

ables (e.g. electrical materials, oils, paints, pharmaceuticals, etc.) for "cargo" ships. The third group purchases consumables for ships that board passengers, as well as dealing with advertising and service contracts for office maintenance. The final balance in 2019 of purchases managed by the UACQ was around €260 million, of which the most significant items are given below. In addition to these, approximately €60 million were spent in capitalised costs of investments, mainly for the purchase of scrubber systems to reduce sulphur emissions:

- scheduled maintenance in dry docks;
- parts and services for the repair and scheduled maintenance of propulsion engines and service power generators;
- lubricants;
- paint for hulls, top side work, decks and garages.

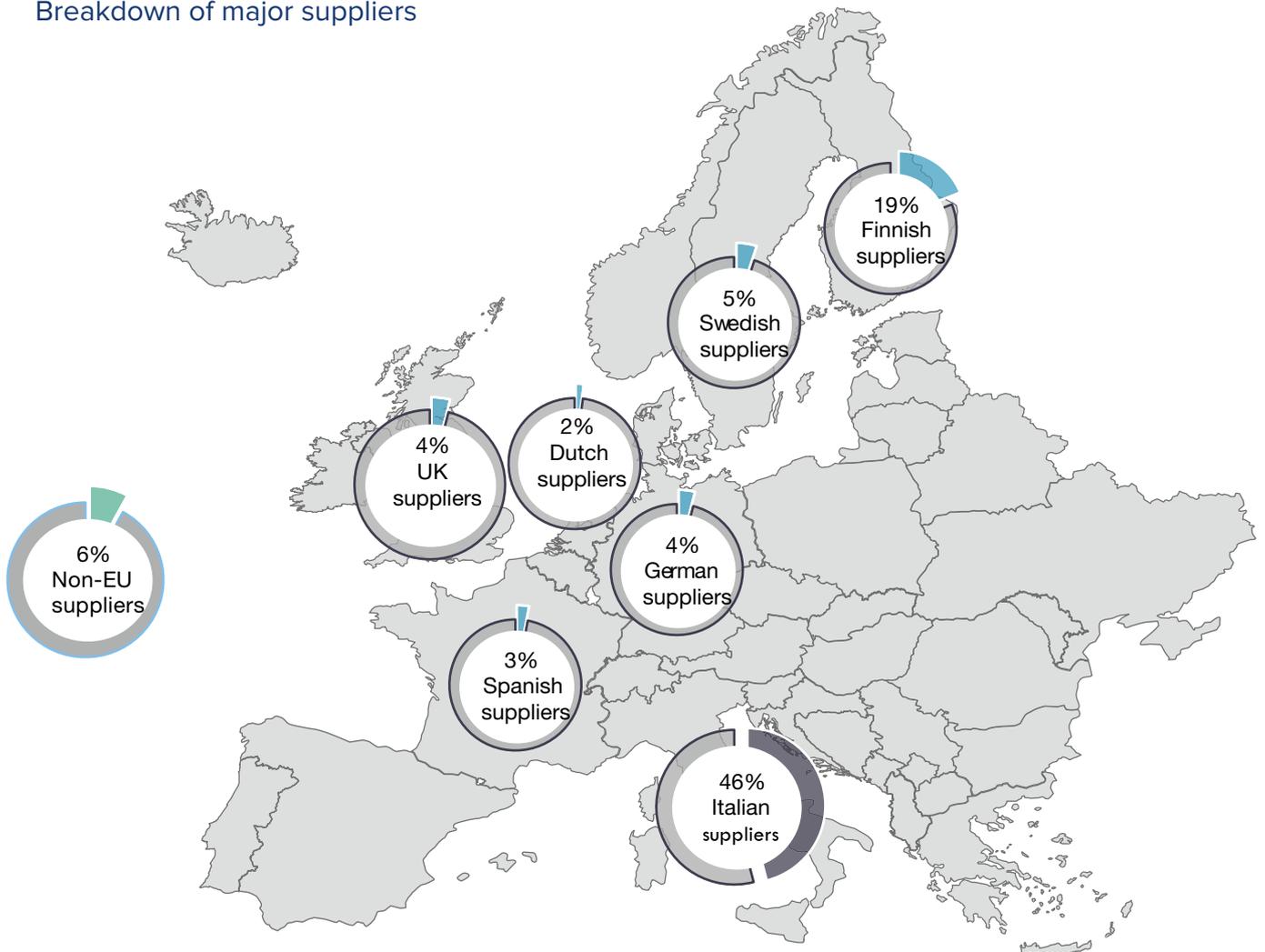
In 2019, the UACQ also supported the works of the two flagships *Cruise Roma* and *Cruise Barcelona*. As part of this project, lithium batteries with approximately 5 MWh capacity were purchased and installed on these units, which allow the aforementioned ships to turn off their diesel generators when in port, thereby reducing harmful emissions to zero. Where possible, incandescent bulbs have been replaced with LED bulbs, leading to significant energy savings. The department's work also involved purchasing the materials for outfitting the new common areas present on the two ships (lounges, cabins and the family restaurant).

In 2019, the computerising of the procurement process also continued.

Suppliers subdivided by geographic area

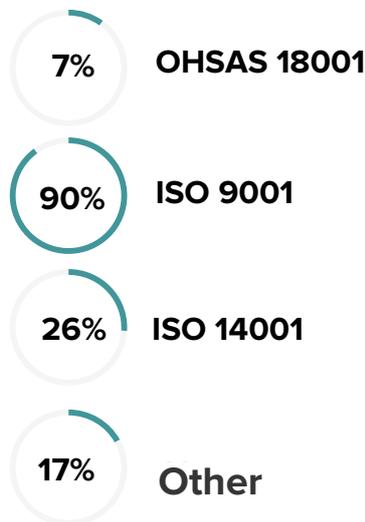


Breakdown of major suppliers





### Supplier Certifications



In structuring its supply processes and supplier relationships, the Group refers to what established in the general purchasing conditions, the integrated quality assurance and environmental manual, and the Code of Conduct.

More specifically, the approach adopted in managing all steps within the supply process is based on observing the following principles:

- Compliance with the national and EU law and regulations;
- Respect for competition and non-discrimination with possible competitors;
- Transparency in the selection process;
- Efficiency and efficacy.

The integrated quality assurance and environmental management manual defines responsibilities and governs the operating methods within the supply process, from identification of possible suppliers to the final selection stage.

Suppliers are selected using appropriate and objective methods that consider, in addition to quality, innovation, cost and services offered, social and environmental performance and respect for the values outlined in the Group's Code of Conduct.

When analysing suppliers, the Group examines

whether the main health, quality and environmental certifications are held. When suppliers have implemented a quality system which refers to other regulations, the Group reserves the right to carry out audits to determine whether it is adequate.

With reference to suppliers analysed<sup>15</sup> and monitored for possession of certification, it was found that ISO 9001 (quality system) is the most widespread certification (90% of suppliers analysed), followed by ISO 14001 (environmental management system), held by 26% of suppliers analysed.

Verification that suppliers hold the main certifications relative to environment and health and safety is done through an evaluation form within the Quality Management System, as well as verification by the Procurement Department that renewals are obtained.

The attention the Group pays to sustainable management of the supply chain is also demonstrated, as in the graph above, by the decision to recognise and select suppliers that adopt quality, workplace health and safety and environmental management systems that are structured and certified under internationally recognised standards, mainly: ISO 9001, ISO 14001 and OHSAS 18001.

<sup>15</sup> The analysis refers to 105 main suppliers.



## Emanuele Grimaldi

ICS Vice Chairman

### 7.4 Institutions and trade associations

Also in 2019, the Grimaldi Group played an active role within the main trade associations, both in Italy and abroad, contributing to the definition of strategic guidelines for the shipping sector together with other

important national and international players.

Below we list the main trade associations with which the Group has solid and lasting relations and participates in, in order to promote maritime activities.



**ICS (International Chamber of Shipping)** - The Group is a member of the ICS (International Chamber of Shipping), the main international organisation of the maritime industry which drafts and defines guidelines regarding technical, environmental and operational considerations which influence international transport. Vice Chairman, the only representative from Italy, is Emanuele Grimaldi.



**ECSA (European Community Shipowners' Associations)** - The Group is a member of the ECSA (European Community Shipowners' Associations), an entity that represents all the European shipowner associations, with managers participating on various commissions and working groups. Emanuele Grimaldi is a former President and current member of the Board.



**INTERFERRY** - Global association of companies working in the ferry sector. Its main role is to facilitate networking and communication within the sector and represent the interests of its members in political and regulatory areas. Emanuele Grimaldi is a member of the Board.



**CONFITARMA (Confederazione Italiana Armatori)** -The Grimaldi Group is a member of Confederazione Italiana Armatori (Confitarma), the Italian Shipowners' Confederation, based in Rome, which is an association for shipping companies and shipowning groups that operate in freight and passenger transport, cruises and auxiliary traffic services. Its participation in this association is quite active. Emanuele Grimaldi served as President of Confitarma from 2013 to 2017 and various Group managers are members of several issue-based commissions established within the association. .



**ALIS (Associazione Logistica dell' Intersmobilità Sostenibile)** - The Group is a member of ALIS (Associazione Logistica dell'Intermodalità Sostenibile - Sustainable Intermodality Logistics Association), which was founded in 2016. ALIS consists of the largest Italian road transport companies, as well as by public and private bodies and companies that operate in transport and logistics. Its main objective is to promote the development of intermodal transport in an environmentally sustainable way and to encourage the development of monitoring systems aimed at finding technical solutions to reduce harmful gas emissions. Guido Grimaldi, Corporate Short Sea Commercial Director of the Grimaldi Group, is the President of the association.



**ECG, The Association of European Vehicle Logistics** - This non-profit association, which is based on Brussels, promotes the interests of car carrier operators and the logistics sector, providing a meeting place for logistics services suppliers, auto manufacturers and suppliers in the sector. From 2009 to 2016, Costantino Baldissara, Commercial, Logistics and Operations Manager, served as President of the Association, actively promoting dialogue between suppliers, customers, authorities and institutions with regard to the fundamental requirements of the logistics chain.



**ASPEN INSTITUTE ITALIA** - A private, independent, international, non-profit and non-partisan association which works to promote research and discussion and the exchange of knowledge, information and values. The Grimaldi Group participates as a Sustaining Member, meaning not only does it contribute ideas for various programmes, but also offers financial support for specific events on issues of significant strategic interest. The directors of important Italian and foreign companies are involved with Aspen, as well as Italian and international personalities coming from the sectors of academics, politics, culture and media.



**CSA (Clean Shipping Alliance)** - The Grimaldi Group is one of the founding members of the Clean Shipping Alliance (CSA). Founded 2018, the CSA is a group of leading companies in the shipping sector that are distinguished by their activities that aim to control hazardous emissions. Its mission is to provide support and information on the use and effectiveness of exhaust gas purification systems, in order to promote shared environmental and sustainability initiatives.

## DONATIONS AND SPONSORSHIPS

In 2019, the Group continued to sponsor transport conferences. The following events stand out:

- The Genova Blue Economy Summit, an event dedicated to the Blue Economy (13-15 May), with €20,000;
- The 2019 Porto Aperto event, organised in Salerno on 18 May by the Central Tyrrhenian Sea Port System Authority with €5,000;
- The Annual Interferry Conference organised in London (5-9 October), with USD 4,250;
- The 47<sup>th</sup> CMPR General Assembly ( Conference of Peripheral Maritime Regions) held in Palermo from 16 to 18 October, with €4,200;
- The 2019 Public Assembly of Confetra (Italian General Confederation of Transport and Logistics) on 13 November, with €5,000;
- The Focus Live event, held in Milan between 21 and 24 November and organised by the Mondadori Group.

In other sectors, the Group has sponsored the following events:

- The 2019 Cavalli equestrian competition in Rome (February);
- The Centenary of the Institut Français in Naples (during the whole year) with €5,000;
- The 2019 CSIW Mechelen equestrian competition from 26 to 30 December in Mechelen (Belgium) with €45,000;
- The Mediterranean Laboratory Foundation with €5,000.

## 7.5 Safety e Security

The Grimaldi Group operates in full compliance with current regulations on health and safety, in all the areas in which it does business and requires compliance with and precise application of all the

initiatives necessary to ensure the highest quality standards, in line with its Integrated Management System.

### SAFETY

All measures aimed at protecting ships, people and goods on board from endogenous risks deriving from navigation activities, which by nature involve dangerous environments (e.g. machine room accidents, fires on board, adverse weather conditions), through training, proper shipbuilding methods, appropriate transportation of people and goods, observance of itineraries and proper nautical maps and assistance in emergency situations.

All measures aimed at protecting shipping and transport activities, including the crew, from exogenous actions that could cause dangerous situations (e.g. piracy, terrorism, smuggling of goods or people (migrants), illegal dumping at sea and other environmental incidents), through adherence to and compliance with national and international regulations and conventions aimed at governing the behaviour to be adopted.

### SECURITY

In 2019, two fires occurred on board the Ro-Ro ships *Grande America* and *Grande Europa*, on 11 March and 16 May 2019 respectively. Thanks to the prompt intervention of the crew on board the two ships and the authorities, in both cases there were no deaths

or accidents. Unfortunately, one of the two ships, the *Grande America*, sank on the afternoon of 12 March 2019. The Grimaldi Group immediately strove to prevent any potential damage to the marine environment caused by the sinking of the ship.

## COVID19 - Initiatives undertaken by the Grimaldi Group

The Grimaldi Group instantly took action to protect its employees. Indeed, all the mandatory measures to prevent the spread of the COVID-19 virus have been implemented, both in its administrative and maritime environments. More specifically:

- Administrative/sales/marketing staff undertook remote working;
- All premises were subjected to sanitising procedures before and after use;
- Maritime staff and personnel on board were provided with personal protection equipment for the contagion and safety (masks and gloves);
- Maritime staff received circulars from Management detailing the procedures to put in place to ensure their safety and the safety of others;

These initiatives allowed the company and its subsidiaries to continue with their normal business operations as these fall within the scope of essential transport services.

Lastly, to protect its customers, the Grimaldi Group saw to it that detailed information on departures were provided and has kept the Group's website updated at all times with the new directives.

### 7.5.1 SAFETY

Protecting the health and safety of personnel ashore and onboard is at the centre of the Grimaldi Group’s policies, as well as preventing the risk of pollution at sea, ensuring security for ships and their loads and safety of passengers and infrastructure.

#### REGULATIONS

On the subject of managing safe operations at sea and preventing pollution, the Group is subject to the provisions of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code), approved in an IMO (International Maritime Organization) resolution in 1995.

The ISM Code defines guidelines for safety management and requires that the “Company”, or the entity that is responsible for managing safety and preventing pollution from ships, define and implement an appropriate Safety Management System (SMS).

The guidelines in the Code establish two types of certification, which are periodically checked: the DOC (Document of Compliance), which is issued to the Company, and the SMC (Safety Management Certificate), which is valid for each ship in the fleet. In addition, the Code establishes that the required procedures must be documented and defined within the Safety Management Manual, a document that must be implemented on each ship and found on all ships and at the Company’s offices.

During 2019, each of the two companies operated its own ships and, in that regard, company-specific KPIs were produced.

The Group’s Safety, Quality and Environment Department (SQE) is responsible for the proper implementation and updating of the Safety Management System on board ships and at the administrative offices, as well as carrying out periodic internal audits and organising periodic audits for certification of the two DOCs and the SMCs for all ships.

#### AUDITS AND INSPECTIONS

In addition to regular internal audits related to compliance with procedures, the Group’s ships are also subject to external inspections by independent entities, which vary according to the geographical area.

As regards the Northern European countries and Canada, the organisation known as “Paris MoU” PSC carries out on board inspections of ships to verify that international health, safety and environmental standards are correctly applied, as well as verifying working conditions on the fleet. The frequency of ship inspections varies with a score calculated on the basis of the company’s performance (conglomerate figure for all ships during the last 36 months), the specific target for each ship (type, age, results of previous inspections, etc.), the ship’s flag, and its classification register. The Group’s fleet has reached high performance levels.

#### PSC performance on Grimaldi Group ships with Italian flags

Tipologia	2019		2018	
	No. inspections	No. detentions	No. inspections	No. detentions
Paris MoU	85	0	77	2
Africa MoU	19	0	27	0
Mediterranean MoU	13	0	20	0
Nord America	11	0	15	0
Sud America	6	0	5	0
Asia Pacific MoU	1	0	1	0

#### PARIS MOU performance on Grimaldi Group ships with foreign flags 2019

Company	N° of inspections	N° of detentions
ACL	10	0
Finnlines	29	0
Minoan	4	0

In US ports, the Group's ships are, in addition, subject to audits by the USCG (United States Coast Guard), which applies extremely stringent regulations, in particular regarding the environment. Also in the United States, the Group's ships have obtained a good score.

In the other geographical areas where the Group's ships operate, excellent performance levels have also been seen in PSC inspections, and in relation to various regional agreements (e.g. *South America/Vina del Mar PSC*, *West Africa PSC MoU*, *Mediterranean MoU*, etc.).

In 2019, there were no detention actions implemented in any geographical area. The objective for the future is to maintain this result (zero detention) and increasingly reduce the number of inadequacies detected by the PSCs.

Finally, with regards to the application of Italian regulations on the safety of on-board personnel, the Group is subject to the provisions of Italian Legislative Decree no. 271 of 27 July 1999 (for ships at sea) and 272 (for ships in port).

The Group has structured its safety policy by establishing primary objectives in regards to protecting the health and safety of onboard and ashore personnel, preventing pollution, and ensuring the safety of ships, loads, passengers and infrastructure.

The adoption of a detailed safety management and pollution prevention documented system, with continuous reviews and audit activities, has led to the continuous development and implementation of im-

provement actions.

Effective monitoring and analysis of performance indexes, calculated on the basis of measurable data, allows the Group to make fact-based decisions and carry out all possible improvement actions in a concrete and effective manner.

Particular attention paid to monitoring/measurement/comparative analysis of the following indicators:

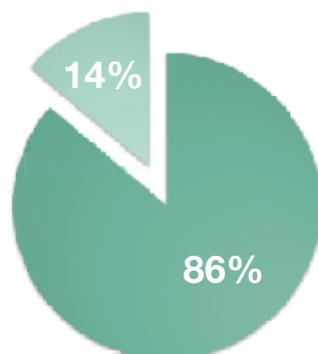
- number and type of accidents;
- number and type of near misses;
- number and type of injuries to personnel;
- analysis of the results of safety inspections and of both internal and third-level audits;
- analysis of the results of certification checks on the various systems implemented (safety-security-quality-environment);
- analysis of the performance of on-board personnel;
- results of training provided to on-board personnel;
- observatory on the entire legislative framework in the naval field.;

The companies subject to the ISM Code have put in place continuous monitoring of the workplaces through measurements/mapping carried out by expert technicians, aimed at assessing and reducing to a minimum the risks of working onboard ships.

