



STAY ON COURSE

2021 SUSTAINABILITY REPORT

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Shipowners' letter

STAY ON COURSE

Despite the still uncertain health and social situation and strong market volatility, 2021 saw the achievement of encouraging results that allow us to look to the future with cautious optimism.

We are increasingly aware that the shipping sector plays a key role in economic and social transformation. And today, like never before, our industry is faced with truly profound changes, dictated by new legal and regulatory measures governing our business, from technological innovation and the social changes transforming organisations, to the imperative issue of sustainability.

On this last point, environmental impact and decarbonisation represent clear and strong drivers that must continue to steer our efforts and policies. The impressive outcomes of projects in which the Group has been involved confirm the importance of participation and playing an active role in the testing stages of new technologies and, in particular, point in more general terms to an unavoidable need for a precise sustainability strategy and social responsibility towards our stakeholders and future generations.

To this end, conscious of the long road ahead of us, we will continue moving forward, endorsing new business management solutions that anchor the constant challenges of research, technological development, while making corporate sustainability a central part of our corporate culture.

With enormous satisfaction, the issue of this fourth edition of the Sustainability Report offers us the opportunity to announce the establishment of the Group Sustainability Department, led by a member of the next generation of the d'Amico family: an unequivocal decision in positioning our commitment to sustainability more strongly at the heart of our corporate governance.

Even more important are our people.

In the complexity of current and future scenarios, people increasingly become the most important asset on which distinctive competitive advantage is built. This is our deep-rooted conviction, and the concept of a people-centric organisation continues to clearly and strongly guide our decisions and policies.

For this reason, our most heartfelt thanks go to our people for their commitment and professionalism to their work, day after day, on board of our ships and ashore in the offices, overcoming every challenge and always guaranteeing the highest standards of quality and efficiency.

It is for this reason that we must guarantee a work environment, onshore and ashore, that is as motivating as possible, promoting, and enhancing their professional performance, doing our very best to enable them to achieve their full professional and personal potential; placing them in a position to effectively implement every possible future change.

These are decisive aspects of our business, now with an additional goal: to involve our human resources to ensure their awareness of our commitment to sustainability, so that they can actively participate in this journey, certain that every one of us can and must play our part.

Once again, our decisions rest on the strength of a clear moral and ethical imperative.

To make our business increasingly sustainable: this is the inspiration for our future.

One step at a time, one ship ahead: we stay on course!


Paolo d'Amico


Cesare d'Amico



Our sustainability report

The strong commitment to social responsibility and sustainability of the d'Amico Group is confirmed by this fourth edition of the Sustainability Report. Since 2018, the Group improved its ability to measure and communicate social, environmental and economic performance, as well as organization's future perspectives, through the Sustainability Report in order to allow the stakeholders to express conscious and informed evaluation on how the Group realizes its mission and translates strategies in actions.

The main objectives that guided the development of the multidimensional reporting system are:

- to strengthen **governance on sustainability**, by increasing the involvement of all the internal company areas and **the awareness on the impacts of actions and operations on people, planet and prosperity**
- **to improve the embedding of sustainability** in management processes and in communication flow to stakeholders
- **to strengthen the measurement of the Group contribution to** the achievement of the Sustainable Development Goals of the **UN Agenda 2030**.

The main news of the 2021 edition of the Sustainability Report:

- **a stronger integration of KPIs required by the IMO** and other International Organizations on decarbonisation and energy efficiency
- **a wider and deeper reporting of policies and performance related to the environmental dimension** in terms of fleet characteristics, decarbonization, waste management, sustainable management of facilities, **focusing on the distinctiveness between Dry Cargo and Product Tanker performances**
- **a multi-channel communication strategy**, in order to increase the quality and the strength of the relationship between d'Amico and its stakeholders and their knowledge of the Group, its activities and the economic, social and environmental value generated.

This edition, moreover, as well as for the 2020 Report, highlights the commitment of the Group and the activities implemented in order to face the **sanitary emergency** ensuring the continuity of the activities in the maximum safety of employees, in particular of seagoing personnel. Many of the policies and initiatives adopted in 2020 were maintained and others were added, in order to return - after the pandemic period - to normal management of the fleet and of the Group activities.

This Report is developed according to the **Refe method of 'Taking stock to report back'** and compliant to the **"GRI Sustainability Reporting Standards"**. It is structured in five sections: Group profile, Sustainability for the d'Amico Group, Social Responsibility, Environmental Responsibility and Economic Responsibility.

2021 HIGHLIGHTS

SOCIAL RESPONSIBILITY

2,824
personnel

92.3%
seagoing personnel

7.7%
onshore personnel

32
different nationalities within the crew members and the onshore personnel

57,717
total training hours for onshore and seagoing personnel

21.0
total per capita training hours for seagoing personnel

17.2
total per capita training hours for onshore personnel

Retention rate

89.0%
for onshore personnel

Zero
injuries

Euro
90.9 million
the economic value distributed to employees

84.9%
for seagoing personnel

ECONOMIC RESPONSIBILITY

Euro
763.3
million the economic value generated by the Group

+25.4%
since 2020

Euro
539.4
million the economic value distributed to stakeholders

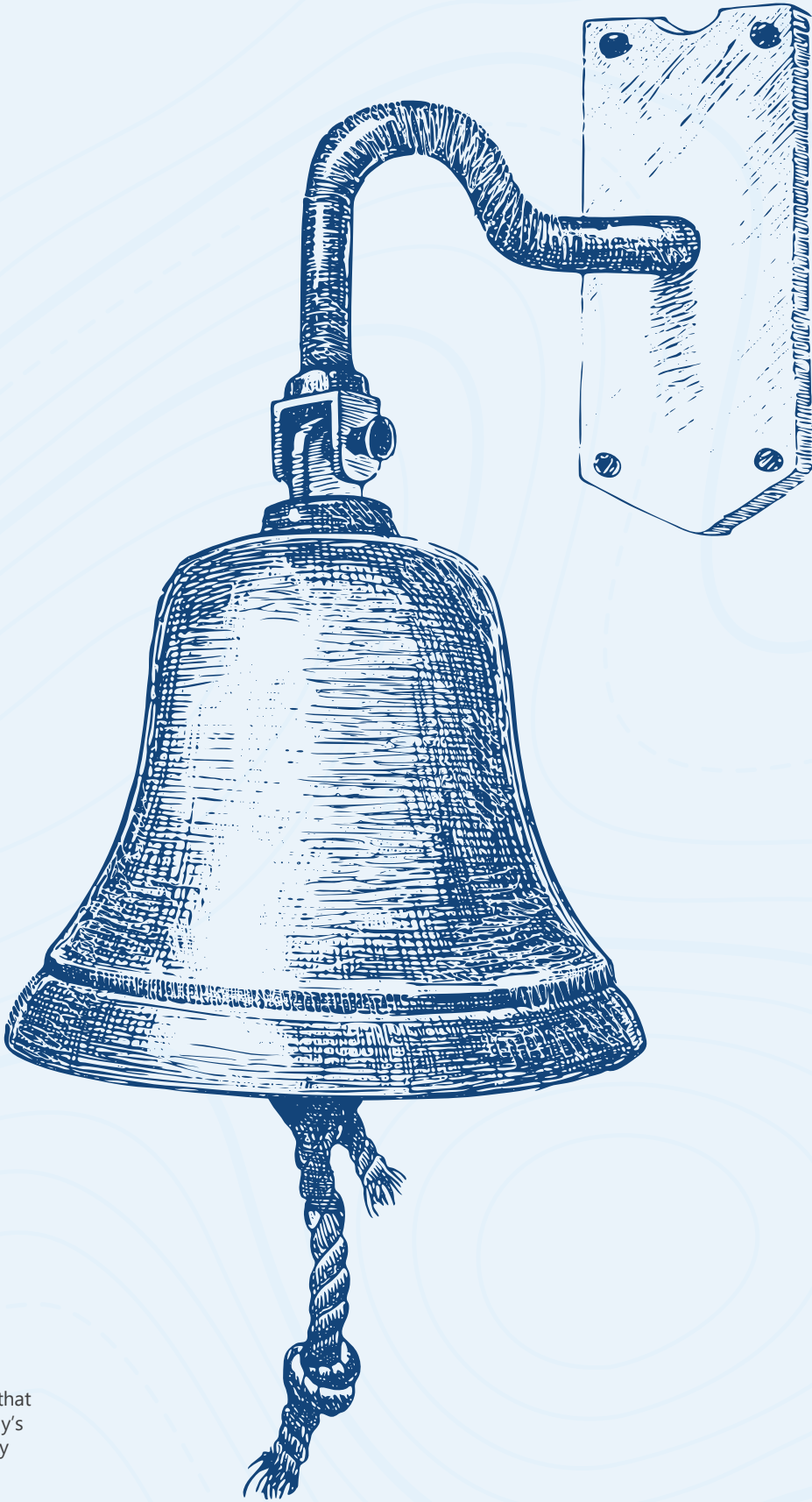
71%
of the economic value generated

Euro
464.6
million the total amount of supplies

88.5%
the supplies for operative costs

70.7%
the economic value distributed to suppliers

100%
the suppliers of goods and services that review and comply with the company's policies in the area of ethics, integrity and environmental regulations



ENVIRONMENTAL RESPONSIBILITY

88%
of owned fleet compliant with EEDI phase II and with EEXI (Dry Cargo)

70%
of owned fleet compliant with EEDI phase II and with EEXI (Product Tanker)

13%
of owned fleet compliant with EEDI phase III and with EEXI (Product Tanker)

-5.2%
reduction of the EEDI/EEXI of Product Tanker fleet (2021 vs. 2019)

-11.3%
reduction of the EEDI/EEXI of Dry Cargo fleet (2021 vs. 2019)

-4.0%
reduction of the AER of the d'Amico fleet (2021 vs. 2019)

-7.5%
reduction in CO₂ emissions per nautical mile (2021 vs. 2019)

-7.4%
reduction in NO_x emissions per nautical mile (2021 vs. 2019)

-7.0%
reduction of bunker consumption per nautical mile (2021 vs. 2019)

-3.4% reduction
of the total waste produced onboard since 2019

97.5%
low-sulphur bunker fuel: from 19.3% in 2019

Zero
accident and spills in the last three years

0.999
fleet reliability (considering max. target=1)

Chapter 1

Group overview



Group profile

The d'Amico Group is a leading global shipping company focusing its business mainly in the Dry Cargo and Product Tankers sectors and providing auxiliary maritime services. Its offices are located in the most important maritime hubs. Respect and protection of the environment, focus on customer care, and the professional excellence of its employees are the basis of its mission and the principles underlying its strategy.

MISSION



Innovation, Trust, Care

To offer our clients excellent services through the professionalism of our people and a technologically advanced fleet, guaranteeing reliability and high standards of safety and protection of the environment.

VISION

To be the leader in the Shipping sector

With passion and constant respect for the environment, to ensure our partners have an exclusive competitive advantage and to offer our people an extraordinary career experience.



OUR VALUES



LONG-TERM VISION

Guided by the values of our family tradition,

we build our success on long-term planning and turning our promises into actions.

PROFESSIONAL EXCELLENCE

We achieve excellence by encouraging

our employees to be responsible, flexible and professional. We therefore prioritise the importance of developing their skills to enable professional growth.



PASSION AND COMMITMENT

We are passionate about shipping

and we care about the people who are part of the company. Success is achieved by encouraging involvement and commitment.

TEAM BUILDING AND MULTI-CULTURALISM

As a global operator, we embrace the spirit of teamwork,

and multi-cultural integration at all levels of the organisation, both in our offices and on board our vessels.

FOCUS ON THE ENVIRONMENT AND SAFETY

We do not compromise

when it comes to environmental concerns. Care and attention, prudence and respect for the environment are qualities imbedded in our daily operations. We aspire to prevent any human injury, to avoid damage to the environment and to pursue a policy of zero incidents and zero spills at sea.

RELIABILITY

We strive to maintain a positive relationship,

open dialogue and transparency in business practices with all our stakeholders. Our ethical values are essential in running our business and an inspiring principle in the conduct of our resources.