Also for supplier activities, above all for technical works done on-board ships, a qualification protocol

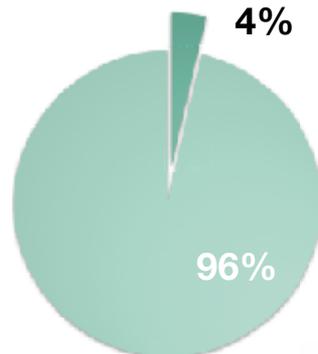
**Safety Management Certificate (SMC):**  
No. 29 Audit in 2019

■ Compliance  
■ Non compliance

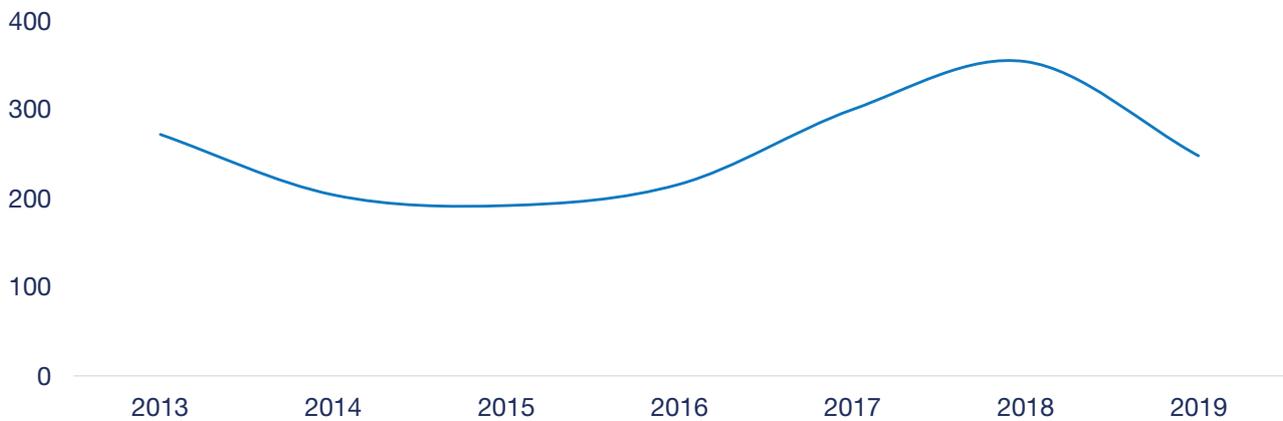


**International Ship Security Certificate (ISSC):**  
No. 28 Audit in 2019

■ Compliance  
■ Non compliance



Accident ratio on board ships flying the Italian flag/operated ships (2013-2019)



was implemented which takes into account compliance with current workplace safety regulations and interference risk assessments.

The companies subject to the ISM Code have established an inter-departmental working group that analyses all occurrences onboard ships; all accidents are investigated in order to ascertain the causes and any possible corrective actions and to avoid the repetition of similar events; accidents and/or near-misses of a nautical nature (e.g. collision during manoeuvres, etc.) are reconstructed in a manoeuvre simulator in order to analyse the mistakes made and possible corrective actions. All events are monitored with the processing of statistical data and with particular attention to analysing injuries.

**ON-BOARD ACCIDENT RATE**

In accordance with the current legislation the Group’s ships report all events, even very slight ones. Campaigns to raise awareness on ships for monitoring

and limiting any negative events are also continuous. In particular, in order to strengthen further safety on board its ships, the Group has begun for each event noted a process of analysis for its entire fleet which will end with a report aimed at preventing repeats of such accidents.

Furthermore, on the night between 10 and 11 March 2019, off the west coast of France, near the Bay of Biscay, the Con-Ro, called *Grande America* (owned by Grimaldi Deep Sea), sailing from North Europe to a few ports in West Africa and South America caught on fire due to a few cars and containers stowed on board. The adverse sea and weather conditions hampered efforts by the crew and patrol boats to extinguish the blaze. The ship then sank on 12 March. The entire crew was brought to safety. The insurers recognised an amount of €20 million as compensation for the total loss of the vessel.

Lastly, in May 2019, the *Grande Europa*, belonging to Grimaldi Euromed, had a fire on board while nav-

Type of accidents on board ships		
	2019	2018
Crew injuries	175	150
Passenger injuries	113	119
Stevedore/Third-person injuries	14	24
Cargo damage (bad weather, OOC)	17	12
Quay collision (manoeuvre error/bad weather)	15	26
Ship damage (OOC, anchor loss)	21	20
Other	6	3
<b>Total</b>	<b>248</b>	<b>354</b>



## Particular attention

to promote measures aimed at preventing and contrasting unlawful acts

igating around 25 miles off Palma de Mallorca. The fire was successfully extinguished, without any loss of life. The fire seems to have originated from two vehicles stowed on board, and then spread to the neighbouring vehicles. The Company has filed proceedings against persons unknown, after the fire expert established alleged malicious intent.

### HEALTH AND SAFETY TRAINING

Ground-based training for on-board personnel is structured by the Crewing Department, on the basis of assessment notes provided by the Master/Chief Engineer/Purser (based on the relevant area of the ship: deck/engine/hotel).

In general, courses are organised for officers and are held at headquarters in Naples. These courses include several modules provided by various departments on the basis of specific skills/assignments.

The SQE department is responsible for providing the following training modules:

- Safety Management System (SMS)
- Security Management System (ISPS)
- Integrated quality/environmental management system (ISO9001-ISO14001)
- Port State Control (PSC) verification procedures

The manager of the SQE, as “the Company Security Officer”, provides and certifies refresher courses to Ship Security Officers every five years (Chief Mates and Masters).

In 2019, a specific training course for Masters and Chief Mates (responsible for prevention and protection on board) regarding on-board workplace health and safety was launched. The course aims to fill a regulatory gap in the training of on-board personnel in charge and increase their professional skills and

competences. The course was held at the headquarters by a pool of instructors (employees from the technical-maritime-safety departments), properly formed by a team of experts in the field.

Also for 2019, large-scale (on board-ashore) exercises were held at the headquarters in theme of pollution and security (Table Top Exercises); for these events experts in the sector were involved (Qualified Individuals for the anti-pollution procedures in the USA), and also the national and American authorities.

In May 2019, in Naples, a large-scale security exercise was held with the aim of testing the ability to respond to any threats on all ships of the corporate fleet flying the Italian flag, as well as checking the correct implementation onboard of the procedures in line with the protocol. The exercise was completed with satisfactory results, with no incongruities or delays in operations.

The companies subject to the ISM Code have prepared a specific annual exercise protocol for all ships (on the basis of a monthly calendar) on the subject of transporting hazardous goods. On the basis of the scenario prepared by the Company, all crews are trained to tackle an emergency related to accidental spillage of hazardous goods; the said exercise is carried out on a voluntary basis because it is not provided for in the current legislation.

### ON-BOARD FOOD SAFETY

With reference to management of food products on board, the Group, despite outsourcing it to specialised third parties, verifies that these entities meet relevant standards to ensure implementation of tools suitable to prevent possible contamination of food.

In particular, during internal on-board audits, the implementation status of the Hazard Analysis and Control of Critical Points (HACCP) self-monitoring procedures is verified, as well as the competence of operators and support documents. The self-monitoring system is completed by on-board sampling by experts to carry out microbiological analysis that guarantees proper food preservation.

During 2019, no significant non-compliances were found.

### 7.5.2 SECURITY

Security management activities, at sea and in port, consist in all the measures adopted by the Group to prevent and control, when possible, all the types of illicit actions that can affect a ship. In regards to security management, the Group complies with national, EU and international standards and regulations that govern all aspects associated ships and docking ports. At national level, the issue of security is governed by the National Maritime Security Programme (PNSM), while at EU level the Group operates in compliance with Regulation EC 725/2004 relative to improving security on ships and in port structures. Outside the EU, the International Ship and Port Facility Security Code (ISPS) applies.

The Group has made a firm commitment to ensuring the highest security standards on its ships. This is achieved by providing continuous training for on-board personnel (both on land and at sea) and through the supply of resources, structures and equipment aimed at mitigating security threats, again on land and at sea above all in geographic areas subject to the threat of piracy (e.g. the Indian Ocean, West Africa), as well as illegal immigration (e.g. North Africa, West Africa, Greece, etc.), all while maintaining a suitably alert stance in regards to the risks of terrorism.

An intense programme of internal audits on board ships, carried out regularly by specialised personnel, makes it possible to ensure satisfactory implementation of a security management system while maintaining the ship certifications provided for by the current laws through audits carried out by the relevant authorities.

In addition to regulatory requirements, the Group also promotes supplementary initiatives in terms of training and security exercises on land and at sea.

During 2019, in addition to the obligatory certification audits of ships in terms of security (ISSC), unannounced inspections were carried out in foreign ports by local authorities (especially in the USA and North Europe) aimed at checking compliance with ISPS requirements and no irregularities were recorded.

Occasional (unannounced) security inspections were also carried out in Italian ports and - once again - any particular irregularities/problems were recorded.

In June 2019, the passenger ship *Zeus Palace*, belonging to Grimaldi Euromed, while sailing from Palermo to Livorno, hosted an exercise simulating a terrorist attack with intervention at sea by the armed forces (Port Authority, the Italian Navy, the Guardia di Finanza and the Military Police). The ship's crew demonstrated an adequate ability to respond to the simulated terrorist attack.

The Group has structured its security policy by establishing primary objectives in regards to protecting the health and safety of on-board and ashore personnel, preventing pollution, and ensuring the safety of ships, loads, passengers and infrastructure. This policy is supported by the implementation of a detailed safety management and pollution prevention document system, with continuous reviews and audits.

Effective monitoring and analysis of performance indexes, calculated on the basis of measurable data, allows the Group to make decisions based on documentary evidence and carry out improvement actions in a concrete and effective manner.

Particular attention is paid to monitoring/measurement/comparative analysis of the following indicators:

- number and type of accidents;
- number and type of near misses;
- number and type of injuries to personnel;
- analysis of the results of safety inspections and of both internal and third-level audits;
- analysis of the results of certification checks on the various systems implemented (safety-security-quality-environment);
- analysis of the performance of on-board personnel;
- results of training provided to on-board personnel;
- observatory on the entire legislative framework in the naval field.



GRIMALDI **educa**

is a project developed by the Group, dedicated to training young people in middle and high school

## 7.6 Our role in the community

In the framework of the Grimaldi Group's activities, combining a global vision of the market with traditions and ethics is decisive. The union of these two aspects allows the Group to develop initiatives that are not only business and customer oriented, but also socially responsible. In particular, the Tourism Department develops partnerships with entities, institutions and associations working in the social field, thus implementing sustainable travel programmes and charitable activities.

Always attentive to the cultural development of the social fabric, the Grimaldi Group has been developing cooperative relationships with schools and the academic sector for years.

### 7.6.1 INVESTING IN THE FUTURE: COLLABORATIONS WITH ENTITIES, UNIVERSITIES AND RESEARCH INSTITUTES

The Grimaldi Group offers several different training opportunities every year. These are educational courses for nautical, tourist, hotel and technical institutions, offering industrial, electrotechnical, IT, mechanical, transport and logistics training. The programmes are held on board Group ships and include activities that allow students to familiarise themselves with professions at sea. A solution to identify and focus the decisions of young people towards jobs close to them, and to develop skills and professional talents that are recognisable and valued in the job market.

*Grimaldi Educa* (Grimaldi Educates) is a project developed by the Group, dedicated to training young

people in middle and high school, with the objective of stimulating excellence at school and contributing to the mobility of young people with guided tours and educational trips which are safe, cheap and respectful of the environment, and assisting teachers in the selection of educational trips and in the creation of training projects that involve students through practical activities. In addition, special initiatives and discounts for individual or class trips are reserved for students. The *Grimaldi Educa - Navigando si Impara* (Grimaldi Educates - By Sailing we Learn) project was agreed in 2015 with a memorandum of understanding with the Ministry of Education, University and Research (MIUR).

Together with the Catalunya Tourism Board, the Grimaldi Group organised a conference on Inclusive School Tourism, which saw the participation of prestigious speakers, as well the Undersecretary of State with a Family and Disability mandate, the President of the Italian National Agency for the Deaf (*Ente Nazionale Sordi - ENS*), the Italian Union of Blind and Partially Sighted People (*Unione Italiana Ciechi e Ipovedenti - UICI*) and the Ministry of Education, University and Research (MIUR). The end objective is not only to make educational trips completely accessible to students with disabilities, but also the alternating school-work activities that are part of these trips. The project is still at an early stage and has a lot of room for development.

In 2019 the Group also organised "on-board events" for schools, with activities dedicated to students with high training content:



### Only one ocean - 1<sup>st</sup> Edition

An event organised in collaboration with the MareVivo Association. The Earth has one great Ocean formed by the seas and oceans all over the world, which are interconnected and adjoined with one another. A planet within the planet whose protection is a real challenge for humanity. Indeed, the new Grimaldi Lines' proposal devoted to environmental sustainability is based on studying the positive aspects of discovering the wonders of the sea, combined with the dangers that threaten it.



UNA NAVE DI LIBRI  
PER BARCELLONA

### aMare Leggere Una Nave di Libri for Barcelona

Two events dedicated to literature on the way to Barcelona to get children interested in reading. Programs full of meetings with writers and workshops.

**aMare Leggere 8<sup>th</sup> edition:** the reading festival at sea.

**Una Nave di Libri 11<sup>th</sup> Edition:** for the "Saint George Day, books and roses" celebration.

The events are run in partnership with **Leggere:Tutti** and offer the PCTO certification.



### Travel Game on Board

A voyage-event dedicated to Italian High Schools during which the students will compete in a didactic and interactive quiz game on questions extracted from the study programme, and on general culture, monuments and tourist sights related to the trip. The students of schools that made an express request could take part in the "Travel Game Work on Board" where activities will be planned on the questions of school-work alternation and they will be able to obtain a certificate attesting to the digital skills and transversal activities carried out on the ship.



### IFS - Impresa Formativa Simulata

As a continuation of the IFS project, Grimaldi Lines has launched the "On-Board Trade Fair" on its ships. This has already reached the 11th edition, and for students represents an important occasion for discussions and learning and a good opportunity to increase the "turnover" of their company. Stands will be set up on the ship where the young people will display the products of their companies, conclude sales and purchases with virtual currency, discuss and compare their experiences.



## On-board events for schools

dedicated to students  
with high training content



### High school game

Now at the seventh edition, it is the national educational competition dedicated to students of the 4th and 5th years of public and private high schools. The event, invented and organised by Planet Multimedia, has the aim of promoting culture with interactive and multimedia technologies that actively involve young people. Grimaldi Lines, the main partner of the event, hosts the final on board one of the flagships of the fleet (*Cruise Roma* and *Cruise Barcelona*), at harbour in the port of Civitavecchia.



### The science ship and creative science atelier

Voyage-events for middle schools organised in partnership with Educational Tour and OpusLab, this is activity in line with the indications of the MIUR on "Creative ateliers and workshops for key skills". On the ships laboratory and educational testing spaces are set up with 3D printers, Arduino and Theremino boards, Shields, sensors, electronic components that make it possible to create real and proper educational projects and interactive panels in a technological environment as described in the SchoolKit manual prepared by the MIUR. The disciplines and scientific fields involved are: physics, Earth sciences, energy and biology.



### Grimal...Teen – 1<sup>st</sup> Edition

The event was put on in collaboration with Educational Tour in a teaching environment that stimulates the psychological, social, relational, cognitive and cultural development of young people. Fun is guaranteed thanks to the active participation of the students, which enhances their creativity and improvisation by engaging them in activities that lead them through a magical world created on the basis of group work and establishing new friendships that know no borders.



### SEAmphony

In partnership with Educational Tour and Castellarte. This is a voyage-event that involves choirs and orchestras of middle schools with specialisation in music. During the stay on-board, the students will find themselves face-to-face in a real and proper festival of music at sea. During the stopover in Barcelona, the experience will be enriched by a visit to the Palau of Catalan Music, the only concert hall declared by UNESCO part of the World Heritage of Humanity.

In 2019, the Group maintained its collaborations with universities and higher education schools. Specifically, the agreements with leading universities in Italy were renewed to provide undergraduates the opportunity to intern in the company's various departments. Specifically, the universities and schools with which the Group signed an agreement include: the "Parthenope" University of Naples; the University of Naples Federico II; Sapienza University of

Rome; "Luiss Guido Carli" International University; "Suor Orsola Benincasa" University of Naples; the University of Salerno; the University of Palermo; the University of Naples "L'Orientale"; Tor Vergata University of Rome; Bocconi University; University of Campania "Luigi Vanvitelli".

20 internships were carried out in 2019, in the following departments.



- 01 Passenger Department
- 02 Port Cost Controller
- 03 Claims & Legal
- 04 Human Resources
- 05 Freight & Budget Control
- 06 Finance
- 07 Short Sea Commercial Department
- 08 Energy Saving
- 09 Grimaldi Euromed General Accounting

The results were significant, both for the internship staff who were able to enhance their education with a highly prestigious experience, as well as the Group, which welcomed some of the most deserving employees into their workforce. In particular, in 2019 two interns were hired.

In regards to training, in 2019 the Group renewed its agreements for the embarkation/training of deck and engine cadets with various nautical institutes. The agreement with the ITS Catania Higher Technical Institute includes the embarkation/training of 10 Assets Under Custody (AUC) and 10 Assets Under Management (AUM) and was started in 2016/2017, as was the agreement with the ITS MO. SO.S Foundation in Cagliari, that involved 6 AUCs and 4 AUMs. In both cases, after taking the certification exam, the students who completed the first cycle boarded as Third Officers.

Furthermore, The Group has also collaborated on

the training mission of the Duca degli Abruzzi Institute in Naples, taking part in the "Let's orientate ourselves outside of school" PON (MIUR) and allocating two scholarships of €1,000 for a deck and engine cadet respectively.

Lastly, the Group also signed agreements with the State Institutes for Higher Education, ISIS F. Caracciolo" in Procida and the Cristofaro Mennella in Ischia, that provide for the boarding of one deck cadet and one engine cadet at the end of the school year.

At the IPE (Institute for Research and Educational Activity) of Naples, two scholarships were offered, for an amount of €4,000 each, to the best students in the Master in International Management: Strategies, Shipping and Logistics for foreign markets, in memory of the Member of the Order of Merit for Labour Guido Grimaldi.

RCS Academy (the RCS Group's business school) received a grant of €30,000 to cover the scholar-



## The Grimaldi Foundation Onlus

was founded in 2007 at the behest of Emanuele Grimaldi and the Grimaldi family and is a non-profit that pursues exclusively purposes of social solidarity

ship for an MBA student and to sponsor the “*Energy Business Forum. Challenges of the Future: Efficiency, Innovation and Sustainability*” event, which was held on 21 October in Milan.

The Group has confirmed its support of €5,000 to SRM, the Southern Italy Centre for Study and Research based in Naples, for the *Maritime Economy project*, which resulted in a portal that collects working studies and analyses on maritime economics.

The Group has renewed the two agreements that were signed with the University of Bari and the ITS MO.SO.S Foundation. (*Mobilità Sostenibile Sardegna - Sustainable Mobility Sardinia*) for the launch of new master’s courses.

Among the subsidiaries, MMOS has a permanent cooperation agreement in place, signed in 2006, with the Malta College of Arts, Science and Technology (MCAST - Maritime Institute), which sees around 10 young cadets being trained on board company ships every year. In 2019, 14 Maltese cadets completed internships on board MMOS ships, for a period of between 6 and 12 months.

Furthermore, Minoan Lines cooperates with the most important educational institutions and offers employment opportunities through its own job centres. Promoting equality and equal opportunities in the sector in which it operates is the Company’s main objective and is supported at all levels of the administrative structure. In addition, the company invests in the training of its employees with the aim of continually improving their professional development.

### 7.6.2 THE GRIMALDI FOUNDATION ONLUS

The Grimaldi Foundation Onlus, founded in 2007 at the behest of Emanuele Grimaldi and the Grimaldi family, is a non-profit that pursues social solidarity purposes exclusively.

Strongly rooted in the Naples area, the Grimaldi Foundation Onlus is today a reference point in the field of solidarity, working on projects in favour of families in difficulty, financing deserving associations/voluntary bodies, and supporting families of seafarers in economic difficulty.

The Grimaldi Foundation Onlus is the leading private family foundation in the Centre and South of Italy for amounts disbursed and since 2018 it has increased its role in society, changing from a Disbursement Foundation to a Management Foundation. This year it presented assets of €24 million, financed mainly by the Grimaldi Family.

Every year, the Foundation benefits from a grant from the Grimaldi Group as a percentage of net profits achieved by the three Italian companies, Grimaldi Group, Grimaldi Euromed and Grimaldi Deep Sea, and of the 5X1000 of taxes that numerous benefactors decide to allocate to its activities. All the assets and income of the Foundation are used for charitable purposes or invested in low-risk securities (corporate bonds with high rating, guaranteed policies and government securities) the income from which is reinvested in charitable activities.

The Grimaldi Foundation Onlus decided to divide the management of its projects into three macro-groups:

- Social Welfare Projects
- Projects to support Seafarers and Collaborators
- The Family School

In 2019, the Foundation disbursed €2.2 million to social projects and committed €9 million for the purchase of a building for the fast-growing Family School project, which includes four associations in addition to the Foundation to provide moral and financial support to hundreds of large low-income families in Naples and its province.

In 2019, 60 social projects are active including :

## Long standing Projects



**CASA DI TONIA PROJECT:** a project to support the expenses of the Casa di Tonia shelter which provides accommodation for family units and mothers with children, who need a different life that is far from their own due to violence or social and environmental causes. Currently, the community provides accommodation to five families from different ethnic groups made up of very young single mothers with minor children.



**STREET DOCTORS PROJECT:** a project promoted by the SS Trinità Parish in Naples that provides health care, food and social assistance to the homeless living on the outskirts of the city through a mobile home and fixed clinics, such as in Rione Traiano and in Salicelle in Afragola.

## New Projects



**VOLANAPOLI PROJECT FOR THE PISCINA ALBRICCI PUBLIC POOL:** support to launch swimming courses for disabled children, swimming lessons, water polo courses and language courses for children at risk in the Arenaccia neighbourhood in Naples. The activities will take place in Albricci Military Pool, which is located on the outskirts of Naples.



**A GOAL FOR THE FUTURE PROJECT:** the re-turfing of the football pitch - which is now obsolete and in ruins - at the Don Bosco della Doganella Centre to give back a green space to the many young people in the area so that it can continue to be a place for friendship and coming together.



**WEAR PREVENTION - PIO MONTE SOMMA PROJECT:** project to create a micro-credit scheme for people who would otherwise be unable to access credit, for family expenses and for small economic activities. The donation is to cover preliminary and follow-up expenses that would otherwise not be covered.



**ORATORY PROJECT FOR MIANO PARISH:** support to renovate the roof of the centre and parish oratory, the pre-fab building that houses the oratory, after leaks. The parish's oratory welcomes about 80 children every week, as well as various spiritual groups.

In addition to the above-mentioned projects, the Foundation makes donations to support various external initiatives, including: the *Centro Accoglienza Vincenziana*, the *Fondazione Costruiamo il futuro*,

the *Fondazione Condorelli*, the *Associazione Italiana Parkinsoniani*, the *Associazione Livia Dumontet*, the *Associazione Cantori Posillipo*, and the *Lega Italiana Lotta ai Tumori*.

## The Grimaldi Foundation Onlus against COVID 19

### PURCHASE OF LATEST-GENERATION MACHINERY FOR THE COTUGNO AND CARDARELLI HOSPITALS IN NAPLES

- The Grimaldi Foundation has allocated €723,000 to fully fund a technological upgrade project for Cotugno Hospital, a centre of excellence in Campania and one of the most accredited facilities in Italy for COVID-19 treatment. The project involves the construction of a new diagnostic room with the purchase of a latest-generation CT scanner TAC in the Radiology Department for COVID-19 patients, which was completed in record time (12 days).

For the Respiratory Physiology Department, the Foundation has begun to replace all the electrical systems in the sub-intensive and intensive care rooms, as well as replacing and creating a network for monitoring systems and the creation of remote controlled patient beds in order to increase the effectiveness of treatment and reduce the risk of infection. In addition to its support for Cotugno Hospital, the Grimaldi Foundation has also purchased 2 pulmonary ventilators for Cardarelli Hospital, for the Intensive Care Unit for suspected COVID-19 patients suffering from pulmonary diseases.

### SUPPORT FOR THE CAMPANIA REGION TO INCREASE THE NUMBER OF INTENSIVE CARE BEDS

- One of the strategic interventions carried out in the Campania Region was the creation of a modular structure for mobile beds in the intensive care unit, for a total of 72 beds across three modules, each with 24 beds at Ospedale del Mare di Ponticelli in Naples.

Along with the Civil Protection and the Campania Region, the Grimaldi Foundation has joined the Naples Industrial Union fundraiser by donating €100,000 to support the great work being carried out for the citizens of Campania.

### AIR BRIDGE AND HUMANITARIAN AID FROM CHINA TO ITALY

- The China-Italy Philanthropy Forum, of which the non-profit foundation is an active part, has organised a humanitarian air bridge aimed at accelerating the arrival of donations and supplies of medical and sanitary equipment to fight COVID-19 from Beijing to various Italian airports, in agreement with Chinese partners and with the Ministry of Foreign Affairs and International Cooperation.

This represents a solid logistics chain created to support the whole of Italy, from North to South, allowing humanitarian aid to arrive quickly from China to Italy. The Grimaldi Foundation has allocated €50,000 to pay for the out-of-pocket costs of the humanitarian flights.

Via this bridge with China, the Grimaldi Foundation first acquired and

then brought to Italy (on 9 April 2020) 56,000 surgical and FFP2 face masks to be donated to the Civil Protection of the Campania Region.

### SUPPORT FOR FAMILIES IN NAPLES

- At such a critical time, both socially and economically, the Foundation has increased its efforts to continue to support 60 families who took part in the Family School's SPES-F Project.

The Foundation has arranged an online platform in order to continue to carry out the project's pre-established modules, thus guaranteeing the economic token of €10 gross for every hour taken by each parent and has strove to distribute food parcels to the homes of every family supported.

The Grimaldi Foundation has also contributed approximately €35,000 to the expenses of a few parishes located in disadvantaged areas of Naples and Torre Del Greco (NA) for donations in kind to single mothers and families (basic foodstuffs, powdered milk, household necessities, sanitary products, etc.).

Lastly, at the Family School facility in Piazza Montesanto in Naples, the Grimaldi Foundation hosts and supports the activities of the Community of Sant'Egidio to provide assistance and information for the elderly and to bolster the shower service for the homeless during the pandemic period.

### SUPPORT FOR SICILY AND THE MUNICIPALITY OF PALERMO TO INCREASE INTENSIVE CARE BEDS

- The Grimaldi Foundation has decided to support the Region of Sicily and the Sicilian Civil Protection by allocating €80,000 that will help to build a 60-bed COVID hospital, 14 of which intended as intensive care beds, in the former Maternity and Children's Institute of Palermo, which should have become operational around the 20 April 2020. It also donated €20,000 to the fundraiser of the Municipality of Palermo in order to provide basic foodstuffs for families experiencing hardship in the Sicilian capital.

### AT THE SIDE OF MEDITERRANEAN COUNTRIES IN THE FIGHT AGAINST COVID-19

- The Grimaldi foundation has decided to support other Mediterranean countries in the battle against the pandemic by allocating approximately €100,300 to purchase two General Electric 4D Ultrasound Machines for the Department of Gynaecology and Obstetrics of the Mater Dei Hospital in Malta, while further €100,000 for the General University Hospital in Heraklion, on the island of Crete, where the COVID-19 unit is located.

### 7.6.3 HUMANITARIAN AID

Since January 2020, the world has witnessed the rapid spread of an epidemic caused by the Coronavirus. In order to provide support to other countries also affected by COVID-19, the Group has made two donations of €100,000 each to Barcelona and Valencia:

- The first donation was made to the Red Cross of

the Valencian Community to promote the Red Cross Response Plan, an aid program from the institution that aims to tackle the consequences of COVID-19.

- The second donation was made to the Clínic Hospital Foundation in Barcelona to develop and purchase equipment and for projects related to carrying out immunity tests on professionals and patients.

- In 2019, the Grimaldi Group continued its humanitarian efforts by financially supporting initiatives or by offering transport for people and vehicles.
- In March, the Grimaldi Group facilitated the shipment of a container from Salerno to Lagos (Nigeria) at a reduced price. Humanitarian aid consisting of non-perishable food, clothing and various tools had been collected by the “La Ferrovia” voluntary association.
- The Group supported the Central Palermo Italian Naval League in promoting paralympic sports. The

ship *Zeus Palace*, operating on the Palermo-Livorno route and vice versa, hosted the Palermo crews and the four Paralympic Hansa 303 boats that participated in the 2019 Naval Academy and City of Livorno International Sailing Week. The competition, which was held from 23 April to 1 May in the waters in front of Porto Mediceo, is one of the most important sailing events in Italy that sees over 1,000 competitors and 300 boats take part every year.

**ACL** started an initiative coherent with the Group’s strategy to obtain positive externalities through the actions carried out for sustainability. To this end ACL has created a group led by employees entitled ACTWELL, which is committed to making its resources, where possible, available for the needs of the community where ACL operates. ACTWELL strengthens Atlantic Container Line’s commitment in supporting these organisations all over North America and in Europe, where it can make the most significant contribution. In the United States, Canada and the European countries where ACL operates the funds allocated converge in favour of several non-profit associations and organisations that perform an important role for the local community.

## ACL FOR SOCIETY



## FINNLINES FOR SOCIETY



**Finnlines** supports various activities and organisations. Specifically, in 2019 it continued to work with the cycling charity Team Rynkeby - God Morgon offering to the Finnish and Swedish teams travels from Helsinki and Malmö to Travemünde on board its ships to start their journey towards Paris. Furthermore, Finnlines has collaborated with various educational institutes, especially the Maritime Academies, via the Finnish internship programme and with maritime students.

**Minoan Lines** recognises the importance of adopting a conduct socially responsible. The company firmly supports a purely anthropocentric philosophy with the desire to serve as a model for the way in which companies should operate within the community. Management is aimed at socially aware individuals and aims to earn their trust and make a real difference in the community in which it operates. Awareness of social responsibility has led the company to a series of sponsorships, with the objective of improving, encouraging and rewarding worthy initiatives, and with the aim of returning some of the financial benefits to the local community of Crete and of continental Greece.

The sponsorship action plan of Minoan Lines covers a vast range of beneficiaries such as sports teams, museums, cultural associations, educational institutions, cultural centres and various non-profit organisations.

## MINOAN LINES FOR SOCIETY



# 8 Environmental responsibility

Thanks to initiatives launched in the last few years, and the investment plan put in place to raise energy efficiency and reduce harmful emissions, the Grimaldi Group won the “Excellence in Decarbonisation towards 2050” award at the Lloyd's List Europe Awards, by unanimous vote of the judges.

The Grimaldi Group's commitment was considered to be an example to be followed, especially due to the objectives achieved, which are often better than those set forth by the most recent international environmental regulations. The investments made included, amongst others, the use of alternative energy sources, such as lithium-ion mega batteries and solar panels, as well as highly innovative solutions designed for the new series of hybrid Ro-Ro ships that will be delivered from 2020, which will feature some of the lowest CO<sub>2</sub> emissions ever achieved.

*“Awards such as this do not merely represent an aim, but also - and above all - an incentive to do increasingly better. We will continue to work hard and invest in green innovation to make increasingly significant contributions to the decarbonisation of our activities”.*

- **Emanuele Grimaldi**, Managing Director of the Grimaldi Group

The Grimaldi Group operates in compliance with laws, regulations and other international, national and local norms in effect and applicable to environmental

and management aspects of the corporate activities, products and services, within the field of application defined for its Quality/Environmental Management System.

To better monitor and manage its integrated quality and environment policy, the Group has established an **Internal Quality and Environment Committee**, chaired by the quality and environment manager, and consisting of the managers of the Group's main departments and sectors, which annually prepares an Improvement Plan that is approved by the Board of Directors. The Committee meets at least once a year to review the Quality and Environmental Management System, and every time it is deemed necessary to hold additional meetings. In 2019, the Committee met to draft the annual improvement plan, later presented to the administration for approval.

In line with what is defined in the Integrated Quality/Environment Policy, the Group operates with a continuous improvement approach to environmental performance and the use of technological processes which meet the criteria of efficiency, efficacy and reduction of impacts.

While a single Group-level environmental policy is still being defined, the subsidiaries are moving forward with significant energy efficiency initiatives, outlined in subsequent sections.

## 8.1 The regulatory framework of reference

The Grimaldi Group operates in compliance with current regulations, whether national ones related to the specific geographical areas in which it operates or international ones.

In the international realm, the International Maritime Organization (IMO)<sup>16</sup> is the main body that defines global standards to govern environmental, health and safety performance in the maritime sector worldwide.

<sup>16</sup> International Maritime Organization is an independent agency within the United Nations, created in 1958 with the goal of developing principles and techniques for international maritime navigation ([www.imo.org](http://www.imo.org)). 172 member states and 3 associate members belong to the IMO.



“Each year during these events I stand before you and explain that the Lloyd's List Awards are more necessary than ever, precisely because they reward successful endeavour in the face of seemingly intractable problems . But I also think that this collective vision of excellence and commitment has a more practical purpose. Sharing ideas is not only a good idea, but a question of survival”.

**Richard Meade, Managing Editor of Lloyd's List**



As regards pollution prevention, the Group is subject to what is established in the MARPOL Convention (International Convention for the Prevention of Pollution from Ships), ratified in 2001 by the 161 member countries of the IMO, and aimed at minimising pollution from hydrocarbons, toxic liquid substances transported in bulk, toxic substances transported on pallets, black/grey water (sewage), solid waste, and emissions of toxic gases.

All ships from countries that have signed the MARPOL Convention are subject to the related provisions, regardless of the location in which they are navigating and the country in which the ship docks may carry out on-board inspections to check the degree of compliance with international standards, detaining the ship in port in the case of significant non-compliance.

In order to quickly respond to developments in environmental legislation, the Group has established a permanent observatory that monitors progress in regulations and promptly prepares any needed implementation procedures.

Implementation of anti-pollution procedures includes a staff training and drill programme, both for MARPOL requirements and additional local requirements (e.g. in the USA). The company prepares and organises joint land/sea exercises.

In the context of the Group's environmental programmes, developed within the ISO14001 environmental management system, the Group prepares monitoring plans relative to water/ground/air pollution and plans to eliminate/reduce the same.

Relative to waste, the Group promotes the use of on-board incinerators with the aim of reducing the amount of solid waste disposed in port, in compliance with limits/restrictions on incinerator use.

In addition, the installation of scrubber systems on newly built units at Chinese shipyards and on board operating units continued. These systems considerable reduce impurities in the gases before they are released into the atmosphere (sulphur in particular).

In 2019, a new project was launched to install battery systems in the first passenger ships in order to make stays in port free from harmful emissions thanks to the energy autonomy provided by the batteries. Lastly, the modernisation and lengthening programme of the fleet's two flagships *Cruise Roma* and *Cruise Barcelona* were completed.

For ships operating in the US, the Group has developed a special environmental compliance programme to meet the additional obligations set by the US authorities. For these activities, it works with American specialists, world leaders in the anti-pollution sector, who help to develop activities, procedures, training, etc.

In the case of spills at sea, an emergency protocol is immediately followed. It involves meetings by a corporate Crisis Management Group and procedures envisaged in contingent plans are activated (such as the Ship Oil Pollution Emergency (SOPE) Plan, or the Vessel Response (VRP) Plan - if the accident occurs in US waters/ports). The Crisis Management Group consists of the managers of the fleet operating offices (DPA Technical Department, Crewing Department, Safety Department) and has the task of coordinating all the targeted actions aimed at minimising the spill/environmental impact as much as possible, as well as providing assistance to the ship by working with any involved third parties to handle the emergency (e.g. local authorities, action/

containment companies, insurers, tugboats, classification entities, flag authorities, etc.). Development of flow-charts ensures that information flows appropriately among all parties involved. In the context of the emergency group, a specific department is identified which is responsible for external relationships/communications with the media (press, TV, etc.).

In the maritime transport sector, the identification of strategies that improve fleet energy efficiency offers a dual advantage - on one hand it helps to reduce the environmental impact of operations, and the other it reduces procurement costs, as fuel is the largest cost item for ship operators. Hence, it is a “win-win” strategy. In fact, the economic advantage for the company translates into similar advantages for the environment and communities.

In order to reduce the quantity of CO<sub>2</sub> emissions of the shipping industry, in line with the targets of the Paris Agreement adopted by the United Nations in 2015, in April 2018, the IMO reached a historical agreement on climate with the adoption of an initial strategy for reducing greenhouse gas emissions produced by international shipping, including a specific reference to the pathway of reduction of CO<sub>2</sub> emissions in keeping with the targets of the Paris Agreement.

The IMO’s strategy sets the objectives of:

- Reducing the intensity of harmful emissions of carbon dioxide (CO<sub>2</sub>) of ships through implementing the Energy Efficiency Design Index (EEDI), adopted by the IMO in 2011, with which new design targets were established through indices that identify efficiency by category of ship.
- Reducing the intensity of harmful emissions of carbon dioxide (CO<sub>2</sub>) of international shipping for transport activities through a decrease in the emissions of carbon dioxide per tonne-km as an average for international maritime transport, by 2030 of at least 40% compared to 2008, with the hope of reducing them by 70% by 2050.
- Reducing the emissions of greenhouse gases produced by international shipping and reducing the total annual emissions of greenhouse gases by at least 50% by 2050 compared to 2008.

Furthermore, from 1 January 2020, all fuels used in ships, the so-called bunker that currently predominately consists of fuel oil with a sulphur content of 3.5%, will have to be 0.5% globally or gas reducing scrubber systems will have to be installed. The International Maritime Organisation’s (IMO) Marine Environment Protection Committee (MEPC) revised the

terms of annex VI of the MARPOL convention that was adopted in 2009.