IDENTIFICATION

Our daily work and our success

are characterised by a strong sense of belonging between the company and its staff.

SOCIAL RESPONSIBILITY

Our strong sense of social responsibility

towards cultural, environmental and solidarity-related issues is an added value for our business and is highly valued by our stakeholders.



OVER 80 YEARS OF HISTORY

1936-1959

The origins of d'Amico Società di Navigazione S.p.A.

The history of d'Amico began in the 1930s. Massimino Ciro d'Amico transformed the timber merchant business into a service industry, transporting wood by sea to provide an easier route to emerging markets. d'Amico Società di Navigazione was established in 1952, at the same time the Rome offices were opened.

1960-1969

From tramp trade to liner services with the launch of new commercial activities

After the initial phase involving the transport of crude oil, the company began to specialise in shipping refined products. The opening of the Genoa office, one of Italy's major cargo ports, marked the launch of a significant logistical expansion project, enabling the beginning of liner services.

1970-1979

Consolidation of the business and strengthening of the fleet

In order to consolidate the business and safeguard its competitive position, in the 1970s d'Amico strengthened its fleet for both petroleum products and liner services. Offices were opened in Monte Carlo. In this same period, a company with a liner service operating in Morocco was acquired.

1980-1989

Debut in new business areas

With its fleet expansion, d'Amico launched a strategy to diversify its services: this decade saw the purchase of new dry cargo ships and new businesses were launched to exploit additional opportunities in the shipping sector.

2000-2009

Focus on the core business

d'Amico International Shipping (DIS), which manages the Product Tankers segment, was listed on the Italian Stock Exchange in 2007. The company benefitted from international development and growth in this decade: offices in London, Singapore, Dublin and Mumbai were opened. Partnerships and joint ventures expanded the range of d'Amico's commercial solutions and increased fleet management flexibility and route coverage.

1990-1999

Specialisation and growth via external lines

Italia di Navigazione S.p.A. was acquired in 1998. This acquisition allowed d'Amico to penetrate the container ship market. Subsequent plans for rationalisation led to its sale, allowing the Group to further focus on strategies and investments. During this period d'Amico also specialised in dry cargo shipping, including through the purchase of box-shaped vessels.

2020-Today

New route

The 2020 pandemic provided an opportunity to implement a continuous improvement plan aimed at achieving and guaranteeing high standards in safety and respect for the environment. Digitalisation and decarbonisation projects will be the backbone of the two main paths of d'Amico Group in the next decade.

2010-2012

International expansion and strengthening of the CSR strategy

The d'Amico Group celebrated 60 years in 2012. During these years, the Stamford, Manila and Casablanca offices were opened, and a new Corporate Social Responsibility strategy was adopted. Continuously monitored, this strategy reflects a renewed level of knowledge and awareness of the environmental and social issues of its business activities and is an expression of all the energies and resources that the Group implements in these areas.

2013-2019

Fleet renewal

Between 2013 and 2019, the d'Amico Group launched an extensive fleet renewal programme involving over 40 ships and including bulk carriers and product tankers. Thanks to this investment plan, the d'Amico Group now owns a young, modern and "eco" fleet. All of d'Amico's ships are equipped with highly advanced technologies that strongly reduce environmental impact. This is achieved thanks to a significant increase in efficiency, made possible by energy savings and by reducing consumption and emissions. Throughout 2019, d'Amico Group prepared its fleet for IMO 2020: ready-to-use fuels with a maximum sulphur content of 0.50%.

future...

TIMELINE

1936 time 2020



PRESENCE AROUND THE WORLD

The d'Amico Group operates in all leading maritime trade areas in Italy and abroad



LEGEND:

- d'Amico Group Main Offices
- d'Amico Group presence

GROUP STRUCTURE

d'AMICO SOCIETÀ DI NAVIGAZIONE SPA ITALY

100%

d'AMICO INTERNATIONAL S.A. LUXEMBOURG

65.65%

d'AMICO INTERNATIONAL SHIPPING S.A. LUXEMBOURG

100%	d'Amico Shipping Italia SpA Italy
75%	DOMAS Immobiliare S.r.l. Italy
51%	MIDA Maritime Company d.a.c. Ireland
76.90%	Sirius Ship Management Srl Italy
99%	d'Amico Ship Ishima India Pte Ltd India
1.00%	
55.55%	d'Amico Partecipazioni Finanziarie Srl Italy

100%	d'Amico Shipping Singapore Pte Ltd Singapore
70%	d'Amico Dry Maroc S.à.r.l. Morocco
100%	d'Amico Finance d.a.c. Ireland
100%	d'Amico Shipping USA Limited USA
100%	d'Amico Shipping UK Ltd UK
99.80%	COMARFIN S.A.M. Monaco
96%	COGEMA S.A.M. Monaco
85%	Rudder S.A.M. Monaco
100%	d'Amico Dry d.a.c. Ireland
100%	Hanford Investments Inc Luxembourg
100%	Anglo Canadian Shipping Ltd Canada
100%	Ishima Pte Ltd Singapore
100%	Rudder Pte Ltd Singapore
100%	Medi Supra Pool Management Ltd Ireland
100%	St. Andrew Estates Ltd Luxembourg
100%	ACGI Shipping Inc. Canada
100%	ACGI International Shipmanagement Singapore Pte Ltd Singapore
100%	Global Maritime Supplies Pte Ltd Singapore
100%	Welltech Marine Pte Ltd Singapore

100%	d'Amico Tankers d.a.c. Ireland
100%	d'Amico Tankers UK Ltd UK
100%	High Pool Tankers Ltd Ireland
50%	Glenda International Shipping d.a.c. Ireland
99.80%	d'Amico Tankers Monaco S.A.M. Monaco

LEGEND:

- Holding company
- Shipping company
- Service company
- Financial holding/Finance company
- Real estate company



Group structure as at 31 December 2021

BUSINESS AREAS

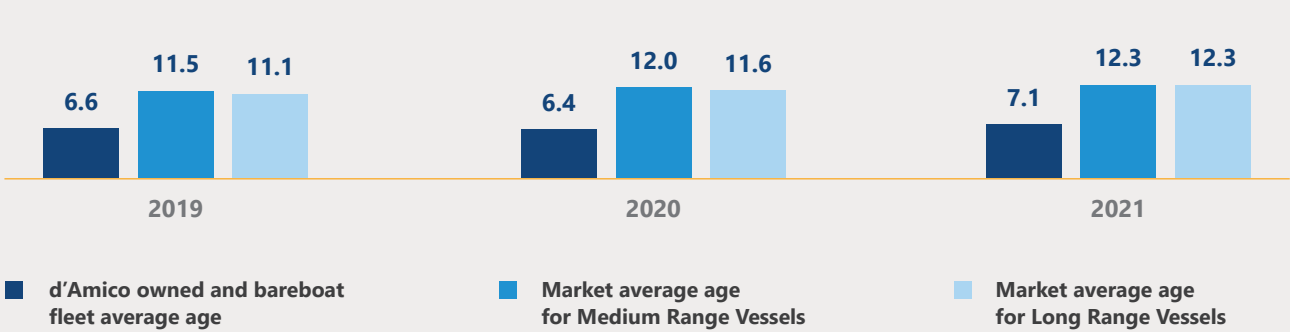
Product Tankers

d’Amico International Shipping S.A. (DIS) is the division of the d’Amico Group operating in the product tankers sector. It has been listed on the Milan Stock Exchange in the STAR segment since 2007.

The Product Tankers fleet comprises vessels with double hulls that are primarily employed in **shipping refined petroleum products, chemical products and vegetable oils**. It provides maritime shipping services on a global scale to the major oil companies and trading firms, either directly or through partnerships. **The fleet consists of 37 product tankers¹** with an **average age of 7.1 years** and is therefore **one of the youngest in the world** compared to an average in the product tankers industry of 12.3 years for MRs (25,000 – 54,999 dwt) and for LR1s (55,000 – 84,999 dwt)².

Within the product tankers industry, d’Amico International Shipping primarily operates in Medium Range vessels, which comprises sizes ranging from 25,000 dwt to 55,000 dwt. This specific vessel size provides the greatest flexibility in terms of trade routes and port access. In addition, as at year-end 2021, DIS had six Long Range 1 (LR1 – 75,000 dwt) vessels which also have a degree of flexibility, whilst providing better economies of scale on longer voyages.

AVERAGE AGE* - PRODUCT TANKERS



*The age of the fleet is expressed in years

As at 31 December 2021, **76% of DIS’ controlled fleet was IMO Classed**, with an increase of 3 percentage points from 2019 – compared to a market average of 44% - and **78% of DIS’ fleet (owned and bare-boat) was ‘Eco’**, an increase of 18.4 percentage points from 2019, compared to an average sector figure of 29%².

Our modern fleet consisting mostly of MR vessels is both energy efficient and commercially flexible. Our most recent investments in the larger LR1 vessels further increases the energy efficiency of our fleet. Some of DIS’ vessels are employed through its joint venture GLENDA International Shipping d.a.c., a jointly controlled entity with the Glencore Group, in which d’Amico Tankers d.a.c. has a 50% interest.

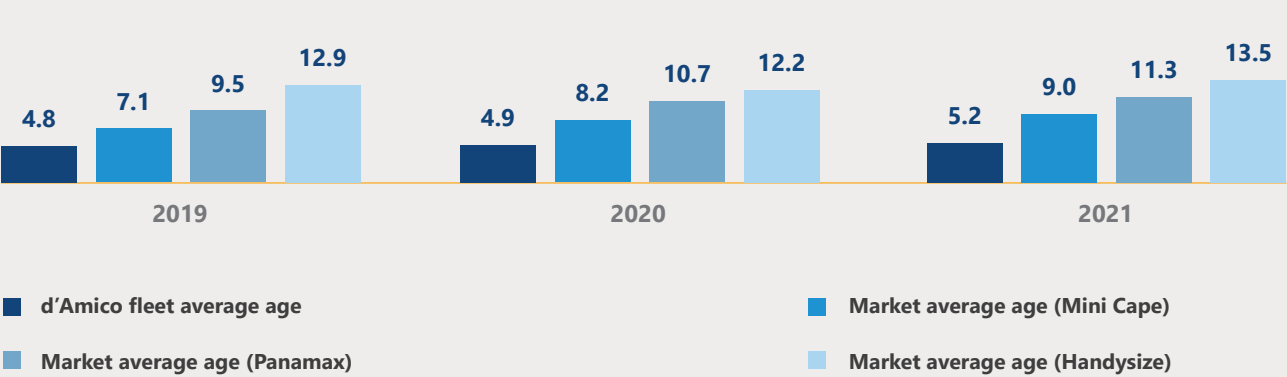
¹ Fleet as at 31 December 2021 in the d’Amico Società di Navigazione 2021 Annual Report
² Source: Clarksons Research Services, as at February 2021

Dry Cargo

The Dry Cargo business unit operates a core fleet of 44 **vessels³** (owned and long-term Time Charter). It provides **shipping services on a global scale, transporting bulk grain, coal, ore, fertilisers, cement and petcoke, as well as steel products, steel pipes and timber for leading market operators**. More specifically, the Dry Cargo business area operates in the following segments: Handysize (from 30,000 dwt to 40,000 dwt) all open hatch box shaped, Handymax/Supramax (from 40,000 dwt to 65,000 dwt) fitted with grabs, Kamsarmax/Post-Panamax (from 80,000 dwt to 90,000 dwt) and Minicape with two vessels (116,000 dwt).

In addition to the core fleet in the Dry Cargo segment, the Group manages 15 additional vessels to perform its Contracts of Affreightment (COA) and forward cargoes.

AVERAGE AGE* - DRY CARGO



*The age of the fleet is expressed in years

The average age of the d’Amico Dry Cargo fleet is 5.2 years, considerably lower than the average sector age of 11 years (according to IHS Markit), as a result of our fleet renewal investment plan that was completed in 2018.