The European Commission, with the publication of its White Paper on the Future of Europe, has established that CO<sub>2</sub> emissions coming from maritime transport must be reduced by at least 40% with respect to 2015 levels, by 2050. To that end, in 2013 the Commission developed a strategy to integrate the reduction of maritime emissions within a wider European policy to reduce greenhouse gas emissions, focused on the following objectives:

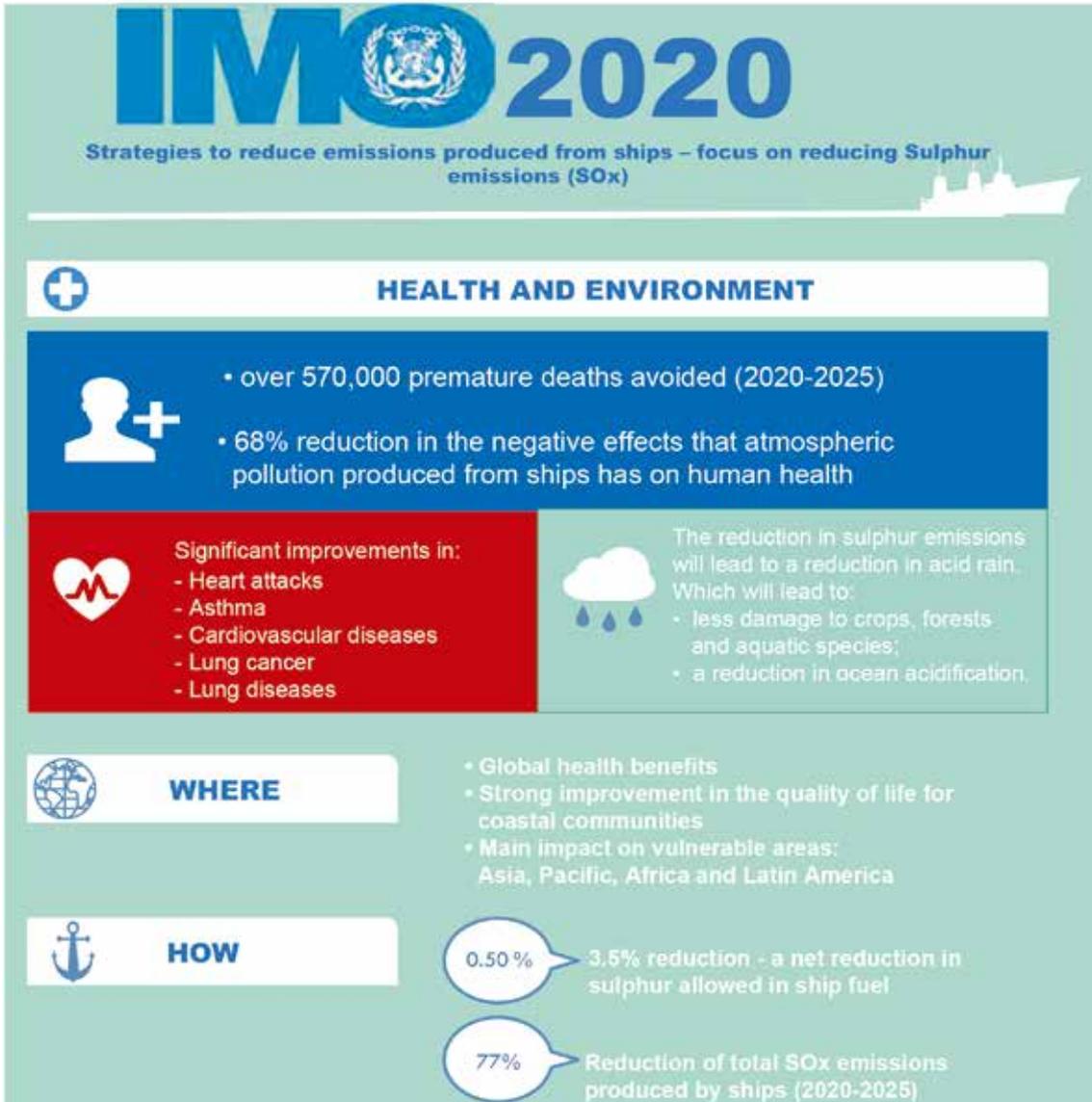
- 1 monitoring, reporting and verifying CO<sub>2</sub> emissions from ships with a gross tonnage exceeding 5,000 tonnes on routes with at least one port of call within an UE member state;
- 2 defining targets for reduction of greenhouse gas emissions from maritime transport;
- 3 defining and implementing other tools, including market-based mechanisms, with an eye to the medium-long term.

With reference to the first objective, in 2015, Regulation (EU) 2015/757 took effect on the monitoring, reporting and verification of carbon dioxide (CO<sub>2</sub>) emissions generated by maritime transport, also known as the EU MRV (Monitoring, Reporting, Verification) Regulation.

In order to be compliant with Regulation (EU) 2015/757, the Group created for each company ship a Monitoring Plan which shows the CO<sub>2</sub> emission sources present on board the ship, the procedures for measuring fuel consumption and the methods for calculating CO<sub>2</sub> emissions produced in ratio to the load transported, passengers, miles travelled and hours of navigation. The actions described in the plans were translated operatively into the implementation of an ICT system for data collection and processing.

In addition, each Group ship has its own Ship Energy Efficiency Management Plan, with the goal of planning, implementing, monitoring and measuring its own environmental performance. The Plan also indicates standard procedures and dedicated actions, as well as annual objectives for emissions reduction, with dedicated forms to assess CO<sub>2</sub> emissions produced on each voyage.

Every ship also has an International Energy Efficiency Certificate approved by the company RINA.



## 8.2 Our approach to the challenges of the future

### 8.2.1 THE INTEGRATED MANAGEMENT SYSTEM

In order to effectively manage its business and guarantee customer and stakeholder satisfaction in terms of quality of services provided, safety in operations, protection of workplace health and safety and reduction of environmental impacts, the Grimaldi Group has developed an Integrated Management, Quality and Environmental System, with the creation

of a single management manual that describes its operation.

The Integrated Management System adopted by the Group covers the Italian companies Grimaldi Group S.p.A., Grimaldi Euromed S.p.A. and Grimaldi Deep Sea S.p.A., which have completed the process of making their quality and environment management systems compliant with the standards ISO9001:2015,



GRIMALDI EUROMED has signed a voluntary agreement with the Ministry of the Environment to promote shared projects aimed at analysing and reducing the impact of the maritime transport sector on the climate.

The Group also intends to further strengthen its environmental policy by adhering to voluntary initiatives and commitments in line with government policies in the context of the Kyoto Protocol and the European Union's Energy and Climate Package.

The aim of the voluntary agreement is to begin cooperation to achieve the following objectives:

- Calculating the ecological footprint (or Carbon Footprint) of maritime transport with associated accounting for CO<sub>2</sub> emissions produced in relation to loads transported, using international procedures such as ISO 14064-1, ISO 50001, MRV, etc.
- Identification of actions aimed at reducing emissions from various activities subject to carbon footprint calculation.
- Definition of an emissions management system for the maritime transport sector.

Grimaldi Euromed is a leader in maritime transport and a pioneer in environmental sustainability, with the goal of reducing CO<sub>2</sub> emissions from its organisation year after year, both in absolute value and relative to the *scope of work*, which is cargo transported per nautical mile performed by its vessels, that are considered the most efficient ones globally.

for the quality guarantee, and ISO14001:2015, for compliance with environmental requirements during construction, development, production and assistance. These certifications were issued by the certification body (RINA - *Registro Italiano Navale*) to the three aforementioned companies and cover the management of maritime transportation of freight and passengers with own and/or leased ships. To this end the new manual and the new management procedures were implemented; these introduced the concept of risk assessment into management of the corporate processes in the areas of quality and environment.

In relation to the Group's environmental programmes, monitoring plans have been prepared for water, ground and air emissions with related plans to eliminate and reduce the same. Additionally, anti-pollution procedures have been implemented which include personnel training and exercises, including joint land/sea exercises.

For example, in the case of spills at sea, an emergency protocol is immediately activated, on the basis of which a company Crisis Management Group

meets and procedures based on contingency plans are begun.

Another important pillar of the Integrated Management System is the management of suppliers and monitoring of their activities. In fact, special care is taken in reviews done by management and by all the company departments involved in the processes.

Finally, the three main Italian companies of the Group, after audits, were granted full AEO (Authorised Economic Operator) status (customs safety and security) by the Customs Authorities, which is the highest level of recognition in terms of customs reliability and security in the context of the logistics supply chain. Recently, the AEO recognition was assimilated and is therefore equivalent to the analogous certifications issued by the Japanese and American authorities (C-TPAT: Customs-Trade Partnership Against Terrorism).

Prestigious awards received year after year from the Group's main customers also testify to the level of excellence achieved (e.g. awards issued by leading



## The present of the Grimaldi Group is green

and the long term goal is transporting freight and passengers with zero emissions

global car manufacturers, including: Ford, GM, Fiat, etc.).

The revision of the Quality Manual led to the introduction and strengthening of the risk assessment concept in the management of company processes regarding quality and environment.

The foreign companies of the Group are also increasingly aware of structured management of environmental and social issues, so as to monitor the most critical aspects and implement suitable management and prevention measures.

### 8.3 We invest in innovation

In 2019, The Grimaldi Group continued its planned activities with numerous projects aimed at reducing the environmental impact of its ships:

- Re-blading on 1 ship with an average 17% reduction in CO<sub>2</sub> emissions;
- Replacing the light bulbs with LED lights (re-lamping) on Ro-Pax ships;
- Installing scrubbers on 20 ships, amounting to a total of 52 company ships equipped with these systems from 2018. The 2018 – 2020 investment plan will be completed with 31 more installations;
- Installing lithium batteries on of the fleet's two sister ships (*Cruise Roma* and *Cruise Barcelona*) to guarantee Zero Emissions in Port®;
- Installing solar panels and batteries on newly built vessels;
- Installing an air-lubrication system to reduce hull advancement friction for ships under construction;
- Applying silicone coatings;
- Waste water filter system for exhaust gas treatment plants in ports, as well as research projects and measurement campaigns to detect micro-plastics

in the seas;

The Group is also a founding member of the Clean Shipping Alliance, an association that was founded to provide support and information on the use and effectiveness of exhaust gas purification systems, in order to promote shared environmental and sustainability initiatives.

#### SCRUBBER PROJECT



Air pollutant emissions from ships are limited by the IMO international regulation, MARPOL 73/78, Annex VI Prevention of Air Pollution from Ships.

This legislation limits the main air pollutants contained in ships' exhaust gases, including sulphur oxides (SO<sub>x</sub>) and nitrogen oxides (NO<sub>x</sub>).

Since 1 January 2020, the revision of the aforementioned Annex VI has reduced the global sulphur limit



## The new generation of GG5G vessels under construction

contained in fuel from 3.5% to 0.5%, while for the Sulphur Emission Control Areas (SECA), designated as such by Reg. 14 of MARPOL, Annex VI, which include North America, the US Caribbean region, the Baltic Sea and the North Sea) the sulphur limit will remain 0.1%.

In order to comply with regulatory requirements of IMO regulations, in 2019 and 2020 the Grimaldi Group has continued to invest in the installation of “scrubber” systems, with reduction powers that offer SO/CO ratios, in the smokestack, lower than MGO (Marine Gas Oil), combustion, thereby also reducing emissions of particulate and black smoke by around 70%.

The Grimaldi Group’s investment plan, which began in 2018, includes the installation of open-loop and hybrid-type scrubbers. In this case, the neutralisation of the sulphur oxides occurs thanks to the alkalinity of the seawater and no additional chemical are used. The water is drawn from the sea chest, pumped to the washing tower and sent to the spray nozzles. The outgoing washing water passes through water analysis sensors to verify that the pH, PAH and turbidity parameters are below the limits set by the regulations in force.

In 2019, the Grimaldi Group worked with the University of Antwerp, the University of Naples, the SGS international laboratory, the Port Authority of Barcelona and Federal Water on studies into the quality of washing waters in regards to the pH, PAH, turbidity and nitrates of scrubber effluent.

Furthermore, in order to further safeguard sub-aquatic life, on the fleet’s Ro-Pax ships that are equipped with open-loop systems, Wash Water Filtration (WWF) systems had been voluntarily installed, which can be turned on in territorial waters

and during manoeuvres to improve the quality of scrubber treatment water even further, with special filtration for micro-hydrocarbons.

The decision to size the Wash Water Filtration (WWF) system for territorial waters was also due to the fact that, as with all thermodynamic engines in transient phases, the combustion process during manoeuvring, with low engine load, produces more soot and unburned fuel than free navigation, therefore the WWF is turned on in territorial waters and at the start of manoeuvring.

Lastly, in 2019 20 independent tests were carried out by the SGS international laboratory on the quality of the scrubber system treatment water, with resulting values that were well below the set limits.

Specifically, the *Cruise Roma* was equipped with a particular filtration system for the detection of micro-plastics in the sea. The study showed that the filtration carried out with the scrubber feed filter performed better than other systems that are commonly used to analytically determine the content of micro-plastics in water in the most accurate way possible.

In 2019, 20 scrubbers were installed, amounting to a total of 52 company ships with working scrubber systems. The 2018 – 2020 investment plan will be completed with 31 more installations that are currently under way.

### HYDRODYNAMIC EFFICIENCY PROJECTS



In 2019, the Group continued with other projects re-

garding the hydrodynamic efficiency of the fleet for both new constructions and existing ships.

The re-bulbing project, which began in 2018 with the fluid dynamics analysis, tank testing and installation start stages, was completed on 5 of the fleet's multi-purpose Ro-Ro ships. In 2019, the installation and project evaluation phase was completed with dedicated sea trials and performance analysis with simulated comparisons and KPI validation.

Furthermore, the reblading project was carried out and completed with optimised, efficient propulsion under operating conditions on a Ro-Pax ship.

With regards to propulsion, an experimental test that involved the application of nano-ceramics was trialled in 2019 in order to reduce operational roughness of propulsion.

Furthermore, for new ships under construction, a system has been designed to reduce hull friction by creating a layer of micro-air bubbles below the hull. This system is called the Air Lubrication System, which involves using compressors to inject micro-air bubbles into cavities known as Air Release Units (ARU) on the flat bottom of the hull and a Variable Frequency Drive (VFD) system to move low-energy-consumption compressors. The new GG5G ships that are currently under construction will be equipped with this system.

At the beginning of 2019, the official tank tests were carried out for the new GG5G ships, which also aimed to optimise innovative water lines and propulsion for these vessels. The tests demonstrated the efficiency of the hull and the integrated propulsion system, which also includes the installation of an energy saving device between the propeller and rudder to guarantee a better flow of water to the propeller in order to increase propulsion efficiency and reduce vortical losses.

## ZERO EMISSIONS IN PORT® PROJECT



This project aims to create stays in port with the auxiliary engines turned off and therefore without said engines causing harmful emissions. To achieve this objective, the *Cruise Roma* and *Cruise Barcelona* ships have been equipped with 976 lithium-ion

batteries (NMC type) for a total of approximately 5.5. MWh. These systems have been operational since May 2019 for the *Cruise Roma* and since July 2019 for the *Cruise Barcelona*. On both these units, the batteries are recharged while sailing, drawing the required energy from the alternators directly connected to the propulsion engines (which are much more efficient than the traditional auxiliary engines usually used during a normal stay in port).

The energy generated and stored in this way is used in port to fuel the ship's systems: lighting, ventilation, air conditioning, ship automation, ballast pumps, safety systems, as well as others, thus allowing the set goal to be achieved.

The set target is to make weekly port stops, lasting around 4 hours per day, with zero emission and long stops on Monday, that last longer than 24 hours, in mixed battery + auxiliary engine mode with emissions halved compared to the past.

Thanks to the new optimising reasoning applied to distributing electrical loads when stationary in port, in "Eco Port Mode", it has been possible to achieve the target set during winter, while the extremely high load of the air conditioning system limits the battery life during summer. Therefore, the Group is working on raising the efficiency of this system in order to reduce its absorption and extend the battery life and Zero Emission stops.

The batteries installed also substantially increase safety while sailing, acting as an Uninterruptible Power Supply (UPS) to avoid a dangerous blackout situation.

## HERMES PROJECT

The HERMES project allows for the energy monitoring of ships to be digitalised through the automatic gathering of variables, such as power, velocity, consumption, propeller pitch, the rudder bar angle, the trim of the ship and more.

Designed and developed in 2018 internally with the help of an external software company, it was tested and distributed to users in 2019. This system allows for all the above-mentioned variables to be recorded in a cloud-based database which, when properly examined, permits to see the ship data in real time and get advanced statistical analysis on past data.

To view the status of the fleet in real time, a web

portal was built that can be accessed by users, both from desktops and mobiles, with a username and password that also allows access to routes and past ship data. Files can also be downloaded from the cloud, which contain all the data needed for advanced statistical analysis.

Through this analysis, ship performance can be monitored, as well as its evolution over time, allowing to quickly notice deviations with respect to optimal performance. Identical ships can also be compared, or different ships on the same line, and much more, all with a view to continuously improving fleet efficiency.

Furthermore, in order to allow and facilitate timely monitoring, the Alert function was developed that allows you to set the conditions for which, when they occur, the user will receive an email warning them that the condition has been triggered.

In 2020, this system will be upgraded with new additional functions that will give users more and more functions.

### 8.3.1 GRIMALDI GREEN 5<sup>TH</sup> GENERATION (GG5G)

The design of the new constructions entitled “Grimaldi Green 5th Generation” (GG5G) was developed by the Group’s Technical and Energy Saving Department in partnership with the Danish naval design studio Knud E Hansen and it incorporates innovative elements that are partly patented and protected by copyright. The Group has been working on this new series of ships since 2017 and in 2018 an agreement was signed with Chinese shipyards for the construction of 12 GG5G hybrid Ro-Ro vessels. These new ships, which are expected to be delivered starting from 2020, will be able to transport more than 7,800 linear metres of rolling units, equivalent to about 500 trailers. The loading capacity of the garages of these ships is twice that of the largest ships currently operated by the Neapolitan group and three times that of the previous generation of Ro-Ro ships, but with the same fuel consumption at the same speed. This means twice the efficiency measured in consumption/tonne transported.

These are the first examples of a new series of hybrid Ro-Ro ships, which use latest-generation engines, controlled electronically and powered by fossil fuels, with treatment of the exhaust gases at sea (SOx and PM emissions appropriately treated

and reduced with post-combustion systems) and electricity during stays in port, guaranteeing “Zero Emissions in Port®”.

During stays at the quay, they are capable of meeting the energy demands of on-board activities with just electricity stored in lithium batteries that are recharged during navigation by shaft generators and by 600 m<sup>2</sup> of solar panels.

The Grimaldi Group has decided to implement new projects aimed at demonstrating the energy efficiency of the new GG5G ships in order to obtain White Certificates (Energy Efficiency Credits - EEC).

### 8.3.2 RESEARCH PROJECTS AND INNOVATION

Also in 2019, the Grimaldi Group co-financed various research projects through its participation in the Horizon 2020 and CEF Transport Call 2018 programmes.

One of the most important initiatives was the participation in the “Lean Ships” project, financed by European Union’s framework programme “Horizon 2020”, for research and innovation, which aims to demonstrate the effectiveness and reliability of technologies that offer energy savings and emission reductions on a large scale. The objective of the project is to promote technological innovation that can render existing ships more efficient and less polluting.

Within the project, the Grimaldi Group worked with the Dutch company Marin and the Finnish company Wärtsilä to design and optimise Energy Saving Devices (ESD) for Car Carrier ships with variable pitch propellers, in order to demonstrate potential energy savings. In particular, Marin and Wärtsilä were responsible for designing the ESD to be installed on board a Group ship, the M/v *Grande Portogallo*, on which the tests were carried out. The objective was to demonstrate an increase in propulsion efficiency upstream and downstream from the propeller.

The project began in June 2016 and ended in April 2019.

During 2017, the ESD to be installed on board one of the ships was defined after numerous trials in a naval tank from which a saving emerged in terms of energy and therefore of fuel consumption of 3%. This savings were also confirmed during post-installation testing. The device was installed in February 2019 at the Besiktas shipyard in Turkey.