In greater detail, the Dry Cargo business unit exceeds the industry benchmark in the Mini Cape (6.4 years compared to 9), Panamax (4.2 compared to 11.3), Supramax (8.3 compared to 12.3) and Handysize segments (6.4 compared to 13.5)⁴.

In 2010, after more than forty years’ experience in the containership sector, d’Amico Dry Maroc was founded. It mainly performs cabotage services between various Moroccan ports (Agadir, Tangier Med and Casablanca), alongside feeder services among the maritime centres of the western Mediterranean (mainly Italy, France, Spain and Tunisia).

The commercial and operational departments that handle both business areas are located in the main global maritime centres: Casablanca (Morocco), Dublin (Ireland), London (United Kingdom), Monte Carlo (Monaco), Singapore, Connecticut (USA), Vancouver (Canada).

³ Figure as at 31 December 2021 in the d’Amico Società di Navigazione S.p.A. 2021 Annual report
⁴ IHS Markit

Maritime services

The Group provides ship management services and bunkering services through sister companies.

These services are carried out not only for d'Amico's fleet, but also for third-party clients. **Ship management services** constitute one of the main business lines of the Parent Company, d'Amico Società di Navigazione S.p.A., which, in part through other Group companies, and in particular through the indirect subsidiary Ishima Pte Limited, offers services to Group companies and third parties. **Bunkering operations** are conducted by Rudder SAM from the Monaco office, also through its subsidiary in Singapore and a representative office in Miami, for Group companies and for third parties. The operations start from a constant monitoring of the reliability of the traders operating in the field and are based on a consolidated relationship with the major oil companies (oil majors).

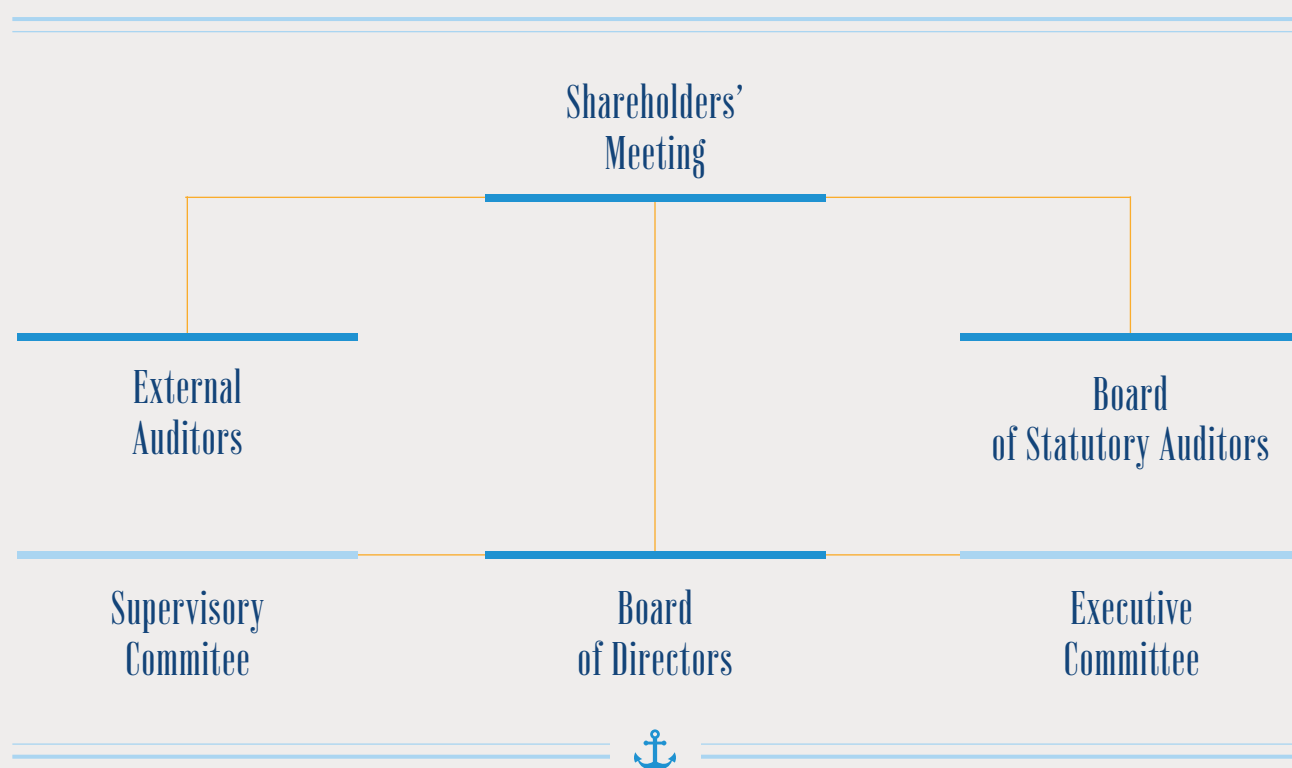
The crew management department and its processes are handled by one of d'Amico Group's companies - Sirius Ship Management S.r.l. - which is responsible for recruiting, providing payroll services and managing the seagoing personnel according to the legal provisions and in compliance with the company's procedures and is supervised by the d'Amico Fleet department. Sirius Ship Management has also offices in Mumbai (India) and an agency in Manila (Philippines).

As Manning Agent, Sirius services also include the **implementation of the training and development plans of the seagoing personnel** according to the Owner's instructions and in compliance with both national and international regulatory standards and rules.



CORPORATE GOVERNANCE

The Corporate Governance system adopted by the Parent Company d'Amico Società di Navigazione S.p.A. is **inspired by the highest standards of transparency and fairness** in the management of the company. Shaped by the provisions of all relevant laws, it **is in line with the international best practices**, a particularly important factor given the d'Amico Group's broad geographical distribution and the listing on the Italian stock exchange of d'Amico International Shipping S.A., the indirect subsidiary incorporated under Luxembourg law⁵.



Governance and corporate control bodies

The Board of Directors

In accordance with the Articles of Association, the Board of Directors ("BoD") currently comprises **five Directors**, three of whom are Executive Directors - including the Chairman - with two Non-Executive Directors. The Directors - all male and over the age of 50 - were **appointed by the Company's Shareholders' Meeting of 22 June 2021 for the three-year period 2021-2023** and will therefore hold office in this composition until the date of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

The Board of Directors **is responsible for the Company's ordinary and extraordinary management and administration**. It has the power to carry out all operations deemed necessary or appropriate for achieving the Company's goals, except for subjects and matters that are the exclusive competence of the Shareholders' Meeting as established by law. **In 2021, the percentage of attendance at Board of Directors meetings was approximately 100%** with reference to all Directors in office.

⁵ For information about d'Amico International Shipping S.A.'s corporate governance, visit the site <https://en.damicointernationalshipping.com/corporate-governance/>.

The Executive Committee

The meeting of the Board of Directors of 22 June 2021 confirmed the establishment of the Executive Committee ("EC"). The Executive Committee **includes the Chairman of the Board of Directors and the CEO, has a three-year term from 2021 to 2023, and all the powers permitted by the Articles of Association are conferred on this body**.

As the body appointed pursuant to art. 2381 of the Italian Civil Code, the Executive Committee has the task, amongst others, of "reporting to the Board of Directors and the Board of Statutory Auditors on the general operating performance and expected future developments, as well as on the most significant operations carried out by the company and its subsidiaries, providing ongoing and adequate information on the activities carried out within the scope of the tasks assigned to it".

The Board of Statutory Auditors

The Board of Statutory Auditors (BoSA) currently **comprises three Effective Statutory Auditors** - including the Chairman of the BoSA - **and two Alternate Statutory Auditors**.

They are all male (two Effective Statutory Auditors are over 50 years of age and one is between 30 and 50 years of age) and were **appointed by the Ordinary Shareholders' Meeting of 22 June 2021**, in compliance with the current regulations of the Italian Civil Code, **for the three-year period 2021-2023**. They will therefore hold office until the date of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2023.

Pursuant to Articles 2403 and subsequent of the Italian Civil Code, the Board of Statutory Auditors is required to supervise "compliance with the laws and the articles of association, observance of the principles of sound management and, in particular, the adequacy of the administrative, organisational and accounting system adopted by the company and that system's functioning in practice".

In 2021, the percentage of attendance of the BoSA at the meetings of the Board of Directors was close to 100% with reference to all members in office.

Independent Auditors

The Ordinary Shareholders' Meeting of 23 June 2020 appointed **Axis S.r.l.** of Reggio Emilia - belonging to the Moore Global Network - to audit the Company's ordinary and consolidated financial statements for the three-year period 2020-2022, and therefore up until the approval of the Financial Statements for the year ending 31 December 2022.

Ethics and integrity

The d'Amico Group has always believed that it is important to conduct its business and professional negotiations at different organisational levels with integrity and transparency, **acting in a professional, fair and honest manner, fully aware that these qualities are evidence of a strong sense of social responsibility**.

In fact, by taking a **"zero tolerance" approach**, the anti-corruption policy implemented by the Company and recently updated seeks to prevent all forms of corruption, including all those arising from the behaviour of consultants, agents or contractors.

Anti-corruption policy

Corruption means any conduct on the basis of which any person - acting directly or indirectly on behalf or in the interest of the d’Amico Group’s companies - offers, promises, receives or provides undue rewards, which are likely to improperly influence the actions of another party for personal benefit, for the Group’s companies’ benefit or that of third parties.

The Group introduced a new anti-corruption policy in 2019 which **particularly focuses on the concept of hospitality and gifts that must be acceptable and proportionate** (and in no case shall consist of sums of money) **and on lobbying activities that must be based on criteria of legitimacy, fairness and transparency**. For the purposes of this Policy, there is no difference between the corruption of a public official and the corruption of a private party.

The Policy **applies to all d’Amico personnel** with any type of employment contract, in any company or legal entity of the Group, **and in general, to whoever acts in the name, on behalf or in the interest of the Group and holds business and professional relations with it** (the “Policy Recipients”). All Policy Recipients are responsible for preventing, identifying and reporting any acts of corruption and they are required to avoid any activity that may lead to or suggest a violation of this policy.

The d’Amico Group ensures that **all cases of suspected corruption are dealt with consistently**, regardless of whether they are confirmed by an investigation, and that there will be no retaliation or adverse consequences for the person reporting the possible violation of the Policy or applicable anti-corruption rules and regulations. Likewise, no employee will suffer retaliation or adverse consequences for refusing to engage in illegal conduct.

Compliance with the Anti-corruption Policy is verified through various methods, including but not limited to, active monitoring of the expense reimbursement and gift tracking systems, internal and external audits, and self-assessment reports of potential violations.

All reports shall be submitted via the whistleblowing platform identified and publicised by the Company for the entire d’Amico Group.

Code of Ethics

With the voluntary adoption of 231 Organisation Model, d’Amico Società di Navigazione S.p.A. has approved and adopted the Code of Ethics **since 2008**, which defines the **fundamental ethical principles** with which the Company, its directors, statutory auditors, employees, consultants and partners, and in general all those who act in the Company’s name and on its behalf, are required to comply. On the Supervisory Committee’s initiative, on 11 April 2014 the Board of Directors approved a new version of the Company’s Code of Ethics, also recommending to be adopted by the subsidiaries of d’Amico Società di Navigazione S.p.A. As such, it also issued and approved the Group’s Code of Ethics.

The Company’s Code of Ethics and the Group’s Code of Ethics **were updated on 26 November 2018** following the entry into force of EU Regulation 679/2016 (“GDPR”) in the section relating to “Data Protection”, **and subsequently on 17 December 2019** following the entry into force of Law 179/2017 regarding “provisions or the protection of those who have reported crimes or irregularities, which came to light during a public or private employment relationship (Whistleblowing)”.