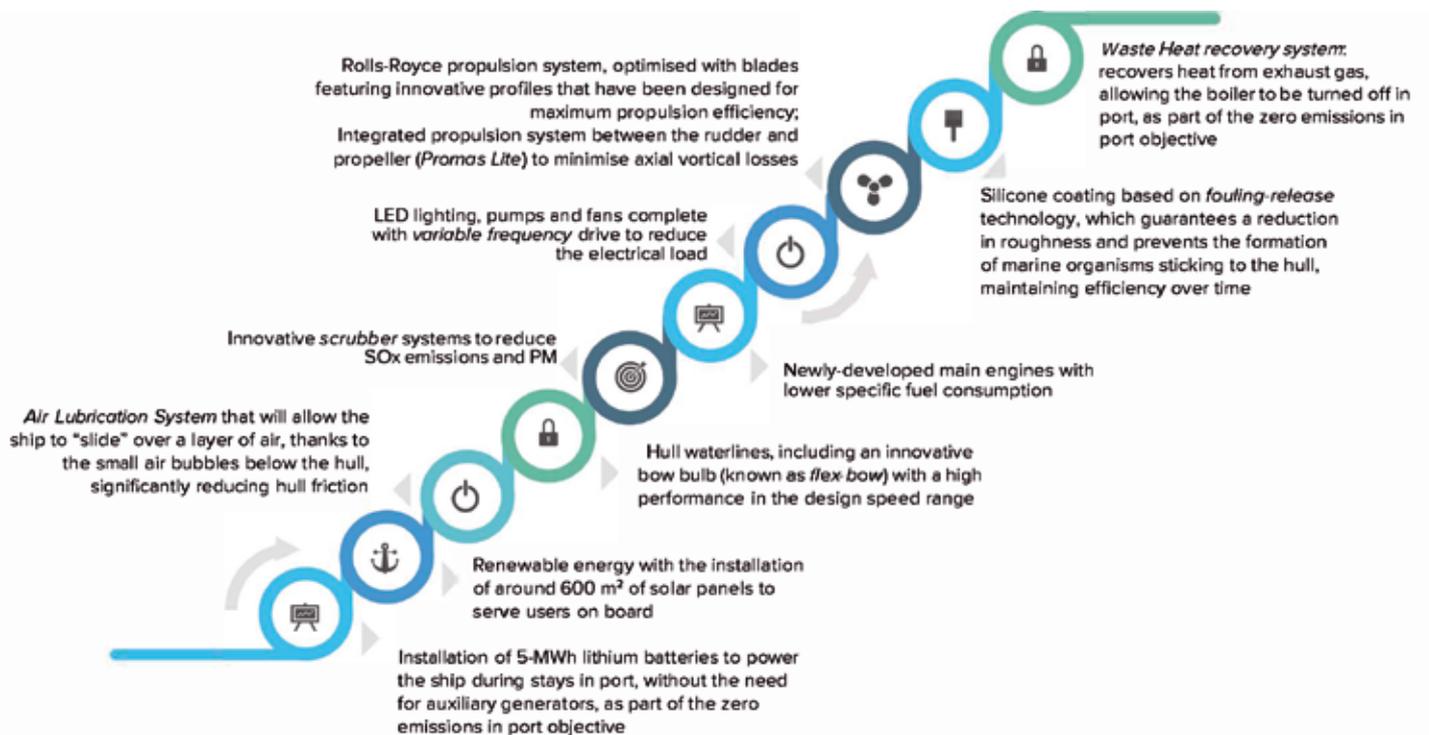
# Grimaldi Green 5<sup>th</sup> Generation

**An air flow system beneath the keel** creates a carpet of tiny air bubbles under the hull. These bubbles, which are released in the direction of travel, reduce hydrodynamic friction to hull advancement and consequently fuel consumption (and the relative harmful emissions). The keel is painted with special paints with a low surface roughness, which make it possible to reduce friction with the water.



**During stays in port**, a set of extremely powerful lithium batteries comes into operation. They are roughly the equivalent of those on 90 Tesla Model S and, once operational, they can power for **8 hours** the fans that ventilate the garages during the loading and unloading of trailers, as well as all on-board systems (lights, air conditioning, internal ramps, etc.). It is due to these systems that the hybrid ships can guarantee zero emissions in port. When sailing on rough seas, the batteries keep the load factor of the engines constant, absorbing energy peaks with the rise and fall of the wave. This peak shaving system allows consumption, and therefore emissions, to be reduced.

## THE HIGHLY INNOVATIVE TECHNOLOGICAL SOLUTIONS THAT WILL BE ADOPTED ON THE GG5G SHIPS ARE GIVEN BELOW::





The Group also participated in the H2PORTS project, a European project that generally aims to assess the potential of hydrogen technologies in port logistics operations.

Grimaldi is highly interested in experimenting with innovative “hybrid” power units for industrial vehicle propulsion, which have already been designed and applied to the propulsion of light vehicles and cars.

These innovative power units use hydrogen technologies with “zero” local impact to considerably increase the range of electric vehicles and bring it in line with traditional vehicles. The refuelling time is just a few minutes and, more than anything else, the volumes and weights of the systems are considerably less than traditional electric vehicles. Hydrogen vehicles are already industrial products in various market segments: cars (Toyota Mirai, Honda Clarity, Hyundai Nexa) and buses (VanHool, Mercedes, Toyota).

The Group is extremely interested in experimenting with hydrogen technologies to reduce environmental impact and to reduce the energy consumption of ships during port logistics operations.

The construction and testing of a new electric “hydrogen-powered” vehicle were conducted within the European project (H2PORTS) financed by the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) platform, which aims to introduce hydrogen as an alternative energy in the port industry, by developing efficient and innovative zero-emissions solutions, such as a Ro-Ro truck for loading/unloading operations and a mobile hydrogen refuelling station, which will provide the necessary fuel to vehicles and will be tested in a real environment in the Port of Valencia. The Group will see to the construction of the hydrogen vehicle and its testing under real operating conditions at the Valencia Terminal Europa.

The project will run for four years, divided as follows: two years for the design phase and two years for the testing phase. The project began in January 2019 and will be completed on 31/12/2021.

The Group participated in the 2018 CEF Transport Call with the FEDeRATED project. This tender calls for the creation of projects that address objectives

and priorities to support the political guidelines of the third Clean Mobility Package. Therefore, the European funding is focused on transversal transport objects, such as digitisation, road safety and multi-modality.

Specifically, the FEDeRATED project is part of the innovation and new technologies topic and objective 8 (Digital information system).

Specific objective 8 under the CEF 2018 call refers to supporting the development and validation of a digitalised system along the main European corridors, based on a “corridor information system”.

The intention is to create a federated system of public and private information platforms that can share data and information, in order to better manage and plan the transportation of goods along the logistics chain.

Thanks to this funding, the Group intends to create a system for monitoring performance in real time that can monitor the ships wherever they are. This system will automatically acquire vessel performance data (for example, power, speed, fuel consumption, weather, etc.) directly from the navigation and automation systems and the various sensors.

By way of example, thanks to this software we will be able to:

- calculate for every refitting operation - such as re-blading, the application of a silicone coating, the installation of ESD - the saving produced by the investment and the amortisation period;
- promptly intervene to maintain the performance of the ship at optimal levels with the subsequent consumption and emission savings;
- measure the time spent and/or the nautical miles performed in the area of the ECC;
- integrate this data with the management software of companies in order to automate manual operations and allow external operators to check the ships that are transporting their cargo.

The implementation of an IT security plan is also planned, with the installation of firewalls and switches installed on board all ships, thereby allowing a significant increase in the bandwidth currently in use by converting the limited 350-MB monthly traffic into a FLAT solution with VSAT technology.



## 8.4 Environmental performance

In order to reduce environmental impacts associated with its activities, the Grimaldi Group constantly monitors the main negative externalities associated with its energy consumption, production of harmful emissions and waste generation.

### EMISSIONS

Maritime transport is one of the most sustainable means of transport, especially when compared with road transport, as has been shown in studies and analysis done globally and at the European level. For a more specific comparison, the Group has established procedures able to compare the environmental impact of short sea trailer transport on the Group's lines with respect to the same transport done on land.

In 2019, the actions carried out by the Group in compliance with Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide (CO<sub>2</sub>) emissions generated by maritime transport, concerned - first and foremost - the verification of the data collected during 2018 by RINA and the subsequent communication of the same to the European

Commission.

Since June 2019, these data have been published and made public on the THETIS MRV website of the European Commission.

As with 2018, in 2019 the Group also took steps to gather and check the data required by the MRV regulations for all ships in the fleet. Daily collection of the data required by the regulations and their checks were carried out in accordance with the procedures for measuring fuel consumption and the methods for calculating the CO<sub>2</sub> emissions produced in ratio to the load transported, passengers, nautical miles performed and hours of navigation as defined in the monitoring plans drafted by the group for every single ship and certified by RINA in 2017.

The actions outlined in these plans were translated in operating terms into the adoption of an ICT system for data collection and processing used by operators to check the data gathered during 2019. As at 31 December 2019, the second data collection required by the MRV regulations was completed.

In addition, each Group ship has its own Ship Energy Efficiency Management Plan, with the goal of plan-

Cap.8 - Environmental responsibility

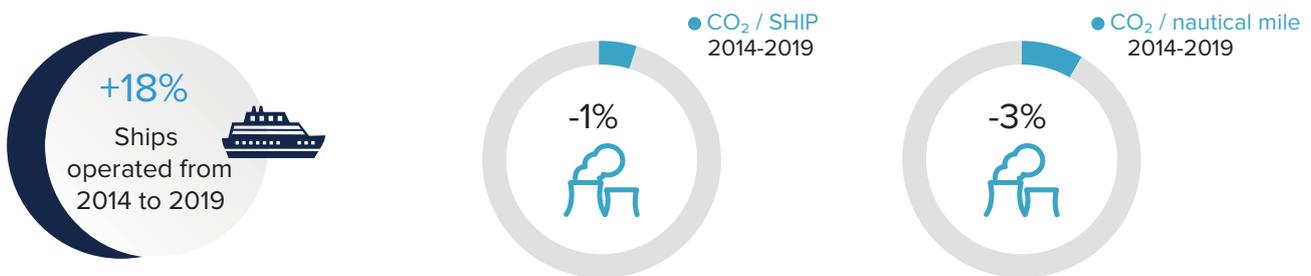
ning, implementing, monitoring and measuring its own environmental performance. The Plan also indicates standard procedures and dedicated actions, as well as annual objectives for emissions reduction, with dedicated forms to assess CO<sub>2</sub> emissions produced on each voyage. Every ship also has an International Energy Efficiency Certificate approved by the company RINA.

The year 2019 was also distinguished by the collection and monitoring of consumption data for the entire fleet, as required by the IMO, in Annex 3, Resolution MEPC,278 (70), Amendments to MARPOL Annex VI.

In 2018, a plan was drafted for every ship, defined as part two of the Ship Energy Efficiency Management Plan, in which the procedures for measuring fuel con-

sumption, nautical miles performed and hours of navigation were outlined, as required by the IMO. These plans were drafted by the Group for every single ship and certified by RINA in 2018. Thus, 2019 was distinguished by two collection and monitoring systems for fleet consumption and emissions and the related information required by the two regulations.

Over the last six years, direct CO<sub>2</sub> emissions, per nautical mile and per ship, generated by the Group's business fell by 3% and 1% respectively thanks to investments in energy and operational efficiency projects, while the number of ships operated increased by 18%. In particular, 2019 was distinguished by a further reduction in emissions per ship of over 3% and of approximately 2% per nautical mile.

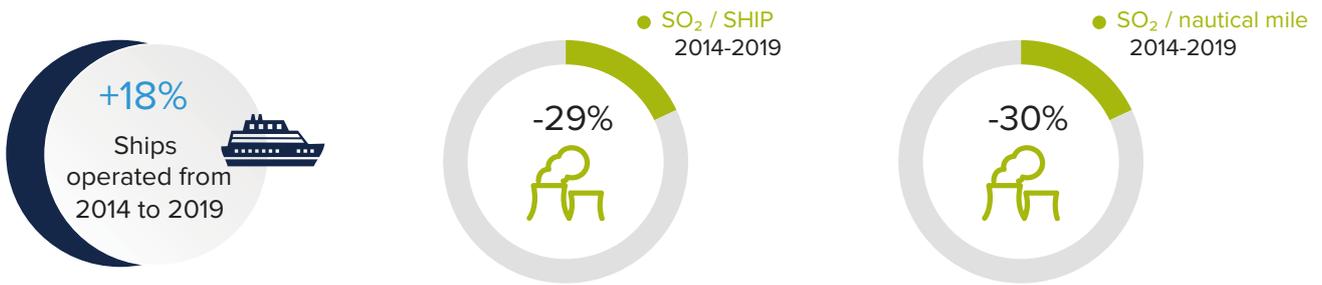


	 CO <sub>2</sub> emissions (t)	tCO <sub>2</sub> /Ship	tCO <sub>2</sub> /nautical mile
<b>2019</b>	CO <sub>2</sub> (t) <b>5,152,550</b> n° ships <b>123</b>	CO <sub>2</sub> (t) <b>42,027</b> n° ships <b>123</b>	tCO <sub>2</sub> / mn <b>0.463</b> n° ships <b>123</b>
<b>2018</b>	<b>5,350,349</b> n° ships <b>123</b>	<b>43,524</b> n° ships <b>123</b>	<b>0.472</b> n° ships <b>123</b>
<b>2017</b>	CO <sub>2</sub> (t) <b>5,184,981</b> n° ships <b>119</b>	CO <sub>2</sub> (t) <b>43,681</b> n° ships <b>119</b>	tCO <sub>2</sub> / mn <b>0.465</b> n° ships <b>119</b>

In relation to other harmful emissions, starting in 2014 the Group began a system that carefully collects and monitors figures related to sulphur dioxide (SO<sub>2</sub>) emissions. Indeed, in the last six years, against a 18% increase in Group operated ships, SO<sub>2</sub> emissions fell by 30% per nautical mile and by 29% per ship respectively. These trends attest to the Group's desire

to pursue the objectives set by the IMO as regards the reduction in SO<sub>2</sub> emissions.

Considering 2019, the Group's activities recorded a further reduction in SO<sub>2</sub> emissions per ship of 14% compared to the previous year and a reduction of 12% in emissions per nautical mile.



		SO <sub>2</sub> emissions (t)		tSO <sub>2</sub> /Ship		tSO <sub>2</sub> /nautical mile	
2019	SO <sub>2</sub> (t)	41,868	SO <sub>2</sub> (t)	341.5	tSO <sub>2</sub> / mn	0.0038	
	n° ships	123	n° ships	123	n° ships	123	
2018	SO <sub>2</sub> (t)	48,509	SO <sub>2</sub> (t)	394.6	tSO <sub>2</sub> / mn	0.0043	
	n° ships	123	n° ships	123	n° ships	123	
2017	SO <sub>2</sub> (t)	51,591	SO <sub>2</sub> (t)	434.6	tSO <sub>2</sub> / mn	0.0046	
	n° ships	119	n° ships	119	n° ships	119	

**FUEL**

The main energy vector used by the Group is bunker<sup>17</sup> acquired to supply ships.

In 2019, the quantity of fuel purchased decreased by 4%.

The Chartering & Bunker Department pays extremely close attention to containing costs and searching for new suppliers in the destination markets for ships, in order to obtain the best possible conditions, while also monitoring product quality and carefully managing any problems that may arise during ship refueling activities.

Bunkering activities are performed observing the current regulations. During the said operations audits and controls can be carried out by the port authority in the fields of safety and the environment.

In order to ensure the least environmental impact possible, in the case of fuel spills at sea, the Group immediately activates an emergency protocol. A company Crisis Management Group meets and the procedures established in existing plans are implemented (e.g. SOPE - Ship Oil Pollution Emergency - Plan, Vessel Response Plan).

		Total fuel used (TJ)		Total fuel used (T)	
2019	TJ	67,864	T	1,645,331	
	n° ships	123	n° ships	123	
2018	TJ	70,610	T	1,707,959	
	n° ships	123	n° ships	123	
2017	TJ	68,360	T	1,655,170	
	n° ships	119	n° ships	119	

Fuel: HFO: Heavy Fuel Oil; LFO: Light Fuel Oil; MGO: Marine Gas Oil  
 Conversion factors source: Statistics Norway: Energy statistics 1995, SFT Report 9513: Incinerators. Guidance for case officers and SFT: Emission coefficients (Audun Rosland, 1987). TAB: Theoretical energy content and emission factors.

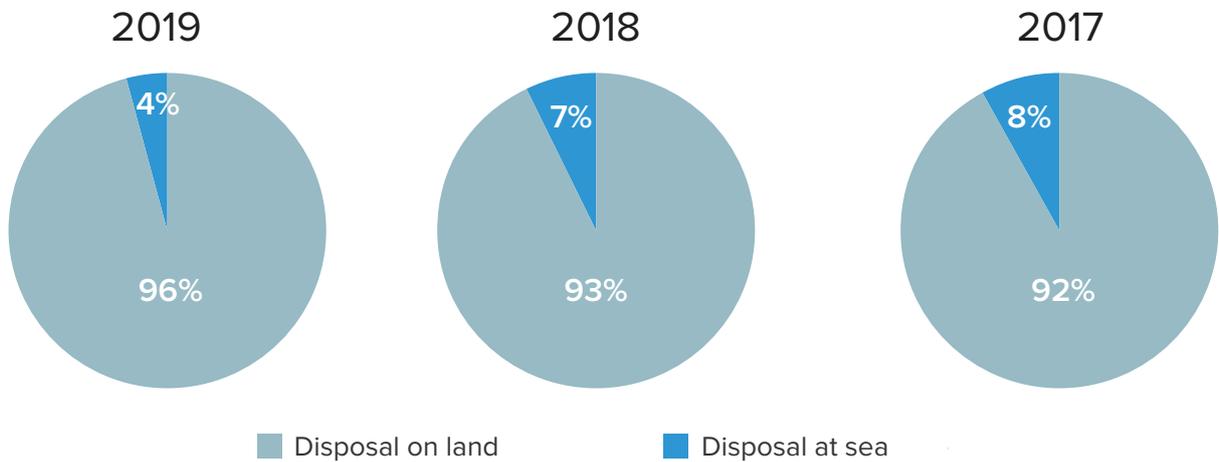
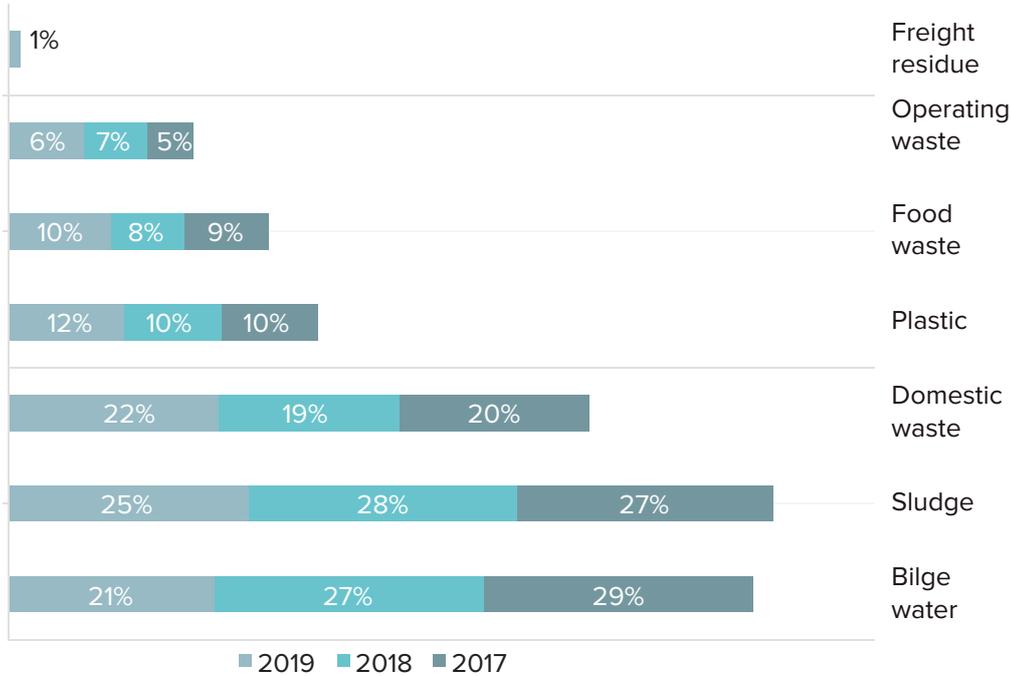
17) Fuel oil used to power ship movement.

**WASTE**

Finally, relative to waste, the Group promotes the use of on-board incinerators with the aim of reducing the amount of solid waste disposed in port, obviously in full compliance with limits/restrictions established in

the current regulations.

Around 4% of biodegradable waste produced during the year is disposed of at sea.

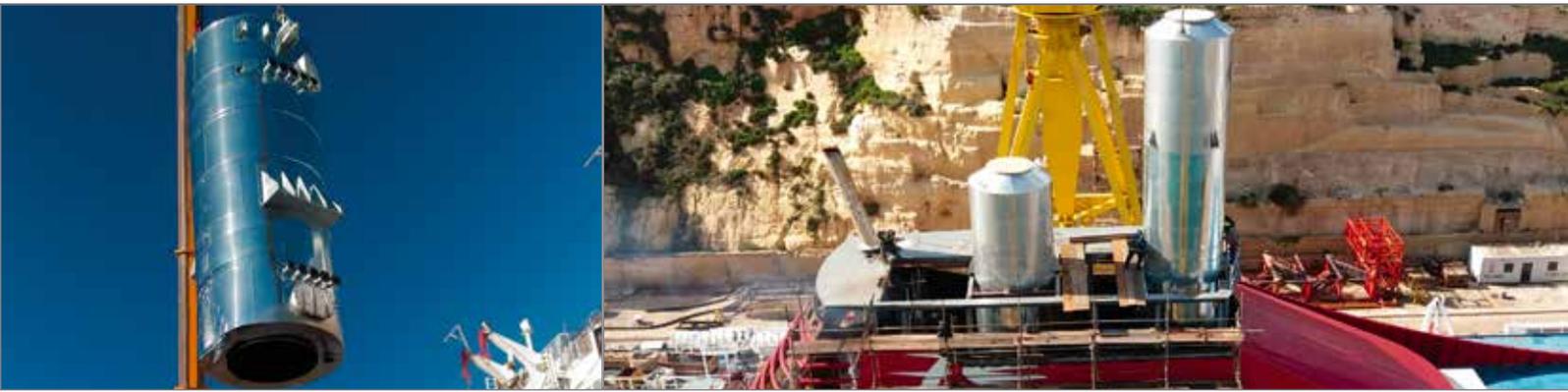


**BIODIVERSITY PROTECTION: BALLAST WATER & ANTI-FOULING PAINT**

In 2017, the Ballast Water Management (BWM) Convention came into force. This IMO international Convention controls the management of ballast water and sediments. The purpose of the Convention is to minimise and ultimately eliminate transmigration, through the said ballast water, of harmful aquatic

micro-organisms and pathogens from one area to another of the planet, a phenomenon that damages the environment, human health, biodiversity and the various industries involved (fishing, agriculture, tourism).

With entry into force of the BWM Convention, ships



must subject ballast water loaded on board to the mechanical, physical, chemical, biological processes, singularly or jointly, approved by the regulations such as treatments based on UV, ozone, sodium hypochlorite, inert gas or simply reflux.

In order to comply with this Convention, the Group prepared management plans and manuals with the related mitigation procedures for existing ships, while on board new ships under construction the installation of modern ballast water treatment systems has begun, which meet the technical specifications outlined by the IMO.

Currently, ballast water treatment systems that meet IMO standards are installed on 22 ships in the fleet. In addition to the installation of the aforementioned systems on 20 ships in the fleet, in 2019 the applications of innovative anti-fouling coatings that do not release toxic substances into the sea, which were applied in previous years, were maintained (by

means of hull treatments and repainting), not merely to comply with emission reduction, but also to limit the phenomenon of the transmigration of marine organisms. Indeed, anti-fouling silicone coatings reduce the accumulation of these organisms on the hull without releasing toxic substances into the sea.

Thanks to the use of these innovative anti-fouling coatings, the Grimaldi Group - in collaboration with AkzoNobel - was the first shipping company in the world to receive voluntary carbon credits issued by the Gold Standard.

The generation of carbon credits took place in two phases, the latter of which occurred in 2019:

- Gold Standard issued 109,617 carbon credits to AkzoNobel for the silicone application on 14 Grimaldi ships (VPA1, 1st claim);
- Gold Standard issued 44,000 carbon credits (VPA1, 2<sup>nd</sup> claim).

## ACL FOR THE ENVIRONMENT

**ACL** has always been committed to operating with ships with the highest environmental and safety standards.

ACL, in fact, can boast that it was one of the first companies to have the entire fleet certified under ISO 13000, the international certification on safety and environmental protection.

In addition, in the last few years the company has begun to renew the fleet of ships of the “G3 type” with ships of the “G4 type”. The new fleet of ships is faster, eco-friendlier and more efficient than the previous ones, with a reduction in fuel consumption per TEU (Twenty-foot Equivalent Unit, unit equivalent to a 20-foot container) of more than 50% and a speed increase of 10%.

As regards the scrapping of ships, ACL has always entrusted the job to recycling structures with dimensions such as to be able to adapt to the size of Ro-Ro ships, the largest ships in the world, and capable of meeting the highest environmental and safety standards.

To guarantee further that the ship recycling plant complies with all the standards required, ACL sends to the site a dedicated team to monitor every aspect of the operation.



## FINNLINES FOR THE ENVIRONMENT



**Finnlines** has finalised a new order for the construction of three hybrid Ro-Ro units and two Superstar Ro-Pax vessels.

The hybrid Ro-Ro ships will be equipped with lithium-ion batteries, which will allow them to charge while sailing at sea. The stored electricity can be used while in port, making port stays emission free. Furthermore, an innovative ventilation system beneath the keel will create layers of bubbles that will reduce friction and hydrodynamic drag and, consequently, reduce fuel consumption and emissions. The ice class of these ships will be the highest possible in Finland and Sweden.

In regards to the new-generation Superstar Ro-Pax ships, these will be built incorporating the most elevated technical and environmental vision. Finnlines is aiming to increase energy efficiency and reduce emissions and fuel use. It is also developing automated mooring solutions for these ships so as to reduce manoeuvring times in port and reduce the average speed of the voyage at sea, with a subsequent reduction in fuel consumption and emissions. The load capacity of these Superstar Ro-Pax ships is approximately 5,200 lane metres and can carry up to 1,100 passengers.

**Minoan Lines** has taken the global drive to reduce emissions very seriously and is being proactive. Indeed, the company has decided to invest €12 million to reduce the CO<sub>2</sub> footprint of its fleet and, more generally, to improve the results achieved on the Greek green coast. Minoan Lines has committed itself to installing scrubbers for exhaust gas by April 2019, 8 months before the 1 January 2020 deadline, so as to comply with the new international legislation on emissions. The use of the scrubbers will not only allow it to be in line with international legislation, but will also allow it to eliminate almost all harmful emissions from its ships, eliminating 97-98% of sulphur oxides and 70-80% of particulate matter.

The company has always been committed to being compliant with both national and international regulations and is subject to strict quality certification procedures, which are renewed annually. Some examples of these certifications include: ISO 9001:2015; ISO 22000: 2005; ISO 14001: 2015; MARPOL 73/78 pollution prevention certificate (at sea).

Minoan Lines' ecological philosophy can also be seen in its management's decision to eliminate plastic from the bars, self-service areas and restaurants on board and replace it with biodegradable and environmentally-friendly materials. The shops on board its fleet also use biodegradable or reusable bags.

## MINOAN LINES FOR THE ENVIRONMENT



# Objectives 9

The main objective of the Grimaldi Group is to pursue continual improvement so as to be able to guarantee to its customers the maximum efficiency in all aspects of transport. For this reason, the Group continues to set itself challenging objectives to be achieved in the short and medium term.

■ Activity implemented   ■ Activity in course   ■ Activity not begun

Area of commitment	Objective	Action	Activity status
Reduction of environmental impacts	Energy efficiency and reduction of emissions	• Installation of new exhaust gas treatment systems	■
		• Installation of waste heat recovery systems	■
		• Use of lithium batteries which store energy at sea to be later used in port, reducing emissions to zero during stopovers	■
		• Implementation of renewable energy systems on board ships	■
Quality, safety and environmental management system	Extend the environmental management system to all the Group's navigation companies	• Define a Group environmental policy	■
Communication	Promote Corporate Social Responsibility within the Group	• Develop activities carried out in the environmental, training and social sectors	■
Train maritime staff	Official retention policy and crew growth and development	• Carry out development plans for ground positions	■
		• Take advantage of crew experience and skill	■
		• Restructure the entire training programme along officers' entire career	■
		• Strengthen professional profile for emerging managerial issues	■
		• Involve specialised trainers and seniors staff with a professional on board background	■

■ Activity implemented    ■ Activity in course    ■ Activity not begun

Area of commitment	Objective	Action	Activity status
Service quality	Increase customer satisfaction levels and continue monitoring work performance for on board personnel at sea, as well as that of the suppliers of on board service, in order to increase user satisfaction and increase loyalty.	• Working with the IT department, develop a data warehouse system to collect and analyse passenger data (quantitative and qualitative)	■
		• Constantly analyse and monitor Call Centre performance	■
		• Analyse the feasibility of a customer loyalty programme	■
		• Increase social activities	■
		• Continue investments in digital communication: complete the development of the new grimaldi-lines.com website, to further improve the booking services (B2C/B2B)	■
		• Monitor and control the level of service provided to passengers	■
		• Renovate ticket offices	■
Management of security during at sea operations and pollution prevention	Improve and increase efficiency in Group performance	• Improve on-board services and children hospitality project	■
		• Preparation of the documentation and immediate implementation of the management systems on board new vessels under construction in Chinese shipyards	■
		• Establishment of an internal working group between the Safety, Quality and Environment Department and the Commercial Departments of Naples and London to optimise/reduce the number of operating instructions for Ro-Ro transport	■
		• Improvement of ship performance in terms of PSC inspections, accidents, injuries, results and audits, etc. (objective that is constantly pursued)	■
	Revision of the quality manual according to the current asset/context	• Revision/optimisation of the collections of work circulars/instructions	■
	Improvement of officials' skills – fill regulatory gaps	• ISO9001/14001 Quality/Environmental Manual Revision	■
	Adapt security plans to regulations and changes to ships	• Start of training courses for officials – workplace safety	■
	Bring ships into compliance with current regulations	• Review of ship security plans	■
Improvement of ship KPIs	• Preparation of documentation for new units to be delivered in 2019	■	
	• Improvement of ship performance in terms of PSC inspections, accidents, injuries, results and certification audits.	■	

# Commitment List 10

In addition to the projects implemented in recent years, the Group is committed to developing a long-term vision period in which the set objectives embody the company's vision and ambitions, in this way the Group stimulates all its workers to continuously improve in order to achieve common and shared objectives.

Area of commitment	Objective	Action
The Grimaldi Foundation Onlus	Combat child educational poverty	<ul style="list-style-type: none"> <li>• Grants via six-monthly calls for proposals to associations/cooperatives and non-profits.</li> <li>• Family School Project in support of young people from at-risk social backgrounds through SPES-F game room and workshops for small children and adolescents.</li> <li>• In the Family School project, the provision of scholarships to ensure that low-income families have the same opportunities for education in the primary school run by former students of the school.</li> </ul>
	Support parents suffering from financial and social hardship	<ul style="list-style-type: none"> <li>• With the SPES-F project in the Family School, the Grimaldi Foundation Onlus engages over 50 families in support and empowerment seminars for parents.</li> </ul>
	Relieve situations of significant family hardship	<ul style="list-style-type: none"> <li>• Donations to support these families and help them overcome and/or alleviate difficult situations</li> </ul>
	Combat the social isolation and marginalisation of these two very vulnerable categories	<ul style="list-style-type: none"> <li>• Grants via six-monthly calls for proposals to associations, cooperatives and non-profits.</li> <li>• Within the Family School project, a partnership with the Community of Sant'Egidio to monitor the elderly and with the Association Libera Officina to provide support to the disabled.</li> </ul>
	Contribute to the medical research and treatment of cancer and other diseases	<ul style="list-style-type: none"> <li>• Donations to support research in these areas.</li> <li>• Partnership with the University of Bologna to support medical researcher contracts.</li> </ul>

Area of commitment	Objective	Action
Customers	Offers tailored to consumer demands	<ul style="list-style-type: none"> <li>• Constantly strive to optimise the tariff policy to improve volumes and loading ratios of ships with adequate yield</li> <li>• Continue to study the competition and consumer behaviour to devise successful offers/promotions which aim to increase the number of passengers without undermining an increase in turnover</li> <li>• Improve the user experience (B2B/B2C) of customers via: the launch of mobile booking; development of content marketing; improvement of Customer Care in the pre- and post-travel phases</li> </ul>
	Constant quality improvement	<ul style="list-style-type: none"> <li>• Further increase investments in digital communication with: improvement of B2B/B2C booking flows; SEO monitoring; improvement of site performance</li> <li>• Continue to monitor the department's performance so that production standards are always satisfactory and aimed at maximising profit.</li> </ul>
	Digitalisation of the procurement process	<ul style="list-style-type: none"> <li>• In 2020, the computerisation plan for purchases will continue, both by extending the number and amount of online purchases with credit/debit cards, as well as allowing consumables to be ordered directly through an IT procedure, thanks to the activation of version 10 of the AMOS system.</li> </ul>
	Review of ship security plans	<ul style="list-style-type: none"> <li>• Review of ship security plans</li> </ul>
Safety, Quality and the Environment	Improvement of the performance of ships	<ul style="list-style-type: none"> <li>• PSC inspections, accidents, injuries, results of audits, etc.</li> </ul>
	SMS documentation review	<ul style="list-style-type: none"> <li>• Revision of the SMS manuals for the two companies GDS/GEM to introduce new DPA.</li> <li>• Separation of workplace safety management manuals from SMS manuals</li> <li>• Review and implementation of all SMS forms differentiated by company</li> <li>• Further revision of the SMS manuals to implement cyber security protocols</li> </ul>
	On-board emergencies	<ul style="list-style-type: none"> <li>• Drafting and adoption of a corporate contingency plan for crisis management</li> <li>• Drafting and adoption of a collection of checklists for on-board emergency management</li> </ul>
	ISO9001/14001	<ul style="list-style-type: none"> <li>• Completion of the ISO9001/14001 Quality/Environmental Manual revision</li> </ul>
	Energy	<ul style="list-style-type: none"> <li>• Development of additional functions for the Hermes system by the end of 2020</li> <li>• Optimisation of electricity consumption of the <i>Cruise Roma</i> and <i>Cruise Barcelona</i> passenger ships</li> <li>• Optimisation of battery management for port use and maximisation of Zero Emissions in Port® duration</li> </ul>
Reduction of environmental impact		

## Materiality Analysis Process

In particular, the materiality analysis process involved three main steps:



### Step 1 - Preliminary Analysis

During the first step, a list of material issues was drawn up, through analysis of issues relevant to the sector (examination of documents for the Shipping and Logistics sector, GRI Sustainability Topics for Sectors, SASB), benchmark analysis with comparable companies, analysis of press materials (more than 5,000 articles analysed), and analysis of Group documents (Code of Conduct, 231 Model, procedures, integrated management system, etc.).

### Step 2 - Categorisation and prioritisation

During the second step, the issues identified were shared with Group management and company employees involved in the process of preparing the Sustainability Report, through a dedicated workshop. Prioritisation of issues material to the Group was done using different methods for the internal view and for external stakeholders.

Specifically, for the internal view, meetings were held with Group management to determine the importance and appropriateness over the long term for each issue identified.

External stakeholders' point of view was determined by considering the aggregate results of the benchmark analysis, media analysis and sector documentation. Points were assigned by considering how many times an issue appeared in the documents analysed and on the basis of qualitative assessments.

### Step 3 - Definition of the materiality matrix

The results of the materiality analysis process were summarised in the materiality matrix (page 27 of this document) and in the table reported below, which compares the aspects of the GRI Sustainability Reporting Standards and the issues considered material to the Grimaldi Group.

## Reconciliation table for material issues and GRI standards

	GRI Aspects	Selected GRI indexes	Material issue	Internal impact	External impact
Economic	Economic performance	201-1	<i>Innovation and sustainable development, investments in the community</i>	✓	✓
	Procurement policies	204-1	<i>Supply Chain</i>	✓	
Environment	Energy	302-1	<i>Energy efficiency</i>	✓	
	Emissions	305-1, 305-7	<i>Emissions</i>	✓	✓
	Exhaust and waste	306-2	<i>Waste</i>	✓	✓
Social	Employment	401-1, 401-3	<i>Focus on people</i>	✓	
	Workplace health and safety	403-1, 403-2	<i>Health and safety</i>	✓	
	Training and education	404-1	<i>Valorisation of Human Resources</i>	✓	
	Diversity and equal opportunity	405-1	<i>Valorisation of Human Resources</i>	✓	
Company	Anti-corruption	205-3	<i>Business Ethics</i>	✓	✓
	Anti-competitive behaviour	206-1	<i>Business Ethics</i>	✓	
	Compliance	419-1	<i>Business Ethics</i>	✓	

## The reporting perimeter

### Economic/financial data

The perimeter corresponds to that of the Consolidated Financial Statements at 31 December 2019.

### Personnel data

In order to provide a more complete picture of data on the personnel, starting from the 2016 edition of the Report, the perimeter of the data comprises not only the companies included in the 2019 Consolidated Financial Statements, but also the companies controlled by the Group outside the consolidation scope.

Specifically: the perimeter considers the staff of the following companies: Grimaldi Group S.p.A., Grimaldi Euromed S.p.A., Grimaldi Deep Sea S.p.A., Finnlines Plc and subsidiaries, Atlantic Container Line AB and subsidiaries, Minoan Lines SA, Malta Motorways of the Sea Ltd, Ports and Terminal Multiservices Ltd, Grimaldi Agencies UK, Grimaldi Logistica Espana SL, Grimaldi Maritime Agencies Sweden AB, Valencia Terminal Europa SL, Scandinavian Auto Logistics A/S, Euro-Med Ireland Logistics Ltd, Grimaldi Germany GmbH, Grimaldi Belgium NV, CETAL Srl, Antwerp Euroterminal NV, Grimaldi Terminal Barcelona SL, Wallhamn AB, Grimaldi Benin SA, Grimaldi Sardegna Srl, Antwerp Lashing & Securing NV, Grimaldi Portugal Lda, Michele Autuori Srl, Grimaldi Togo SA, Socomar SA, Grimaldi Senegal SA, Grimaldi Nigeria Ltd, Grimaldi Compagnia di Navigazione do Brasil Ltda, Grimaldi Ghana Ltd, Grimaldi Terminal Euro/Med SCpA, Grimaldi Catania S.r.l., Grimaldi Tour Operador Espana SA, Marittima Spedizioni S.r.l., Savona Terminal Auto S.r.l. Grimaldi Marangolo Terminal Catania Srlca, Antwerp Container Repair NV, Grimaldi Logistica Genova S.r.l. and Ghianda LV.

The companies in the Group that employ both land and maritime personnel are the following: Grimaldi Group S.p.A., Grimaldi Deep Sea S.p.A., Grimaldi Euromed S.p.A., Finnlines Plc, Atlantic Container Line AB, Minoan Lines SA and Malta Motorways of the Sea Ltd.

The remaining companies employ only shore personnel.

### Workplace health and safety information

The Grimaldi Group has decided to proceed with the early adoption of the new 403 standard: Occupational Health and Safety 2018, which will come into effect from the reports published on 1 January 2021. This standard replaces the previous one through new quantitative and qualitative KPIs. From a quantitative perspective, considering the core approach of the report, 403-9 is reported: Work-related injuries, the perimeter of which is deferred to that of employees.