PRINCIPLES			
General ethical principles	<ul style="list-style-type: none">• compliance with the law• honesty, fairness and transparency• respect for the dignity of the person	<ul style="list-style-type: none">• data protection• treatment of confidential information• conflicts of interest	<ul style="list-style-type: none">• relations with competitors• responsibility to the community• respect for the environment• liberality• innovation
Ethical principles in corporate governance	<ul style="list-style-type: none">• corporate bodies/social bodies	<ul style="list-style-type: none">• relations with shareholders	<ul style="list-style-type: none">• Internal Control and Risk Management System
Ethical principles in human resources management	<ul style="list-style-type: none">• selection and recruitment• formalisation of the employment relationship	<ul style="list-style-type: none">• professional management and development	<ul style="list-style-type: none">• health and working conditions
Ethical principles in relations with customers, partners, suppliers, public administration and other public institutions	<ul style="list-style-type: none">• customer relations	<ul style="list-style-type: none">• relations with partners and suppliers	<ul style="list-style-type: none">• relations with public administration and other public institutions

Organisation, Management and Control Model⁶

In voluntarily applying Italian Legislative Decree no. 231/2001, d’Amico Società di Navigazione S.p.A. has adopted the Organisation, Management and Control Model (“231 Organisation Model”) **since 2008 and therefore implemented an organic system of procedures, rules and controls aimed at preventing and/or systematically reducing**, during the performance of so-called sensitive activities, **the risk of the offences cited in the aforementioned Decree from being committed**. In this sense the company has decided to update the Integrated Management System with reference to the controls required by the 231 Organisation Model as regards existing procedures, and with the introduction of new procedures in the Integrated Management System where necessary and required for the effective implementation of the 231 Organisation Model. **The Company’s 231 Organisation Model is constantly updated in accordance with the internal organisational restructurings and the legislative framework changes** made over time.

On 17 April 2019, the Board of Directors approved the update to the 231 Organisation Model, in particular the General Part, the Disciplinary System and the Special Parts⁷. The updated 231 Organisation Model also considers the regulation of Whistleblowing **and the adoption of an internal system for reporting violations**. The above also led to the updating of the Company Code of Ethics with the addition of **the adoption of the Whistleblowing management system**, as well as all procedures and protocols affected by this amendment.

In addition, by the end of 2021, the Company had completed **a new update of the Risk Plan as resolved by the Company’s Board of Directors on 2019 in order to perform a general revision of the 231 Organisation Model** in light of the most recent crimes introduced by Italian Legislative Decree no. 231/2001, and in particular tax offences, as well as several significant company reorganisations.

The Control & Risk Self-Assessment (CRSA) performed by the Company during 2020 - and completed in 2021 as approved by the Company’s Board on 26 October 2021 - with the assistance of the Supervisory Committee was carried out through the following activities:

- detection and mapping of company activities at potential risk of commission of the offenses in scope
- analysis of the existing control system and gap analysis with respect to an “optimal” control system
- definition of the actions for the adaptation of the existing control system.

⁶ Pursuant to Italian Legislative Decree 231/2001
⁷ Explicated list of the predicate offences, Corporate crimes, Offences against individuals, Offences related to the employment of foreigners without a residence permit, Racism and Xenophobia

The control measures analysed and deemed relevant for the purposes of the analysis of the Internal Control System (ICS), consistently with best practices with respect to the Sensitive Activities identified, are the following:

- existence of a 231 Organisation Model which has been updated, disseminated and implemented
- formalisation and functioning of the Supervisory Committee (SC) and monitoring activities carried out by the same SC
- formalisation and dissemination of company organisation charts, also through specific organisational communications in the event of changes
- existence of a formalised, updated and widespread system of Powers and Delegations
- existence of a formalised and widespread job description system
- existence of a formalised and widespread Code of Ethics
- existence of a formalised, updated and disseminated system of policies and procedures within the organisation
- existence of internal communication channels aimed at disseminating the organisational rules and regulations in place
- existence of a periodic, systematic and specific information and training programme addressed to company employees and contractors, as well as the adoption and updating of specific training programs on “231 matters”
- existence and implementation of a disciplinary system
- existence and implementation of a reporting system (Whistleblowing)
- existence of contracts regulating existing relationships with third parties.

The main findings of the CRSA evidenced an overall adequacy of the Internal Control System with a low residual risk profile in many cases and medium and improvable as regards the formalisation of procedural aspects.

The company will launch a new training programme in 2022 through the Group’s Human Resources department with the support of the Supervisory Committee in order to explain the new 231 Organisation Model - approved on 26 October 2021 together with the new CRSA - which was updated and revised, no longer articulating it by crime families but by processes, each of which merging business areas.

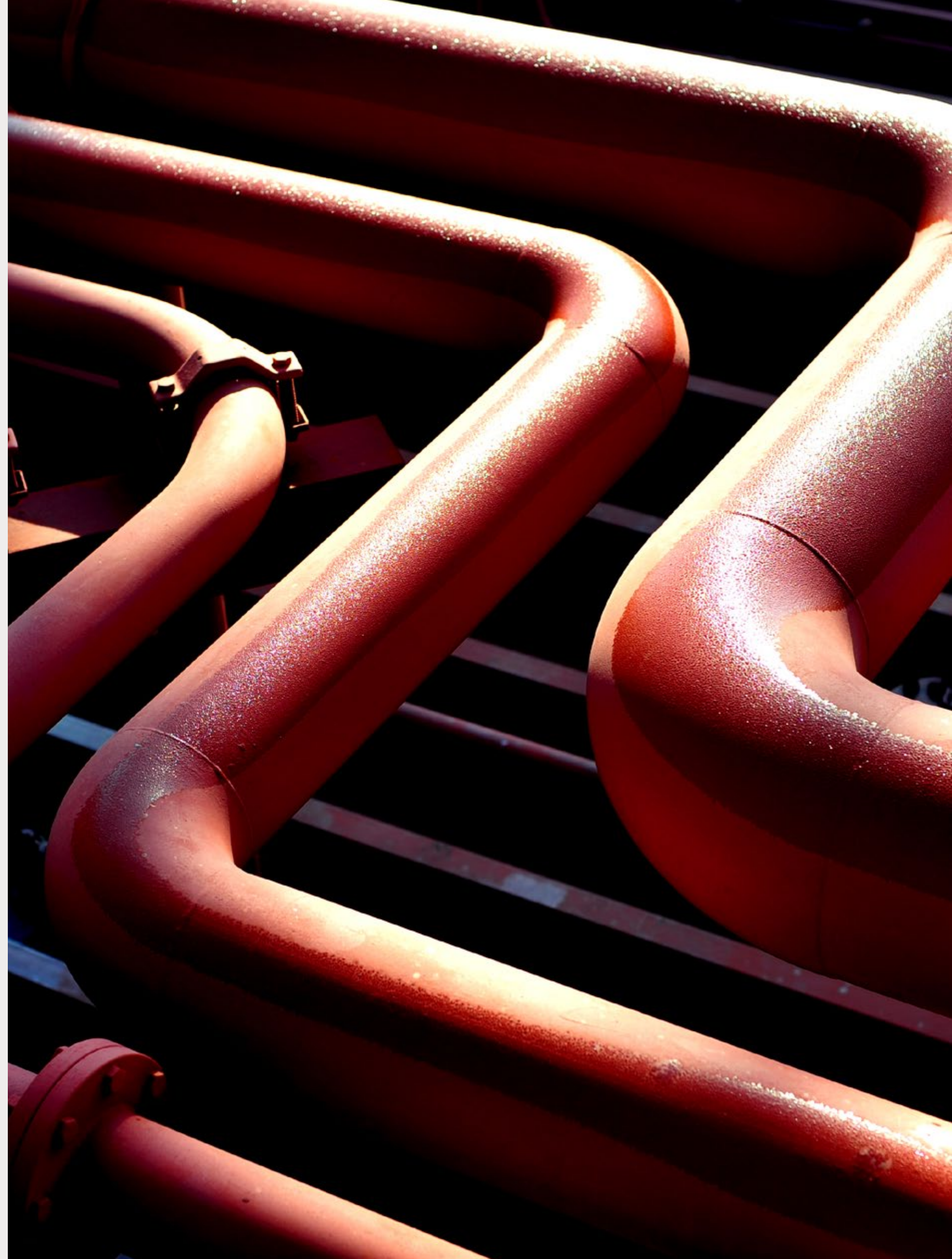
Supervisory Committee

The Supervisory Committee was established pursuant to Italian Legislative Decree no. 231/01. Its specific duties regard the **implementation, application, adequacy and effectiveness of the 231 Organisation Model**. In greater detail, among the Committee’s other duties, it must:

- supervise the effectiveness of the 231 Organisation Model by promoting the implementation of control procedures for specific actions or acts identified as being sensitive
- periodically check its efficiency and adequacy
- assess the opportunity for its updating
- ensure necessary information flows with other company functions, also by promoting appropriate initiatives for raising awareness of and understanding the 231 Organisation Model in the company.

The Company’s Supervisory Committee was established in 2008. It is in collegial form and currently consists of **three members appointed by decision of the Board of Directors on 18 May 2020 for the three-year period** 2020-2022 and identified following two assessments and considerations of the requirements established for such a function by Decree no. 231: autonomous initiative, independence, professionalism, continuity of action, absence of conflicts of interest and integrity.

It should be noted that **no reports of violations of the 231 Organisation Model or of the Code of Ethics were received in 2021 by the Supervisory Committee of the Group companies that adopted it, neither directly nor through the whistleblowing platform.**





Data Protection

In 2021, d'Amico Società di Navigazione S.p.A., as Data Controller of personal data, continued to maintain the **Group Privacy Regulation adopted in 2018 in compliance with the regulatory provisions of European Regulation no. 679/2016** as amended and supplemented. The Regulation is based on the principles of **lawfulness, fairness and transparency** of personal data processing.

The Group Data Protection model was defined starting with a mapping of the processing work carried out within the d'Amico Group, as well as the related categories of data subjects and the processing purposes. It was formalised within the Group Privacy Regulation, containing the Binding Company Regulations for the intercompany transfer of data subjects' data outside the European Union. It was approved by the Board of Directors of d'Amico Società di Navigazione S.p.A. on 23 April 2018 and has subsequently been transposed by all Group companies included in the Data Protection model.

During 2021, d'Amico Società di Navigazione S.p.A. carried out a **revision of the documentation already prepared for the management of compliance with regulations** (e.g., information, register of processing activities; etc.). In addition, the Group has adapted protocol on the safety measures to be taken to contain the spread of COVID-19 in the workplace in accordance with the current legal provisions.

To this end, specific information has been prepared and provided to interested parties for the protection of personal data.

The **Data Protection Officer** (DPO) advises the Data Controller on the current legislation on the protection of personal data, monitoring compliance.

Whistleblowing

The d'Amico Group is always particularly attentive to preventing risks that could compromise the responsible and sustainable management of the d'Amico Group's functions, thereby **adopting a whistleblowing policy and procedure for the management of all reports by whistleblowers**.

On March 2021 the d'Amico Group adopted **a platform** that guarantee the confidentiality of the identity as well as the anonymity of whistleblowers - who may also include third parties outside the Group. It **allows to report any irregularity and/or unlawful behaviours, acts or omissions** that could constitute violations or attempted violations, even suspected, of:

- the legislative provisions referred to in Italian Legislative Decree 231/2001
- the principles ratified in the Group Code of Ethics and in the 231 Organisation Models of the d'Amico Group companies that have adopted them (d'Amico Società di Navigazione S.p.A., d'Amico Shipping Italia S.p.A. e d'Amico International Shipping S.A.)
- the Group's procedures, policies and rules in general (Integrated Management System)
- the Group's Anti-Corruption Policy that may constitute fraud or damage, even potential, towards colleagues, shareholders and stakeholders, or unlawful acts detrimental to the interests and reputation of the Company.

Merely by way of non-limiting example, the reports may also refer to circumstances of alleged **violations of environmental and workplace safety rules**: corruption in fulfilling responsibilities, corruption due to an act contrary to official duties, abuse of powers granted to obtain private benefits, accounting irregularities, false declarations, deskilling and non-transparent recruitments.

The report may also refer to cases, even suspected or attempted, of "bullying", sexual harassment, violations of privacy legislation and situations of real, potential and apparent conflicts of interest for which adequate disclosure has not been made by the parties involved and which may have consequences on the impartiality and good performance of the Company.

This platform replaces the pre-existing Open Reporting System and can therefore also be used for reporting events occurring on board a vessel or any events related to a vessel. The new d'Amico whistleblowing platform is available at <https://openreportingsystem.damicoship.com/> - with access from the Darwin portal, DSN and DIS websites as well.

THE INTEGRATED MANAGEMENT SYSTEM

The implementation of an Integrated Management System **is the result of a corporate choice that puts key focus on the quality of services provided to customers, occupational health and safety, energy efficiency, environmental protection and corporate social responsibility**, through the adoption of recognised international standards and certifications. The Integrated Management System has been developed with a business process-oriented approach. It allows the d’Amico Group to identify, maintain and improve a dynamic organisation and management model. Its unified perspective meets the needs and specificities of different sectors and makes optimum use of possible strategies, in accordance with the many national and international laws and regulations. Continuous monitoring, the adequate measurement of performance indicators, stringent internal inspections, detailed analysis of the data collected, and prompt implementation of corrective and improvement actions allow the company to continuously increase its performance in terms of safety, environmental protection and customer satisfaction, as well as that of all stakeholders.

The system, already compliant with ISM (International Safety Management Code), **was extended to** the following standards: **ISO 9001** (quality), **ISO 14001** (environment), **ISO 45001** (safety) and **ISO 50001** (energy efficiency) certified by RINA. The application of all these standards enabled the d’Amico Group to be the first in Italy to obtain, in 2014, the prestigious RINA Best 4 Plus certification, which recognises compliance with main standards in force.

In 2014, the d’Amico Group also received the **ISO 26000 certificate** for the application of guidelines on correct integration of corporate social responsibility into its activities, policies, strategies, procedures and goals.

COMPANY	TYPE OF COMPANY	LOCATION	CERTIFICATIONS						
	HOLDING	SERVICE ⁸	SHIPPING ⁹	ISM	ISO 45001	ISO 9001	ISO 14001	ISO 50001	
d'Amico Società di Navigazione S.p.A.	●	●		Rome (IT) Genoa (IT)	●	●	●	●	●
d'Amico Shipping Italia S.p.A.		●	●	Rome (IT) Genoa (IT)	●	●	●	●	
d'Amico Dry d.a.c.			●	Dublin (IE)		●	●	●	
d'Amico Tankers d.a.c.			●	Dublin (IE)		●	●	●	
d'Amico Shipping Singapore Pte. Limited		●	●	Singapore		●	●	●	
CO.GE.MA. SAM		●		Monaco (MC)			●		
d'Amico Tankers Monaco SAM		●		Monaco (MC)			●		
d'Amico Shipping UK Limited		●		London (GB)		●	●	●	
d'Amico Tankers UK Limited		●		London (GB)		●	●	●	
d'Amico Shipping USA Limited		●		Stamford (US)			●		
Ishima Pte. Ltd.		●		Singapore	●	●	●	●	●

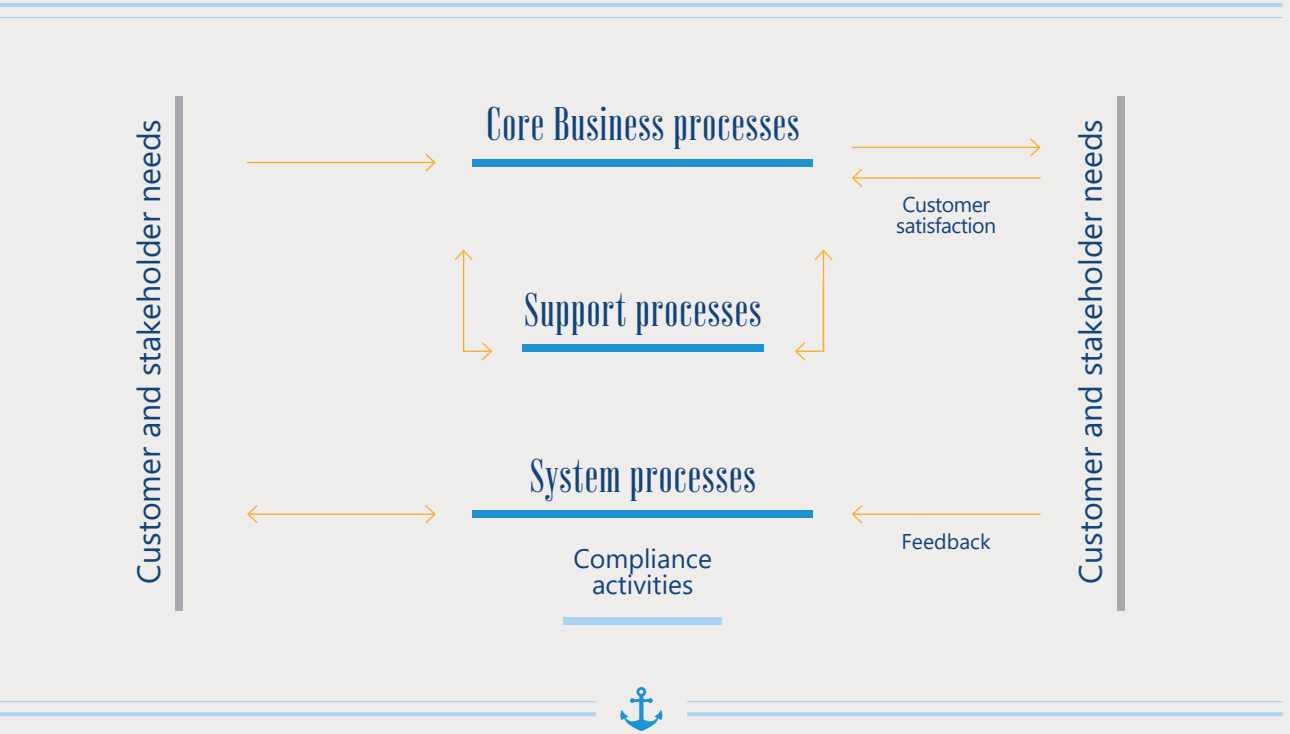
⁸ Service Company: company that provides services to the shipping industry or to other Group companies including but not limited to auxiliary and consultancy general services, administrative, commercial, operation management services and technical management and crew manning service.

⁹ Shipping company: Company that operates in the dry cargo or in the product tankers sector through owned, bareboat chartered vessels and/or time-chartered vessels.

Management system features

The integrated management system of d’Amico Group is organized in activities and processes that have been classified into three main groups: **core business processes, processes supporting main business activities and system processes**, which includes the compliance activities connected with it.

The interaction of these processes determines the Group’s efficiency, stakeholder satisfaction and the identification of improvements to be pursued in the future to increase its performance.



The specific documentation of the Integrated Management System describes the activities of each single process including **responsibilities, inputs, outputs, timing, controls, records, general goals and main measures to be implemented to achieve the goals**.

This system allows the Group’s staff, the masters of the managed vessels, as well as any other interested party, to **be aware of the actions and measures established to comply with international standards, and ensuring quality activities that comply with the contractual requirements** laid down by law.

Sustainability for d'Amico Group



THE d'AMICO GROUP'S SUSTAINABILITY PATH

In drawing up its first Sustainability Report in 2018, the d'Amico Group identified **the most relevant topics for corporate and business sustainability**, i.e. topics that have a direct or indirect impact on the ability to create and preserve value over time in the three areas of responsibility: economic, social and environmental. The topics were chosen based on the reference standards - GRI Sustainability Reporting Standards - but above all by taking into consideration the company's distinctive features, such as mission and values, quality, safety and environmental management systems, and climate change strategies.

For the third edition of the Report, the d'Amico Group proceeded with the updating of its materiality analysis. The main improvement carried out by the Group was the expansion of the number of stakeholders involved, which grew **from 67 in 2018**, 41 of which for the external analysis and 26 for the internal analysis, **to 94 people** involved, **38 for the internal and 56 for the external analysis**, marking a 40.3% increase.

The identification of material topics and the definition of their level of importance was carried out in **two phases**: the first involved the organisation internally - **internal analysis** - while the second involved the main external stakeholders - **external analysis**.

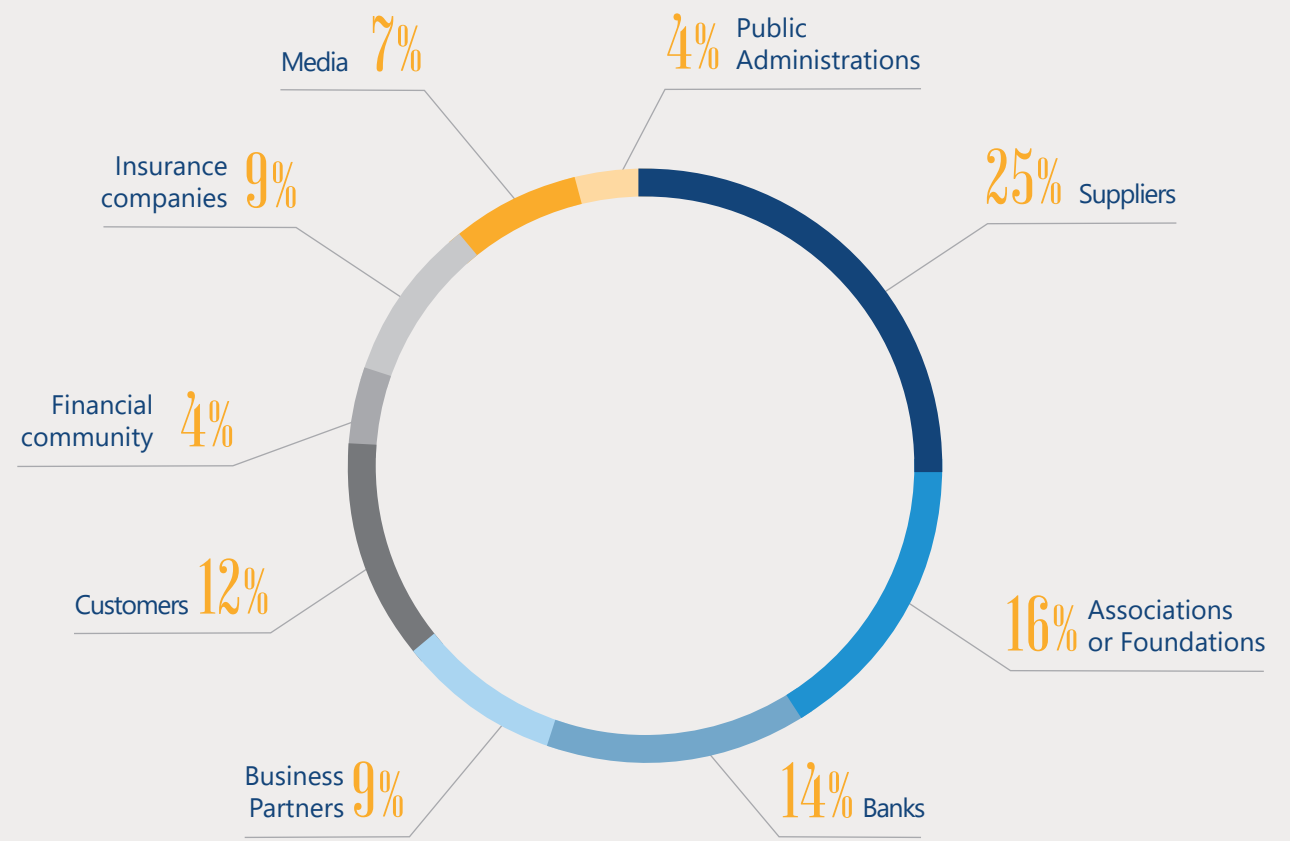
The internal analysis consisted of **identifying the topics and assessing their relevance in relation to the company's performance and to the possible improvement of its reputation and competitive advantage**, taking into account the related risks. The importance of each material topic was investigated by asking everyone to express an opinion regarding the **impact of the topic** on d'Amico's business and the **probability of occurrence of a negative event related to each topic**, considering the related risk due to the actions implemented by the Group.