From a quality perspective, the standard adds six new mandatory KPIs, from 403-1 to 403-6, the perimeter of which is composed as follows:

- For shore personnel: CETAL srl, Savona Terminal Auto S.r.l., Grimaldi Marangolo Terminal Catania S.r.l., Wallhamn AB, Antwerp Euro Terminal N.V., Grimaldi Terminal Barcelona SL, Port and Terminal Multiservices Ltd, Scandinavian Auto Logistics, Euromed Ireland Logistics Ltd, Valencia Terminal Europa SL, Grimaldi Terminal Euro/Med SCpA and Socomar SA.
- For both land and maritime personnel: Grimaldi Group S.p.A., Grimaldi Deep Sea S.p.A., Grimaldi Euromed S.p.A., Atlantic Container Line AB, Finnlines Plc and Minoan Lines S.A.

With the adoption of the new standard, 2017 and 2018 were restated in order to comply with the reporting principles of the GRI Standards.

### Environmental Data

For environmental figures, the reference perimeter is:

Grimaldi Deep Sea SpA, Grimaldi Euromed SpA, Finnlines Plc, Atlantic Container Line AB, Minoan Lines SA and Malta Motorways of the Sea Ltd.

## GRI indexes

The tables below present data for the principal indicators regarding the Grimaldi Group's personnel and environmental impact.

### PERSONNEL INDEXES

It should be noted that in order to represent as well as possible the specific nature of the sector and give an appropriate picture of the employment impact of the Group, data regarding maritime personnel numbers refer to work positions active in 2019. In fact, as highlighted in the "Fifth Report on the Maritime Economy – Maritime cluster and development in Italy"<sup>18</sup>, due to the special nature of maritime work, the number of employees is lower than the number of positions because of the effect of the shift system worked by employees at sea.

The other indicators, unless otherwise specified, represent the situation on 31 December 2019, as provided for in the GRI "Sustainability Reporting Standards".

TOTAL GROUP PERSONNEL	U.M.	2019	2018	2017
<b>Shore personnel</b>	<b>no.</b>	<b>5,560</b>	<b>5,321</b>	<b>5,069</b>
<i>EU</i>	<i>no.</i>	<i>4,251</i>	<i>4,140</i>	<i>3,877</i>
<i>Non-EU / Rest of world</i>	<i>no.</i>	<i>1,309</i>	<i>1,181</i>	<i>1,192</i>
<b>Maritime personnel</b>	<b>no.</b>	<b>10,664</b>	<b>10,674</b>	<b>9,248</b>
<i>EU</i>	<i>no.</i>	<i>8,411</i>	<i>8,426</i>	<i>6,311</i>
<i>Non-EU / Rest of world</i>	<i>no.</i>	<i>2,253</i>	<i>2,248</i>	<i>2,937</i>
<b>Total</b>	<b>no.</b>	<b>16,224</b>	<b>15,995</b>	<b>14,317</b>

### 401-1: RECRUITMENT AND TERMINATION BY GENDER, AGE AND COUNTRY OF ORIGIN<sup>19</sup>

SHORE PERSONNEL - HIRES BY GENDER	U.M.	2019	2018	2017
<b>Men</b>	<b>no.</b>	<b>514</b>	<b>372</b>	<b>425</b>
<i>Men</i>	<i>%</i>	<i>76%</i>	<i>65%</i>	<i>71%</i>
<b>Women</b>	<b>no.</b>	<b>164</b>	<b>203</b>	<b>173</b>
<i>Women</i>	<i>%</i>	<i>24%</i>	<i>35%</i>	<i>29%</i>
<b>Total</b>	<b>no.</b>	<b>678</b>	<b>575</b>	<b>598</b>
SHORE PERSONNEL - TERMINATIONS BY GENDER	U.M.	2019	2018	2017
<b>Men</b>	<b>no.</b>	<b>361</b>	<b>338</b>	<b>283</b>
<i>Men</i>	<i>%</i>	<i>66%</i>	<i>73%</i>	<i>71%</i>
<b>Women</b>	<b>no.</b>	<b>188</b>	<b>124</b>	<b>113</b>
<i>Women</i>	<i>%</i>	<i>34%</i>	<i>27%</i>	<i>29%</i>
<b>Total</b>	<b>no.</b>	<b>549</b>	<b>462</b>	<b>396</b>

SHORE PERSONNEL - HIRES BY AGE	U.M.	2019	2018	2017
<b>&lt;30 years</b>	<b>no.</b>	<b>219</b>	<b>223</b>	<b>249</b>
<i>&lt;30 years</i>	<i>%</i>	<i>32%</i>	<i>39%</i>	<i>42%</i>
<b>30-50 years</b>	<b>no.</b>	<b>389</b>	<b>273</b>	<b>268</b>
<i>30-50 years</i>	<i>%</i>	<i>57%</i>	<i>47%</i>	<i>45%</i>
<b>&gt;50 years</b>	<b>no.</b>	<b>70</b>	<b>79</b>	<b>81</b>
<i>&gt;50 years</i>	<i>%</i>	<i>10%</i>	<i>14%</i>	<i>14%</i>
<b>Total</b>	<b>no.</b>	<b>678</b>	<b>575</b>	<b>598</b>
SHORE PERSONNEL - TERMINATIONS BY AGE	U.M.	2019	2018	2017
<b>&lt;30 years</b>	<b>no.</b>	<b>156</b>	<b>168</b>	<b>117</b>
<i>&lt;30 years</i>	<i>%</i>	<i>28%</i>	<i>36%</i>	<i>30%</i>
<b>30-50 years</b>	<b>no.</b>	<b>261</b>	<b>194</b>	<b>180</b>
<i>30-50 years</i>	<i>%</i>	<i>48%</i>	<i>42%</i>	<i>45%</i>
<b>&gt;50 years</b>	<b>no.</b>	<b>132</b>	<b>100</b>	<b>99</b>
<i>&gt;50 years</i>	<i>%</i>	<i>24%</i>	<i>22%</i>	<i>25%</i>
<b>Total</b>	<b>no.</b>	<b>549</b>	<b>462</b>	<b>396</b>

<sup>18</sup> Centro Studi Investimenti Sociali (Centre for Research into Social Investment) - CENSIS- on behalf of Federazione del Mare (Italian Maritime Federation)

<sup>19</sup> The reporting perimeter covers 97% for 2019 and 95% for 2018 and 2017 regarding maritime personnel.

SHORE PERSONNEL - HIRES BY GEOGRAPHICAL AREA		U.M.	2019	2018	2017
<b>Italy</b>	<b>no.</b>		<b>71</b>	<b>144</b>	<b>163</b>
<i>Italy</i>	%		10%	25%	27%
<b>Spain</b>	<b>no.</b>		<b>32</b>	<b>15</b>	<b>22</b>
<i>Spain</i>	%		5%	3%	4%
<b>Greece</b>	<b>no.</b>		<b>1</b>	<b>1</b>	<b>5</b>
<i>Greece</i>	%		0.1%	0.2%	1%
<b>Finland</b>	<b>no.</b>		<b>66</b>	<b>88</b>	<b>74</b>
<i>Finland</i>	%		10%	15%	12%
<b>Sweden</b>	<b>no.</b>		<b>86</b>	<b>151</b>	<b>157</b>
<i>Sweden</i>	%		13%	26%	26%
<b>United Kingdom</b>	<b>no.</b>		<b>21</b>	<b>22</b>	<b>41</b>
<i>United Kingdom</i>	%		3%	4%	7%
<b>Malta</b>	<b>no.</b>		<b>0</b>	<b>1</b>	<b>0</b>
<i>Malta</i>	%		0%	0.2%	0%
<b>Germany</b>	<b>no.</b>		<b>37</b>	<b>17</b>	<b>22</b>
<i>Germany</i>	%		5%	3%	4%
<b>Belgium</b>	<b>no.</b>		<b>84</b>	<b>50</b>	<b>46</b>
<i>Belgium</i>	%		12%	9%	8%
<b>Other countries</b>	<b>no.</b>		<b>280</b>	<b>86</b>	<b>68</b>
<i>Other countries</i>	%		42%	15%	11%
<b>Total</b>	<b>no.</b>		<b>678</b>	<b>575</b>	<b>598</b>
SHORE PERSONNEL - TERMINATIONS BY GEOGRAPHIC AREA		U.M.	2019	2018	2017
<b>Italy</b>	<b>no.</b>		<b>61</b>	<b>71</b>	<b>33</b>
<i>Italy</i>	%		11%	15%	8%
<b>Spain</b>	<b>no.</b>		<b>6</b>	<b>5</b>	<b>1</b>
<i>Spain</i>	%		1%	1%	0%
<b>Greece</b>	<b>no.</b>		<b>20</b>	<b>8</b>	<b>6</b>
<i>Greece</i>	%		4%	2%	2%
<b>Finland</b>	<b>no.</b>		<b>84</b>	<b>72</b>	<b>78</b>
<i>Finland</i>	%		15%	16%	20%
<b>Sweden</b>	<b>no.</b>		<b>98</b>	<b>130</b>	<b>140</b>
<i>Sweden</i>	%		18%	28%	35%
<b>United Kingdom</b>	<b>no.</b>		<b>23</b>	<b>39</b>	<b>33</b>
<i>United Kingdom</i>	%		4%	8%	8%
<b>Malta</b>	<b>no.</b>		<b>0</b>	<b>1</b>	<b>0</b>
<i>Malta</i>	%		0%	0.2%	0%
<b>Germany</b>	<b>no.</b>		<b>39</b>	<b>19</b>	<b>20</b>
<i>Germany</i>	%		7%	4%	5%
<b>Belgium</b>	<b>no.</b>		<b>85</b>	<b>55</b>	<b>37</b>
<i>Belgium</i>	%		15%	12%	9%
<b>Other countries</b>	<b>no.</b>		<b>133</b>	<b>62</b>	<b>48</b>
<i>Other countries</i>	%		24%	13%	12%
<b>Total</b>	<b>no.</b>		<b>549</b>	<b>462</b>	<b>396</b>

401-3: PARENTAL LEAVE<sup>20</sup>

SHORE PERSONNEL WITH THE RIGHT TO PARENTAL LEAVE		U.M.	2019	2018	2017
<b>Men</b>	<b>no.</b>		<b>615</b>	<b>202</b>	<b>613</b>
<b>Women</b>	<b>no.</b>		<b>326</b>	<b>185</b>	<b>350</b>
<b>Total</b>	<b>no.</b>		<b>941</b>	<b>405</b>	<b>963</b>

SHORE PERSONNEL WHO USED PARENTAL LEAVE		U.M.	2019	2018	2017
<b>Men</b>	<b>no.</b>		<b>76</b>	<b>65</b>	<b>74</b>
<b>Women</b>	<b>no.</b>		<b>88</b>	<b>81</b>	<b>84</b>
<b>Total</b>	<b>no.</b>		<b>164</b>	<b>146</b>	<b>158</b>

SHORE PERSONNEL RETURNING TO WORK AFTER PARENTAL LEAVE		U.M.	2019	2018	2017
<b>Men</b>	<b>no.</b>		<b>69</b>	<b>63</b>	<b>63</b>
<b>Women</b>	<b>no.</b>		<b>68</b>	<b>66</b>	<b>57</b>
<b>Total</b>	<b>no.</b>		<b>137</b>	<b>129</b>	<b>120</b>

20) The reporting perimeter covers 100% for 2019 and 95% for 2018 and 2017 regarding shore personnel.

SHORE PERSONNEL RETURNING TO WORK AFTER PARENTAL LEAVE, STILL EMPLOYED 12 MONTHS AFTER RETURN	U.M.	2019	2018	2017
Men	no.	52	55	56
Women	no.	49	50	50
<b>Total</b>	<b>no.</b>	<b>101</b>	<b>105</b>	<b>101</b>

PARENTAL LEAVE RETURN RATE OF SHORE PERSONNEL <sup>21</sup>	U.M.	2019	2018	2017
Men	%	103%	233%	115%
Women	%	100%	161%	133%
<b>Total</b>	<b>%</b>	<b>101%</b>	<b>190%</b>	<b>122%</b>

PARENTAL LEAVE RETENTION RATE <sup>22</sup> FOR SHORE PERSONNEL	U.M.	2019	2018	2017
Men	%	83%	87%	95%
Women	%	67%	89%	82%
<b>Total</b>	<b>%</b>	<b>74%</b>	<b>88%</b>	<b>84%</b>

403-9: WORK-RELATED INJURIES<sup>23</sup>

SHORE PERSONNEL – HOURS WORKED	U.M.	2019	2018	2017
<b>Italy</b>	<b>no.</b>	<b>1,727,727</b>	<b>1,825,727</b>	<b>1,590,446</b>
Men	no.	1,320,609	1,405,217	1,203,049
Women	no.	407,118	420,511	387,397
<b>Spain</b>	<b>no.</b>	<b>296,392</b>	<b>273,187</b>	<b>273,171</b>
Men	no.	209,008	187,510	185,332
Women	no.	87,384	85,677	87,839
<b>Greece</b>	<b>no.</b>	<b>292,780</b>	<b>301,386</b>	<b>301,699</b>
Men	no.	149,782	151,067	149,447
Women	no.	142,998	150,319	152,252
<b>Finland</b>	<b>no.</b>	<b>908,130</b>	<b>937,610</b>	<b>898,069</b>
Men	no.	690,916	707,508	684,731
Women	no.	217,214	230,102	213,338
<b>Sweden</b>	<b>no.</b>	<b>430,838</b>	<b>462,684</b>	<b>466,543</b>
Men	no.	268,576	298,830	300,870
Women	no.	162,262	163,854	165,673
<b>United Kingdom</b>	<b>no.</b>	<b>398,127</b>	<b>425,379</b>	<b>406,166</b>
Men	no.	233,660	260,867	243,509
Women	no.	164,467	164,512	162,657
<b>Malta</b>	<b>no.</b>	<b>6,240</b>	<b>6,240</b>	<b>5,200</b>
Men	no.	4,160	4,160	3,120
Women	no.	2,080	2,080	2,080
<b>Germany</b>	<b>no.</b>	<b>342,240</b>	<b>338,102</b>	<b>342,941</b>
Men	no.	175,151	184,034	187,375
Women	no.	167,089	154,068	155,566
<b>Belgium</b>	<b>no.</b>	<b>1,120,025</b>	<b>910,655</b>	<b>989,700</b>
Men	no.	901,185	706,852	795,761
Women	no.	218,840	203,803	193,939
<b>Other countries</b>	<b>no.</b>	<b>2,489,174</b>	<b>2,147,552</b>	<b>2,168,127</b>
Men	no.	2,102,999	1,778,343	1,799,339
Women	no.	386,176	369,209	368,788
<b>Total</b>	<b>no.</b>	<b>8,011,673</b>	<b>7,626,442</b>	<b>7,439,981</b>
<b>Men</b>	<b>no.</b>	<b>6,056,046</b>	<b>5,682,308</b>	<b>5,550,453</b>
<b>Women</b>	<b>no.</b>	<b>1,955,628</b>	<b>1,944,135</b>	<b>1,889,529</b>

21) The return rate is calculated as the ratio between total employees that effectively returned to work after taking parental leave and the total number of employees who should have returned to work after taking parental leave.

22) The retention rate was calculated as the total number of employees still employed 12 months later after returning to work following parental leave and the total number of employees who returned to work after parental leave in the previous reporting period(s)

23) The reporting perimeter covers 97% for 2019, 2018 and 2017 regarding shore personnel. The reporting perimeter covers 100% for 2019 and 2017, and 80% for 2018 regarding maritime personnel.

MARITIME PERSONNEL—HOURS WORKED	U.M.	2019	2018	2017
<b>Italy</b>	no.	<b>4,593,040</b>	<b>4,506,030</b>	<b>3,605,110</b>
Men	no.	4,457,680	4,365,830	3,512,050
Women	no.	135,360	140,200	93,060
<b>Greece</b>	no.	<b>1,114,203</b>	<b>1,055,532</b>	<b>749,959</b>
Men	no.	1,018,141	969,232	689,845
Women	no.	96,062	86,300	60,114
<b>Finland</b>	no.	<b>1,357,240</b>	<b>1,391,111</b>	<b>1,332,471</b>
Men	no.	1,093,799	1,146,908	1,123,355
Women	no.	263,441	244,203	209,116
<b>Sweden</b>	no.	<b>379,918</b>	<b>424,205</b>	<b>519,090</b>
Men	no.	300,912	329,957	391,125
Women	no.	79,006	94,248	127,965
<b>Malta</b>	no.	<b>7,306</b>	<b>8,996</b>	<b>7,400</b>
Men	no.	6,336	6,336	5,280
Women	no.	970	2,660	2,120
<b>Other countries</b>	no.	<b>3,322,320</b>	<b>2,405,550</b>	<b>3,518,891</b>
Men	no.	3,288,870	2,378,920	3,463,841
Women	no.	33,450	26,630	55,050
<b>Total</b>	no.	<b>10,774,027</b>	<b>9,791,424</b>	<b>9,732,921</b>
<b>Men</b>	no.	<b>10,165,738</b>	<b>9,197,183</b>	<b>9,185,496</b>
<b>Women</b>	no.	<b>608,289</b>	<b>594,241</b>	<b>547,425</b>

EXTERNAL WORKERS – HOURS WORKED	U.M.	2019	2018	2017
<b>Italy</b>	no.	<b>155,940</b>	<b>78,553</b>	<b>50,236</b>
Men	no.	154,933	78,553	50,236
Women	no.	1,007	-	-
<b>Spain</b>	no.	<b>128,512</b>	<b>124,809</b>	<b>121,060</b>
Men	no.	108,832	105,774	102,140
Women	no.	19,680	19,035	18,920
<b>Sweden</b>	no.	<b>240,860</b>	<b>277,564</b>	<b>268,413</b>
Men	no.	167,943	196,244	197,289
Women	no.	72,917	81,320	71,124
<b>Belgium</b>	no.	-	<b>880</b>	<b>2,080</b>
Men	no.	-	880	2,080
Women	no.	-	-	-
<b>Other countries</b>	no.	<b>1,754,456</b>	<b>470,267</b>	<b>490,879</b>
Men	no.	1,667,735	399,125	418,080
Women	no.	86,721	71,142	72,799
<b>Total</b>	no.	<b>2,279,768</b>	<b>954,153</b>	<b>934,748</b>
<b>Men</b>	no.	<b>2,099,443</b>	<b>782,656</b>	<b>771,905</b>
<b>Women</b>	no.	<b>180,325</b>	<b>171,497</b>	<b>162,843</b>

SHORE PERSONNEL – NUMBER AND RATE OF DEATHS DUE TO WORK-PLACE ACCIDENTS <sup>24</sup>	U.M.	2019	2018	2017
Men	no.	-	-	-
Men %	no.	-	-	-
Women	no.	-	-	-
Women %	no.	-	-	-
<b>Total</b>	no.	-	-	-
<b>Total %</b>	%	-	-	-

MARITIME PERSONNEL – NUMBER AND RATE OF DEATHS DUE TO WORK-PLACE ACCIDENTS <sup>24</sup>	U.M.	2019	2018	2017
Men	no.	2	2	1
Men %	no.	0.20	0.22	0.11
Women	no.	-	-	-
Women %	no.	-	-	-
<b>Total</b>	no.	<b>2</b>	<b>2</b>	<b>1</b>
<b>Total %</b>	%	<b>0.19</b>	<b>0.20</b>	<b>0.10</b>