In 2020, the Group carried out **3 workshops dedicated to updating the internal analysis**, which involved all d'Amico offices including the top and middle managers of d'Amico and Ishima. These workshops were also an opportunity to share internally the sustainability path carried out by the Group and to underline the logic of the analysis.

For the external analysis, instead, each stakeholder was asked to make its own assessment **on the importance to be attributed to each of the material aspects** considering the shipping sector in general. The following graph represents the number of stakeholders involved for each category.



STAKEHOLDERS INVOLVED IN THE EXTERNAL ANALYSIS



In order to obtain an objective result and given the accurate and representative composition of d'Amico's stakeholders, the same weight has been assigned to the evaluation that each of them submitted.

A particularity that distinguishes the 2020 analysis from the one carried out in 2018 concerns the inclusion of a new section within the analysis, aimed at understanding the impact of the COVID-19 pandemic on the material topics identified by d'Amico, both for internal and external stakeholders.

COVID IMPACT ON MATERIAL TOPICS ACCORDING TO INTERNAL STAKEHOLDERS



COVID IMPACT ON MATERIAL TOPICS ACCORDING TO EXTERNAL STAKEHOLDERS



LEGEND:

social responsibility environmental responsibility economic responsibility

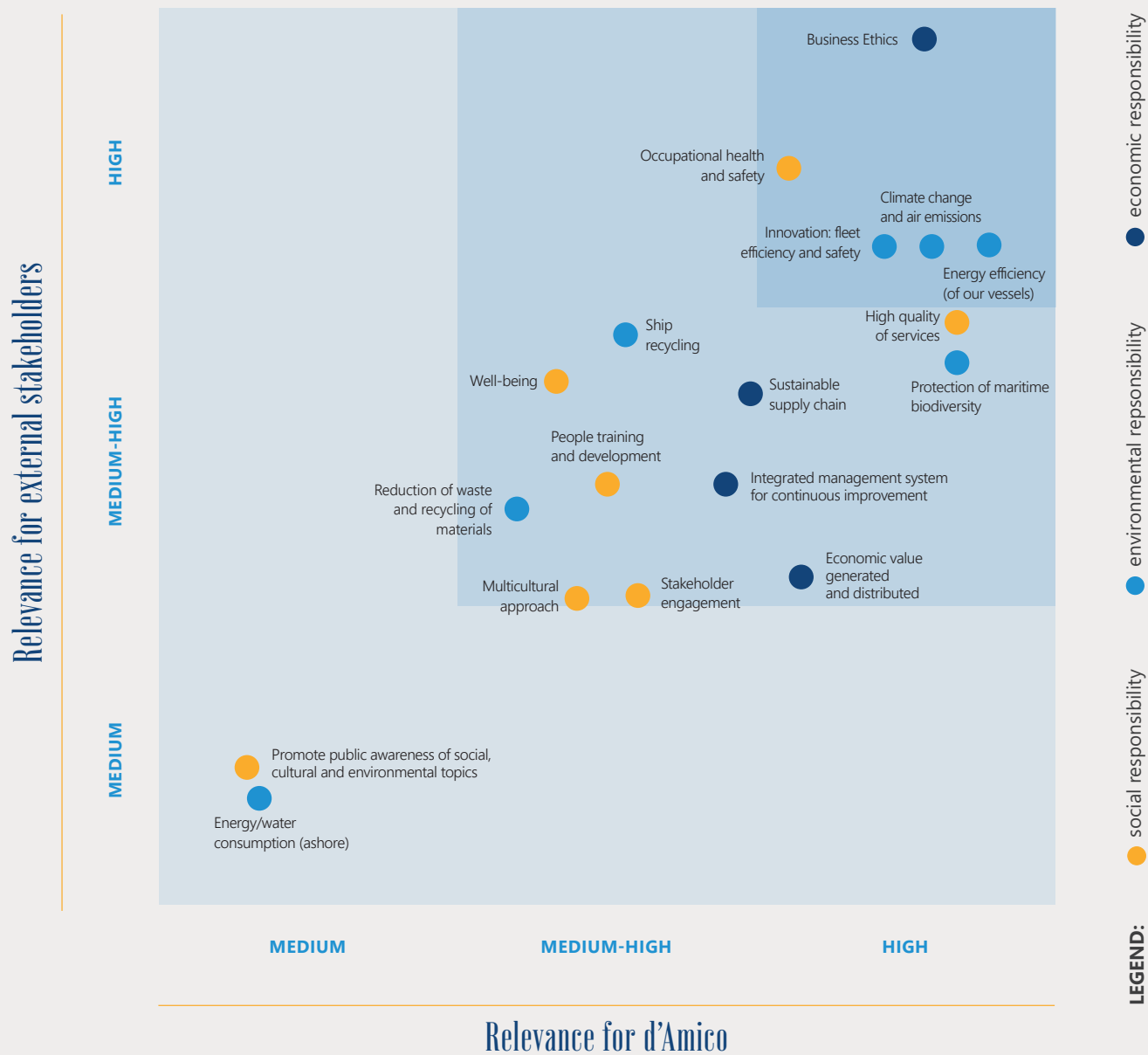


MATERIALITY MATRIX

The materiality matrix presented below shows the results of the materiality analysis, realised for the 2020 Sustainability Report. In the 2021 edition, d'Amico Group chose to keep the analysis consistent and to update it in the following editions of the Sustainability Report.

The matrix **represents the topics considered relevant for d'Amico's sustainability** and which guide its actions. Topics are linked to the three dimensions of sustainability - social, environmental and economic - and are **positioned on the graph based on the relevance defined by d'Amico** (internal analysis) **and by the external stakeholders** (external analysis).

All stakeholders were given the possibility to choose, to score each topic between 1 and 9, leading to 5 scoring areas: low, medium-low, medium, medium-high and high. To better represent the outcomes of the surveys and given that all answers were above the medium value (score of 4 or higher), the below matrix reports and underlines that all the scoring values were between medium and high.



Environmental topics, in general, have an influence from medium-high to high, both for internal and external stakeholders. Four among the seven environmental topics are included or close to the highest range: energy efficiency of vessels, climate change and air emissions and innovation regarding safety and fleet efficiency and protection of marine biodiversity. Energy and water consumption ashore is one of the two topics with lower importance for all the interviewed stakeholders, but both were still rated in the medium range.

Economic and governance topics are, on average, all relevant. One aspect that has particular relevance from the internal stakeholders' perspective is the quality of the service offered. While the point concerning business ethics is, from both the internal and external point of view, the most important aspect, and is also the only topic of this area to rank in the highest range.

Social topics significantly increased their relevance within the matrix compared to the last survey carried out in 2018, where the main focus was on Environmental topics. Occupational health and safety remain the most important subjects for both internal and external stakeholders, and for the first time gained a position in the highest range. This was quite predictable considering the analysis of the results of the COVID-19 impact assessment. The remaining topics have a medium-high relevance, except for the promotion of public awareness of social cultural and environmental topics, which was rated in the medium range.

In general, in 2020, likely due to the COVID-19 emergency which inevitably characterised the activities of all companies, an **increase** was observed **in the importance assigned to social topics** and to those related to governance and the economic dimension. **Environmental topics still retain a very high importance.**



OUR STRATEGY



**SUSTAINABLE
DEVELOPMENT GOALS**

d'Amico's contribution to the UN Sustainable Development Goals

On 25 September 2015, the United Nations approved the Global Agenda for Sustainable Development and 17 Sustainable Development Goals (SDGs), divided into 169 targets to be reached by 2030.

The 2030 Agenda for Sustainable Development is a **plan of action for people, the planet and prosperity, with the goal to guide the world over the next decade**. The goals represent common targets related to a range of fundamental issues for a new development model: the fight against poverty, the eradication of hunger and the fight against climate change are just some of these goals. **They involve all countries and all individuals**: no one is excluded from them, and no one must be left behind on the path towards global sustainability.


In line with the vision expressed by the 2030 Agenda, the Group believes that its strong commitment to **making a true contribution** to the sustainable development of businesses and the economy is crucial.

The connections between the topics of relevance for d'Amico's sustainability, the goals of UN's 2030 Agenda, the actions taken by the Group and the main KPIs are presented below and will then be reported in the document at the beginning of every section, representing the initiatives and the monitored KPIs related to the Group's activities and connected with the UN targets.

SUSTAINABLE DEVELOPMENT GOALS

d'Amico's Sustainability Topics	Personnel training and development	Multicultural approach	Well-being	Occupational health and safety	High quality of services	Stakeholder engagement	Promoting public attention towards social, cultural and environmental topics	Vessel energy efficiency	Atmospheric emissions and climate change
Sustainable Development Goals	 	 	 					 	 
KPI 2021	21.0 total per capita training hours provided to seagoing personnel 17.2 for onshore personnel 63% the percentage of people trained 99% of expected performance assessment evaluation received (193 Employees)	No reporting received in relation to discriminatory acts 17 different nationalities within the crew members 24 different nationalities within the onshore personnel	Most welfare services are guaranteed to all employees, for example Health care is guaranteed to the entire company population 97.7% the onshore personnel with open-ended contracts 86.2% the seafarers with open-ended contracts	0 injuries in the last three years	5 complaints received during 2021, -50% since 2020 33.3% resolved complaints relating to previous years	94 stakeholders involved in the Materiality Analysis in 2020, 38 for the internal and 56 for the external analysis +18.9% of the international media coverage compared to 2020	166,000 € disbursed as membership fees for Confitarma, Intercargo and for other associations 100,000 € disbursed as donations and sponsorships	79% the percentage of Eco vessels 0.867 Tons of fuel consumption per Nautical Mile for Product Tankers vessels, -7.0% since 2019 0.964 Tons of fuel consumption per Nautical Mile for Product Tankers vessels, -7.0% since 2019 5 Tons/Day less in bunker consumption for an 'Eco' vessel compared to a conventional vessel at same speed	Green Flag Award for reduction of air and water pollution in 2017 0.2876 tCO ₂ emissions per Nautical Mile, -7.5% since 2019 0.0009 tSO _x emissions per Nautical Mile, in line with 2019 0.0052 tNO _x emissions per Nautical Mile, -7.4% since 2019
Activity performed by the Group	<ul style="list-style-type: none"> Adequate training for all personnel, without distinction of gender or ethnicity 	<ul style="list-style-type: none"> Cultural integration in the Group's offices and onboard all ships 	<ul style="list-style-type: none"> Application of adequate remuneration and economic benefits for personnel, also to ensure adequate social protection 	<ul style="list-style-type: none"> Protection of the health and well-being of employees Prevention of hazardous activities, injuries, illnesses, accidents to personnel Improvement of an internal culture of safety 	<ul style="list-style-type: none"> Highest attention to the service offered, through qualified staff, appropriate equipment, on-board inspections, process control and internal communications Customer engagement through direct communications, complaints and reports and feedback on service quality 	<ul style="list-style-type: none"> Stakeholder mapping and identification of needs and expectations of each category and of related actions 	<ul style="list-style-type: none"> Donation and sponsorship for several associations and initiatives as well as registration to industry organizations Training activities in support of solidarity initiatives and cultural initiatives 	<ul style="list-style-type: none"> Renewal of "Eco ships" fleet, in line with IMO directives, thanks to the implementation of innovative technologies 	<ul style="list-style-type: none"> Activities to raise awareness on climate change issues and to reduce harm to individuals caused by water and air pollution

SUSTAINABLE DEVELOPMENT GOALS

d'Amico's Sustainability Topics	Innovation: fleet efficiency and safety	Protection of marine biodiversity	Ship recycling	Waste reduction and material recycling	Consumption of water and energy in offices	Business ethics	Integrated management system for ongoing improvement	Value generated and distributed	Sustainable supply chain
Sustainable Development Goals					  			 	 
KPI 2021	<p>77% of fleet compliant with EEXI – calculated at 83% of MCR limited</p> <p>49% of fleet applies an Electronic LOGBOOK onboard and there are plans to achieve 100% by of the end of 2022</p> <p>7.1% years the average age of the product tanker fleet and</p> <p>5.2% years the average age of the dry cargo fleet, lower than the market average age</p>	<p>95% of d'Amico vessels own a ballast water treatment system</p> <p>0 oil spills</p> <p>use of the latest technology for hull treatment coating with green patented biocides</p> <p>Biofouling management through a consolidated hull inspection and cleaning programme</p>	<p>Hazardous material inventories available providing a complete map of all materials on board</p>	<p>6,475 mc of total waste on board in 2021</p> <p>137.76 the total waste per vessels (mc/vessel) in 2021</p>	<p>1,923 mc the water supplied from the public mains in Rome and Singapore offices, -12.8% since 2019</p> <p>2,390 KWh per employee the consumption of electricity in the Group sites</p> <p>62.3% the sustainable mobility rate for going to work, +2.3 percentage point since 2020</p>	<p>No reports received regarding the conduct of violent, unlawful, and unethical behaviour</p>	<p>6 certifications owned by the Group's societies: ISM, ISO 9001, ISO 14001, ISO 26000, ISO 45001 AND ISO 50001</p>	<p>€ 763.3 mln the total value generated, +25.4% since 2020</p> <p>€ 90.9 mln the economic value distributed to employees</p> <p>71% of the economic value generated</p> <p>€ 2.4 mln the economic value distributed to Public Administration</p>	<p>€ 373.3 mln the economic value distributed to suppliers</p> <p>88.5% the supplies for operative costs</p> <p>Obligation for all suppliers to comply with the company's policies in about ethics, integrity and environmental regulations</p>
Activity performed by the Group	<ul style="list-style-type: none">Project aimed at improving vessel performance from an environmental point of view and in terms of on-board safety and efficiency	<ul style="list-style-type: none">Minimum impact of activities on environmental integrityOngoing prevention of every possible form of pollution, with a zero-pollution goal	<ul style="list-style-type: none">Preparation of hazardous material inventories on all new buildings and on the existing fleet	<ul style="list-style-type: none">Waste management policies on board the vesselsProjects promoting awareness on the responsible use of plastic in the Group's officesSeparate waste collection in all d'Amico offices	<ul style="list-style-type: none">Reducing the consumption of electricity and water inside the Group facilities, through specific policies and precautionsReducing travel between offices and increasing use of video conference and conference call systems	<ul style="list-style-type: none">Compliance with laws and regulationsHonesty, fairness and transparency, avoiding situations of conflict of interest and unfairnessRespect for privacy, dignity of individuals, environment and community	<ul style="list-style-type: none">Transparent statement of policies governing operations and of the methods to respond to unscheduled eventsIdentification of a basic reference for all management documents necessary for checking the Group's daily activities	<ul style="list-style-type: none">Production of economic value by the Group and consisting mainly of revenue from sales related to shipping and servicesDistribution of economic value generated	<ul style="list-style-type: none">Accurate supplier assessment and selection, also based on energy performance, including the possibility of inspections and controls

d'AMICO'S STAKEHOLDERS

d'Amico Group's main categories of stakeholders are detailed below.

STAKEHOLDER MAPPING

INTERNAL STAKEHOLDERS

Personnel

Owners & Shareholders



EXTERNAL STAKEHOLDERS

Clients

- Dry-cargo and container vessels
- Product tankers

Investors and insurers

- Banks
- Investment funds
- Insurance

d'Amico International Shipping's Shareholders

- d'Amico International S.A.
- Other investors

Trade partners

- Port agents
- Brokers

Suppliers

- Qualified suppliers of goods, services and work

Maritime and Flag Authorities

Local communities

- Local Institution
- Local Organisation

Governments, Institutions and NGOs

- Governments
- National and International Institutions
- NGOs

Other unlisted subsidiaries

Relations with stakeholders

For each type of stakeholder, d’Amico has identified needs, expectations and related strategies.

INTERNAL

Stakeholders	Needs and expectations	Strategy
Personnel	<ul style="list-style-type: none">• Employment guarantees• Competitive remuneration• Occupational health and safety• Professional qualification• Positive organisational environment• Flexible working hours• Participation• Cutting-edge information systems• Corporate culture• Focus on the local environment	<ul style="list-style-type: none">• Reviewing the organisational structure to keep up with personnel needs• Ongoing professional development for all personnel• Continuous performance evaluation• Welfare initiatives for employees• Internal process management• Technological innovation and updating of equipment and software
Owners and shareholders	<ul style="list-style-type: none">• Group stability• Process efficiency• Satisfactory and growing economic and financial performance• Optimisation of the organisation’s resources• Ship management in compliance with contractual terms• Continuous innovation processes• Compliance with management systems	<ul style="list-style-type: none">• Increasing attention levels towards market dynamics• Seeking new markets, areas and consumers by changing the product offered• Goal-oriented approach• Technological innovation around new services

EXTERNAL

Stakeholders	Needs and expectations	Strategy
d’Amico International Shipping’s shareholders	<ul style="list-style-type: none">• Soundness of the organisation• Process efficiency• Sustainable increase in profitability• Growth in ROI• Continuous innovation• Satisfactory financial performance of the Group	<ul style="list-style-type: none">• Increasing attention levels towards market dynamics• Seeking new markets, areas and consumers by changing the product offered
Other unlisted subsidiaries	<ul style="list-style-type: none">• Economic and financial soundness• Group efficiency	<ul style="list-style-type: none">• Reviewing how business is conducted and the company’s performance• Examining current and future market needs

Stakeholders	Needs and expectations	Strategy
Clients	<ul style="list-style-type: none">• Efficiency of services purchased• Quality and reliability of service• Affordable prices• Service satisfaction• Respect for workers’ rights• Compliance with contractual requirements• Services in line with safety standards• Activities preventing pollution and improving the environmental situation	<ul style="list-style-type: none">• All-round customer assistance and service• Departments specifically ensuring service quality• HSQE department strategy for pollution prevention and workers’ safety activities• Customer legal department for contracts
Trade and strategic partnerships	<ul style="list-style-type: none">• Continuity of operations and start of new collaborations• Markets and sustainable deals• Prompt payment of fees due• Clear and accurate instructions	<ul style="list-style-type: none">• Remuneration• Corporate reputation and business vision• Creation and strengthening of personal relations for commercial and strategic partners
Suppliers	<ul style="list-style-type: none">• Continuity• Solvency• Compliance with contractual conditions• Rapid and prompt payments	<ul style="list-style-type: none">• Updating the supply chain frequently, improving its efficiency through new suppliers and new agreements
Investors and insurers	<ul style="list-style-type: none">• Solidity of organisations• Compliance with commitments undertaken• Excellent financial performance• Transparency on information requested and received• No complaints or issues• Risk management	<ul style="list-style-type: none">• Structure with a goal-oriented approach• High degree of transparency in information, fairness of financial and sustainability reporting• Solid financial position and balanced source structure
Community	<ul style="list-style-type: none">• Improvement of life quality and conditions• Respect for the environment and improvement of local environmental conditions• Positive relations• Collaboration	<ul style="list-style-type: none">• Establishing a positive and collaborative relationship with all local institutions and bodies, as well as with the community in general
Governments, National and International Institutions, NGOs and Organisations	<ul style="list-style-type: none">• Compliance with rules and regulations• Transparency• Improving the environment in which the company operates	<ul style="list-style-type: none">• Identifying existing political opportunities and using them to create value for the future
Port and flag authorities	<ul style="list-style-type: none">• Compliance with flag requirements• Compliance with class requirements• Compliance with local and international requirements, including those regarding the environment	<ul style="list-style-type: none">• Adopting a proactive style in complying with these regulations, anticipating the requests provided for by law

Communication with stakeholders

Furthermore, for each stakeholder category, the Group has identified the main stakeholder relationship methods, distinguishing between:

- **informative moments:** one-way communication from the company to the stakeholders;
- **dialogue moments and partnerships:** in which the company asks for its stakeholders’ opinion (e.g. through polls, surveys, focus groups, etc.), holds ongoing dialogue groups or implements/manages specific projects.

Informative moments and documentation	Stakeholders
Sustainability Report	<ul style="list-style-type: none">• Personnel• Owners and shareholders• d’Amico International Shipping’s shareholders• Clients• Trade and strategic partnerships• Suppliers• Investors and insurers• Community• Governments, national and international institutions, NGOs and organisations• Port and flag authorities
Financial Report	<ul style="list-style-type: none">• Owners and shareholders• d’Amico International Shipping’s shareholders• Investors and insurers• Governments, national and international institutions, NGOs and organisations• Port and flag authorities
Investor Relations	<ul style="list-style-type: none">• Owners and shareholders• d’Amico International Shipping’s shareholders
Press releases	<ul style="list-style-type: none">• Owners and shareholders• d’Amico International Shipping’s shareholders
Communications regarding the company’s performance	<ul style="list-style-type: none">• Personnel
Internal regulations and disciplinary system	<ul style="list-style-type: none">• Personnel
Integrated Management System	<ul style="list-style-type: none">• Personnel
Lighthouse	<ul style="list-style-type: none">• Personnel

Informative moments and documentation	Stakeholders
Social Media	<ul style="list-style-type: none">• Personnel• Community
Emails and letters	<ul style="list-style-type: none">• Clients• Trade and strategic partnerships• Suppliers• Investors and insurers• Governments, national and international institutions, NGOs and organisations• Port and flag authorities
Industry trade shows and Road shows	<ul style="list-style-type: none">• Clients• Trade and strategic partnerships• Investors and insurers
Group websites	<ul style="list-style-type: none">• Clients• Community
Formal and institutional communications	<ul style="list-style-type: none">• Governments, national and international institutions, NGOs and organisations• Port and flag authorities

Dialogue moments and partnerships	Stakeholders
Ongoing communication with the HR department and head of crew	<ul style="list-style-type: none">• Personnel• Community
Personnel assessment system	<ul style="list-style-type: none">• Personnel
Meetings, events and seminars organised by the Group	<ul style="list-style-type: none">• Personnel• Owners and shareholders• d’Amico International Shipping’s shareholders• Clients• Trade and strategic partnerships• Suppliers• Investors and insurers• Port and flag authorities
Communication with the Board of Directors	<ul style="list-style-type: none">• d’Amico International Shipping’s shareholders

Dialogue moments and partnerships

Contacts with Sales and Purchasing department

Communication and contacts with finance department

Relations and communications with Top Management and HR, Training and Development Departments and Finance Department

Continuous relations with Top Management, Fleet Director, Health and Safety Department, Political Affairs and Training and Development

Round tables

Stakeholders

- Clients
- Trade and strategic partnerships
- Suppliers
- Investors and insurers
- Governments, national and international institutions, NGOs and organisations
- Port and flag authorities
- Port and flag authorities