24) The rate is calculated as the ratio between the number of deaths resulting from work-place accidents and the number of hours worked per 100,000

APPENDIX

<b>EXTERNAL WORKERS – NUMBER AND RATE OF DEATHS DUE TO WORK-PLACE ACCIDENTS<sup>24</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	1	-	-
<i>Men %</i>	<i>no.</i>	0.48	-	-
<i>Women</i>	<i>no.</i>	-	-	-
<i>Women %</i>	<i>no.</i>	-	-	-
<b>Total</b>	<b>no.</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Total %</b>	<b>%</b>	<b>0.44</b>	<b>-</b>	<b>-</b>

<b>SHORE PERSONNEL – THE NUMBER AND RATE OF WORK-PLACE ACCIDENTS WITH SERIOUS CONSEQUENCES (EXCLUDING DEATHS)<sup>25</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	9	7	9
<i>Men %</i>	<i>no.</i>	1.49	1.23	1.62
<i>Women</i>	<i>no.</i>	-	2	1
<i>Women %</i>	<i>no.</i>	-	1.03	0.53
<b>Total</b>	<b>no.</b>	<b>9</b>	<b>9</b>	<b>10</b>

<b>MARITIME PERSONNEL – THE NUMBER AND RATE OF WORK-PLACE ACCIDENTS WITH SERIOUS CONSEQUENCES (EXCLUDING DEATHS)<sup>25</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	3	1	1
<i>Men %</i>	<i>no.</i>	0.30	0.11	0.11
<i>Women</i>	<i>no.</i>	-	-	1
<i>Women %</i>	<i>no.</i>	-	-	1.83
<b>Total</b>	<b>no.</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Total %</b>	<b>no.</b>	<b>0.28</b>	<b>0.10</b>	<b>0.21</b>

<b>EXTERNAL WORKERS – THE NUMBER AND RATE OF WORK-PLACE ACCIDENTS WITH SERIOUS CONSEQUENCES (EXCLUDING DEATHS)<sup>25</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	-	-	-
<i>Men %</i>	<i>no.</i>	-	-	-
<i>Women</i>	<i>no.</i>	-	-	-
<i>Women %</i>	<i>no.</i>	-	-	-
<b>Total</b>	<b>no.</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total %</b>	<b>no.</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>SHORE PERSONNEL – THE NUMBER AND RATE OF RECORDABLE WORK-PLACE ACCIDENTS<sup>25</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	146	179	158
<i>Men %</i>	<i>no.</i>	24.11	31.50	28.47
<i>Women</i>	<i>no.</i>	17	25	19
<i>Women %</i>	<i>no.</i>	8.69	12.86	10.06
<b>Total</b>	<b>no.</b>	<b>163</b>	<b>204</b>	<b>177</b>
<b>Total %</b>	<b>no.</b>	<b>20.35</b>	<b>26.75</b>	<b>23.79</b>

<b>MARITIME PERSONNEL – THE NUMBER AND RATE OF RECORDABLE WORK-PLACE ACCIDENTS<sup>26</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	143	146	96
<i>Men %</i>	<i>no.</i>	14.07	15.87	10.45
<i>Women</i>	<i>no.</i>	19	16	14
<i>Women %</i>	<i>no.</i>	31.24	26.93	25.57
<b>Total</b>	<b>no.</b>	<b>162</b>	<b>162</b>	<b>110</b>
<b>Total %</b>	<b>no.</b>	<b>15.04</b>	<b>16.55</b>	<b>11.30</b>

<b>EXTERNAL WORKERS – THE NUMBER AND RATE OF RECORDABLE WORK-PLACE ACCIDENTS<sup>26</sup></b>	<b>U.M.</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<i>Men</i>	<i>no.</i>	16	25	18
<i>Men %</i>	<i>no.</i>	7.62	31.50	23.32
<i>Women</i>	<i>no.</i>	11	9	7
<i>Women %</i>	<i>no.</i>	61.00	12.86	42.99
<b>Total</b>	<b>no.</b>	<b>27</b>	<b>34</b>	<b>25</b>
<b>Total %</b>	<b>no.</b>	<b>11.84</b>	<b>26.75</b>	<b>26.75</b>

26) The rate is calculated as the ratio between the number of work-place accidents with series consequences (excluding deaths) and the number of hours worked per 100,000

SHORE PERSONNEL –MAIN TYPES OF WORK-PLACE ACCIDENTS	2019	2018	2017
Cuts, contusions and contractures	41%	46%	45%
Pulled muscles and sprains	27%	16%	16%
Injury to eyes, teeth and minor injuries	13%	8%	12%
Neck or back injuries	8%	18%	15%
Fall due to negligence	6%	4%	6%
Limb injuries	2%	1%	1%
Bone fractures	1%	3%	2%
Burns, chemical burns, ice burns and electrocution	1%	2%	2%
Head injury	1%	1%	0%

MARITIME PERSONNEL - MAIN TYPES OF WORK-PLACE ACCIDENTS			
Cuts and contusions	42%	39%	41%
Pulled muscles and sprains	37%	36%	38%
Burns, chemical burns and ice burns	7%	6%	7%
Bone fractures	7%	6%	5%
Fall due to negligence	6%	5%	3%
Limb injuries	2%	5%	7%

EXTERNAL WORKERS - MAIN TYPES OF WORK-PLACE ACCIDENTS			
Neck or back injuries	48%	52%	43%
Fall due to negligence	28%	14%	22%
Cuts and contusions	24%	34%	35%

#### 405-1: BREAKDOWN OF PERSONNEL BY PROFESSIONAL CATEGORY AND BY SEX

PERCENTAGE OF LAND-BASED EMPLOYEES BELONGING TO A MINORITY	U.M.	2019	2018	2017
Minorities	%	1%	1%	1%
Managers	%	3%	4%	3%
Executives	%	1%	1%	1%
Employees	%	1%	1%	1%
Workers	%	0%	0%	0%

PERCENTAGE OF LAND-BASED EMPLOYEES BELONGING TO A VULNERABLE CATEGORY	U.M.	2019	2018	2017
Disability	%	1%	1%	1%
Managers	%	1%	1%	1%
Executives	%	1%	1%	1%
Employees	%	2%	2%	2%
Workers	%	0%	0%	0%

## ENVIRONMENTAL INDEXES

## 306-2: TYPE OF WASTE PRODUCED AND DISPOSAL METHOD

WASTE	U.M.	2019	2018	2017
<b>Total waste produced, by type</b>	m3	<b>129,854</b>	<b>110,235</b>	<b>103,362</b>
Plastic	m3	14,990	11,318	10,317
Food waste	m3	13,035	8,635	8,932
Domestic waste	m3	28,753	20,631	20,446
Waste from operations scraps	m3	12,248	7,295	4,996
Freight residue	m3	21	39	1,227
Sludge	m3	32,979	30,796	27,455
Bilge water	m3	27,566	30,119	29,668
Other	m3	261	1,402	321
<b>Total waste produced, by disposal method</b>	m3	<b>129,854</b>	<b>110,235</b>	<b>103,362</b>
Disposal at sea	m3	5,770	8,099	8,205
Offloaded on land/incinerated on board	m3	124,084	102,136	95,157

## SHIPS OPERATED BY THE GRIMALDI GROUP FROM 2017-2019.

SHIPS OPERATED BY THE GROUP	U.M.	2019	2018	2017
Ships <sup>27</sup>	no.	122.6	122.9	119.5

27) The number of ships operated is calculated using the "equivalent ship" method, which takes into account the number of months new ships operate when they become operational on a date after the first of the year.

## GRI Content Index

KPMG S.p.A. provided a limited audit of the Grimaldi Group's Sustainability Report at 31 December 2019, (in its entirety) based on the provisions of ISAE 3000. For more information about the audit and the procedures followed by the independent auditing firm, please see the "Independent Auditor's Report on the Sustainability Report", page 101 of this document.

The information summarised in the table below (Content Index) was included under the limited audit. Any other information was not subject to auditing.

GENERAL STANDARD DISCLOSURE		
Profile disclosure	Description	Reference page/Direct response
<b>ORGANISATIONAL PROFILE</b>		
102-1	Organisation name	Grimaldi Group SpA
102-2	Main brands, products and services	§ The Grimaldi Group
102-3	Registered offices of the organisation	Via Amari Emerico 8, 90139, Palermo (PA), Italy
102-4	Number of countries in which the organisation works, name of countries in which the organisation carries out its main operating activities or that are significant in regards to sustainability issues	§ The Grimaldi Group
102-5	Ownership structure and legal form	§ The Grimaldi Group
102-6	Markets served (including geographic analysis, sectors served, types of customers and beneficiaries)	§ The Grimaldi Group
102-7	Organisation size (including number of employees, number of operations, sales, revenue, quantity of products or services provided)	§ The Grimaldi Group § Our people § Economic performance: creating shared value
102-8	Total number of employees, subdivided by gender, country and contract type	§ Our people
102-9	Main supply chain characteristics relative to core business	§ Our suppliers and agents
102-10	Significant changes during the accounting period regarding: size, structure, ownership structure and organisation supply chain	§ Methodological information In 2019, there were no changes involving the organisational structure, ownership structure or the supply chain that would influence comparison with other administrative periods.
102-11	Explanation of any application of prudential standards or approaches	The Grimaldi Group, in assessing and managing risks associated with its activities, adopts a prudential approach.
102-12	Signing or adopting of standards, initiatives, or documents developed by external entities in regards to economic, environmental and social performance.	§ Our sustainability strategy At present, the Grimaldi Group has not formally adopted standards, initiatives, or documents developed by external entities in regards to economic, environmental and social performance.
102-13	Participation in national and/or international trade associations	§ Institutions and trade associations
<b>STRATEGY AND ANALYSIS</b>		
102-14	Declaration of the highest decision-making entity regarding the importance of sustainability to the organisation and its sustainability strategy	§ Letter to stakeholders
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards and behavioural norms adopted by the organisation as a code of conduct or code of ethics	§ Our Mission and our values; § Model 231 and Code of Conduct § Compliance
<b>GOVERNANCE</b>		

GENERAL STANDARD DISCLOSURE		
Profile disclosure	Description	Reference page/Direct response
102-18	The organisation's governance structure, including committees that answer directly to the highest governing body. Committees involved in decision making in regards to economic, environmental and social issues	§Governance system and business ethics §Environmental responsibility
<b>COINVOLGIMENTO DEGLI STAKEHOLDER</b>		
102-40	List of stakeholder groups with which the organisation engages.	§Our stakeholders and channels for dialogue
102-41	Percentage of employees covered by collective contract agreements	§ Our people
102-42	Standards for identifying and selecting the main stakeholder groups with which to engage	§Our stakeholders and channels for dialogue
102-43	The organisation's approach to stakeholder engagement (frequency, type of activity and stakeholders involved)	The Grimaldi Group has not yet implemented a structured stakeholder engagement process § Our stakeholders and channels for dialogue
102-44	List of key themes arising from stakeholder engagement and description of the organisation's response	§Materiality analysis
<b>IDENTIFICATION OF MATERIAL ISSUES AND ACCOUNTING PERIMETER</b>		
102-45	List of entities included in the consolidated financial statements or equivalent documents	§Methodological information §The Grimaldi Group §Appendix The reporting perimeter
102-46	Explanation of the process used to determine the content of the Financial Statements and the method used by the organisation to implement the relative reporting standards	§Methodological information §Materiality analysis
102-47	List of material issues identified during the process to define the contents of the Financial Statements	§Materiality analysis § Appendix Reconciliation table for material issues and GRI Standards
102-48	Information restatements	§Methodological information The information provided within the GRI was modified to respond to the new GRI Standards
102-49	Most significant changes with respect to the previous reporting period, with reference to perimeters and objectives	§Methodological information §Governance system and business ethics
<b>REPORT PROFILE</b>		
102-50	Reporting period for information provided	§Methodological information
102-51	Date of publication for the most recent sustainability report	The 2018 Sustainability Report was published in July 2019.
102-52	Reporting period	Annual
102-53	Contacts for information about the report and its content	savarese.antonella@grimaldi.napoli.it palmiero.chiara@grimaldi.napoli.it
102-54	<i>Selection of "in accordance" with GRI Standards</i>	§Methodological information
102-55	GRI Content Index	§GRI Content Index
102-56	Polices and practices implemented to obtain external assurance for the Report	§Independent Auditor's Report

SPECIFIC STANDARD DISCLOSURE		
KPI	Description	Reference page/
<b>ECONOMIC PERFORMANCE</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§ Economic performance: creating shared value
103-3	Evaluation of management approach	§ Economic performance: creating shared value
201-1	Direct economic value generated and distributed	§Economic performance: creating shared value
<b>SUPPLY POLICIES</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§ Our suppliers and agents
103-3	Evaluation of management approach	§ Our suppliers and agents
204-1	Percentage of spending with local suppliers	At present it is not possible to supply information on spending with local suppliers. The Group has undertaken to obtain this information over the medium term.
<b>ANTI-CORRUPTION</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Governance System
103-3	Evaluation of management approach	§Governance System
205-3	Corruption cases identified and corrective actions taken	During the reporting period for this document, no cases of corruption occurred.
<b>ANTI-COMPETITIVE BEHAVIOUR</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§ Compliance
103-3	Evaluation of management approach	§ Compliance
206-1	Number of legal cases relative to anti-competitive, anti-trust or monopolistic behaviour	§ Compliance
<b>ENERGY</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Environmental performance
103-3	Evaluation of management approach	§Environmental performance
302-1	Energy consumption within the organisation	§Environmental performance Conversion factors into GJ: Light fuel oil 43.1 GJ/tons, Marine gas oil 43.1 GJ/tons, Heavy crude oil 40.6 GJ/tons
<b>EMISSIONS</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Environmental performance
103-3	Evaluation of management approach	§Environmental performance
305-1	Direct emissions of greenhouse gases (scope 1)	§Environmental performance The coefficients used to calculate CO <sub>2</sub> are those indicated in ISO 8217 for HFO, in ISO 8218 for LFO and ISO 8219 for MGO.
305-7	NO <sub>x</sub> , SO <sub>x</sub> and other significant emissions	§Environmental performance The calculation takes into account the percentage of sulphur declared in delivery documents provided by fuel suppliers.
<b>EXHAUST AND WASTE</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Environmental performance
103-3	Evaluation of management approach	§Environmental performance

SPECIFIC STANDARD DISCLOSURE		
KPI	Description	Reference page/
306-2	Waste produced by type and disposal method	§Environmental performance §Annex GRI Indexes
<b>PERSONNEL MANAGEMENT</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Our people
103-3	Evaluation of management approach	§Our people
401-1	Total number and rate of newly hired employees and turnover rate, subdivided by age, sex and geographic area	§Annex GRI Indexes In reference to the figures concerning the recruitment and termination of maritime personnel, considering the different forms of national legislation that apply to the Group's six shipping companies and accounting for the mixed nature of the information, starting from this report the Group has decided to not display this information as it is not representative.
401-2	Personnel benefits	§Our people
<b>WORK POLICIES</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Our people
103-3	Evaluation of management approach	§Our people
401-3	Work return rate and retention rate after parental leave, by sex.	§Annex GRI Indexes The parental leave retention rate for maritime personnel is not currently available.
<b>WORKPLACE HEALTH AND SAFETY</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Workplace health and safety
103-3	Evaluation of management approach	§Workplace health and safety
403-1	Occupational health and safety management system	The reporting perimeter covers 85%. 65% of the companies have implemented a specific occupational health and safety management system (29% due to national or international regulations). The remaining 35% apply the relevant national legislation.
403-2	Hazard identification, risk assessment, and incident investigation	The reporting perimeter covers 85%. All the companies regularly carry out risk and opportunity assessments and plan objectives and improvement measures relating to the management of the hazards and risks of their activities through specific risk assessment documentation, as set forth by national regulations. In turn, all employees have the tools required to communicate hazardous situations or behaviour, as well as events that can be classifiable as near misses or accidents. The companies regularly monitor the workplace and the activities carried out. In regards to accidents that may arise, cause analysis will be carried out in order to identify suitable corrective actions.

SPECIFIC STANDARD DISCLOSURE		
KPI	Description	Reference page/
403-3	Occupational health services	The reporting perimeter covers 85%. As provided by national regulations, the companies have appointed a competent doctor (either internally or by signing contracts with suppliers).
403-4	Worker participation, consultation, and communication on occupational health and safety	The reporting perimeter covers 85%. 72% of the companies guarantee the participation and consultation of employees so that they may report any critical issues, take part in risk assessments and contribute to defining company safety objectives. Of these, 35% have established a relevant committee composed of management and employee representatives, the role of which is integrated into an organisational structure, which operates according to written and agreed policies, procedures and regulations, and encourages the participation and consultation of employees in issues regarding occupational health and safety.
403-5	Worker training on occupational health and safety	The reporting perimeter covers 85%. The companies have set up specific training for all employees regarding the risks related to their job and any possible damage and subsequent prevention and protection measures and procedures that are characteristic of the sector or segment to which they belong.
403-6	Promotion of worker health	The reporting perimeter covers 85%. 59% of the companies give their employees a supplementary health care plan and/or welfare and safety promotion programs.18%, on the other hand, provide an obligatory supplementary health care plan depending on the relevant contract. The remaining 23% does not include specific supplementary plans. However, the health care is in line with that provided by the national health system.
403-9	Work-related injuries	§Annex GRI Indexes
<b>TRAINING AND EDUCATION</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Training and skill development §Performance evaluation
103-3;	Evaluation of management approach	§Training and skill development §Performance evaluation
404-1	Average annual training hours per employee, subdivided by worker category and sex	§Training and skill development
404-3	Percentage of employees who receive performance and career development evaluations	§Performance evaluation

SPECIFIC STANDARD DISCLOSURE		
KPI	Description	Reference page/
<b>EQUAL OPPORTUNITY</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§Our people
103-3	Evaluation of management approach	§Our people
405-1	Structure of the organisation’s governing bodies and breakdown of employees	§Our people §Annex GRI Indexes
<b>COMPLIANCE</b>		
103-1	Identification of material issue and accounting perimeter	§Materiality analysis §Materiality Analysis Process
103-2	Management approach	§ Compliance
103-3	Evaluation of management approach	§ Compliance
419-1	Monetary value of significant sanctions and total number of non-monetary sanctions for non-compliance with laws and regulations	§ Compliance



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**(Translation from the Italian original which remains the definitive version)**

## **Independent auditors' report on the sustainability report**

To the board of directors of  
Grimaldi Group S.p.A.

We have been engaged to perform a limited assurance engagement on the 2019 Sustainability report (the "sustainability report") of the Grimaldi Group (the "group").

### ***Directors' responsibility for the sustainability report***

The directors of Grimaldi Group S.p.A. (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as described in the "Non-financial reporting methodology" section of the sustainability report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

### ***Auditors' independence and quality control***

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### **Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

- 1) analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- 2) comparing the financial disclosures presented in the "Financial performance: creating shared value" section of the sustainability report with those included in the group's consolidated financial statements;
- 3) understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Port and Terminal Multiservices Ltd. We also performed limited procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information.
- We held videoconferences with the management of Port and Terminal Multiservices Ltd, which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the indicators.



**Grimaldi Group**

*Independent auditors' report on the sustainability report  
31 December 2019*

**Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2019 sustainability report of the Grimaldi Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Non-financial reporting methodology" section of the sustainability report.

Rome, 10 July 2020

KPMG S.p.A.

(signed on the original)

Marco Maffei  
Director of Audit





Sustainability Report 2019



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[www.grimaldi.napoli.it](http://www.grimaldi.napoli.it)