Social responsibility



2021 HIGHLIGHTS

2,606 seagoing personnel

218 onshore personnel

53,976 total training hours for seagoing personnel

21 total per capita training hours for seagoing personnel

Retention rate

84.9% for seagoing personnel

89% for onshore personnel

Euro

90.9 million

the economic value distributed to employees

3,741 total training hours for onshore personnel

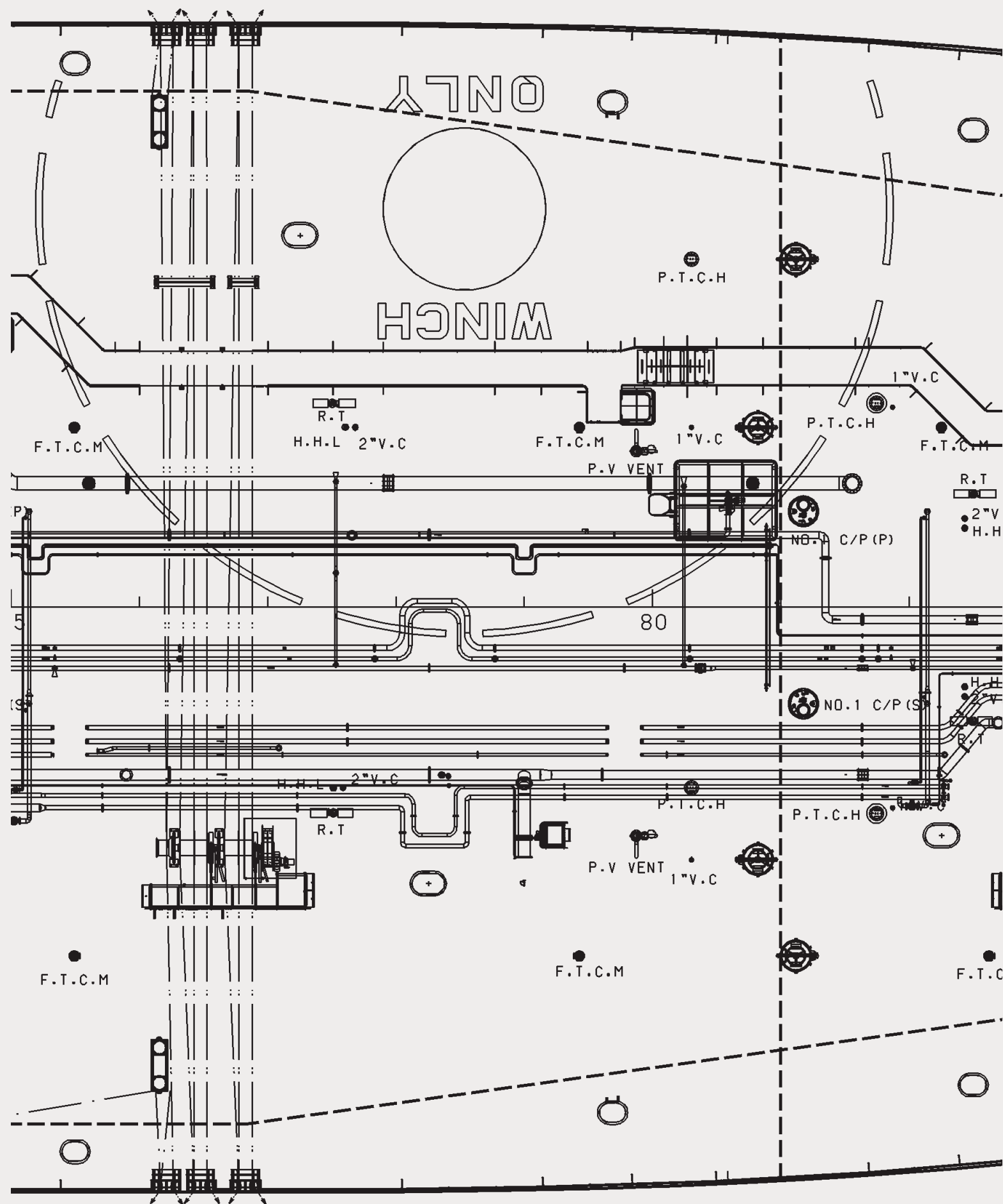
17.2 total per capita training hours for onshore personnel

Zero injuries

Euro

166,000 disbursed as membership fees for national and international shipowners associations and other organizations





Our people

SDGs	Sections of the Sustainability Report	Activities
	Remuneration and performance assessment system People care	<ul style="list-style-type: none"> Application of adequate remuneration and economic benefits for personnel, including adequate social protection
	Multi-cultural approach Training and development Remuneration and performance assessment system	<ul style="list-style-type: none"> Adequate training for all personnel enabling them to better carry out their job and responsibilities, and improve their skills and abilities
	The people who work for the company Remuneration and performance assessment system	<ul style="list-style-type: none"> Gender equity in all of the group's offices, for both managers and other employees
	The people who work for the company Multi-cultural approach Remuneration and performance assessment system Workers health and safety	<ul style="list-style-type: none"> Protecting the health and well-being of employees by reducing occupational risks and improving the safety of all employees, reducing inequalities between the group's employees and achieving full and productive employment and decent work conditions for everyone
	Multi-cultural approach	<ul style="list-style-type: none"> Cultural integration in the group's offices and on board all ships
	Human rights	<ul style="list-style-type: none"> Practices on diversity and inclusion in respect for individuals and for human rights

PEOPLE CARE

A fundamental value of the Group is represented by people and their professional and human development. The company, **by placing its people at the centre**, both ashore and on board, intends **to ensure their well-being and the enhancement of talents**, as well as **to offer an environment in which diversity, inclusion and team working are the basis of the organisational culture**.

The goal has always been to create a workplace that can guarantee **high performance and a consistent work-life balance**. Particular attention to people is a trait that has always characterized d'Amico Group over the years. It was initially possible thanks to a direct relational dynamic with the owners and management, but also through recreational and convivial moments of sharing where all employees, management, ownership and related families were involved all together to create an **extended d'Amico family**. People care has proved to be a very powerful tool for team building and corporate engagement.

Over time, the same attention has materialized through more structured measures such as the **flexibility plan** and the **welfare plan**, both aimed at increasing the well-being of people and their families. Also, it is important to acknowledge that the transition from one reality to another did not involve a break with the past, but only a formal explanation of the ideas, relationships and logics already at the basis of the relationship between the Group and its People. Moreover, it is precisely in this crucial moment of integration between past and future, tradition and innovation, that we intend to **improve the work environment** that people have to experience. The understanding of the role of a person within an organization, the enhancement of the individual and the recognition of their merits, being included in the right teams, the confidence in the abilities of each person, the accountability with respect to business objectives (empowerment), the development of soft skills, are all fundamental elements of a corporate engagement model that aims to attract the right candidates and retain the best talents.



MOVEMBER



PEOPLE CARE

Employee experience

By employee experience we mean the perception that each employee matures during every occasion of contact with the company. For this reason, the work experience of d'Amico's employees is improved through ad hoc practices that allow them **to work well and to achieve a state of psycho-physical and relational well-being**. The employee experience encompasses everything that a worker observes and perceives during the entire work experience with the company. The quality of the experience is influenced by elements such as workspaces and flexibility in managing time and objectives, interactions with colleagues and managers, work-life balance, the provision of technological tools enabling optimal performance on the job and, obviously, the remuneration package. Therefore, in planning the employee experience, it is essential to take into account the **three macro areas: work environment, technologies and mindset**.

The d'Amico Group implements an employee experience with practices that attract people and retain them and enhance the performance of the organisation. As for the work environment, it is possible to note how **the offices are located in strategic areas of their respective cities**, for example near large green parks, in the city centre, overlooking the sea; this allows the workers not only to enjoy a beautiful view, but also **to have easy access to numerous benefits**, including the enjoyment of green spaces for taking a break from work, enabling them to do regular physical activity.

In addition, in order to promote an increasingly agile business, the d'Amico Group **has provided its employees with technological tools** such as PCs, tablets, corporate phones, wireless systems.

Employee experience has its roots in the **organisational culture, mindset and values**.

The d'Amico Group has always been strongly committed to proper operating procedures, safety, environmental protection, and sustainable development. In fact, processes and widespread sustainable behaviours have been fostered among the people who work in the company and for the company. All efforts are focused on safeguarding the marine environment from pollution and on promoting responsible behaviour towards the environment. Professional excellence follows, encouraging people to be responsible, flexible and pragmatic.



For this reason, both the **development of their skills** and their **continuous professional growth** are ensured.

The Group is committed to **preventing all types of accidents at work**, protecting the health and well-being of employees, thus developing the sense of safety that people feel both on board ships and in offices while working. Furthermore, **reliability is strongly valued**: it is considered a central value in relations with all stakeholders insofar as it guarantees maximum transparency, openness and positive relationships. The people who are part of the company show passion and commitment to shipping and the goals that are achieved demonstrate their involvement, commitment and team spirit.

Added to this is the **multicultural integration** in offices and on-board ships. The **strong sense of belonging** and identification that people feel towards the company is crucial for the success and continuity of the Group. The deep sense of social responsibility on cultural, solidarity and environmental issues is an added value. Ultimately, the Group cares about people and supports their well-being, thus maintaining a high level of motivation and engagement.



THE IMPACT OF COVID-19 ON SEAFARERS AND ONSHORE PERSONNEL

Throughout 2021 the Group HR department continued to monitor closely the COVID-19 pandemic, adapting its policies to always be compliant with local regulations, while promoting smart working to protect the health and safety of its employees and their respective families. Flexibility and agility have become priorities for the Company to stimulate a better work-life balance for its employees.

By relying on **tools and technologies** capable of guaranteeing effective communication and productivity even outside of corporate offices, **smart working** has become an important tool for our employees to balance work commitments with their family and personal needs. At the same time, it significantly modified the relationship between the employer and employee to a dimension of trust and management by objectives.

Throughout 2021, d'Amico Group constantly informed all its employees on the recommendations of the World Health Organization (WHO) relating to the COVID-19 pandemic, on matters such as travel limitations, providing advice or directives from local governments.

The Group kept **updating its Outbreak Management Plan for the containment of the spread of COVID-19** in the workplace as well as the **d'Amico Group's Health and Safety Protocol**, detailing safety and hygiene measures to be respected by its employees for a safe and healthy return to office premises.

The Group confirmed its commitment to support the Protection of Health and Safety, providing a **healthy and safe workplace** in compliance with the laws in force, thus **minimizing the risk of injury, and guaranteeing the right of access to preventive healthcare and the benefit of medical care**.

During 2021, a **gradual return to office premises** took place, especially since COVID vaccination campaigns were implemented world-wide. Indeed, thanks to vaccines the d'Amico Group was able to move ahead and resume the speed of the Organization's projects. In countries where the control of infections allowed people to return to their offices, d'Amico Group **adopted all the precautionary measures and started a prevention campaign against Covid-19 with periodic screening for all employees**.

In fact, the HR department stipulated an agreement with a private health facility for carrying out swab tests - PCR and rapid antigen tests. In compliance with GDPR provisions, **the campaign was carried out entirely on a voluntary basis** and the initiative was well accepted by d'Amico's people. Indeed, for the Italian companies alone, **d'Amico recorded around 550 swab tests being carried out in the offices**¹⁰.

d'Amico Group also activated an insurance coverage for all employees relating to medical expenses that may be incurred in the event of COVID-19 infection within the workplace.

¹⁰ The number refer to the Italian Office only and does not include either those done outside the office premises.

SEAFARERS' ROLE AND COVID-19 IMPACT

Moreover, the COVID-19 pandemic has highlighted the professionalism and sacrifice of the two million seafarers who serve on the world's merchant fleet. As the front-line workers of the maritime industry, carrying 90% of global trade, **seafarers play a vital role in ensuring the global flow of goods that the world depends on in an unprecedented way, such as food, medicines, and medical supplies**. Ships

and ports needed to remain fully operational to maintain complete functionality of supply chains.

Inevitably, the **COVID-19 pandemic has also impacted the daily lives and well-being of seafarers**. The pandemic is still causing a humanitarian crisis at sea because hundreds of thousands of seafarers worldwide have been stranded working on board ships beyond the expiry of their contracts.



Because of COVID-19, in fact, even in 2021 **the d'Amico Group asked its seafarers to remain aboard ships beyond the expiry of their contracts**. Thanks to an important sense of belonging, nurtured by the company during the years, the requests for additional effort during this difficult period have been well received. **d'Amico Group has worked incessantly to get seafarers back to their homes and to ensure the crew changes on board**. Sirius Ship Management, the d'Amico Group Company in charge of crew management, was able to repatriate, in collaboration with international authorities, a large part of company seafarers stuck on ships due to the pandemic. **Sirius also chartered airplanes, deviated ships, and signed agreements with the various local authorities in order to assure crew turnover**.

In 2021, pursuing its commitment to guarantee and preserve health and safety in the work environment, **d'Amico Group started an important vaccination campaign on board of its vessels dedicated to all the seafarers**.

Moreover, in the last year, the **shipping industry appealed to Governments to address their plight by formally designating seafarers and other marine personnel as “key workers”**, ensuring safe crew changes and implementing the protocols developed by UN agencies, as well as by the International Chamber of Shipping and the International Transport Workers' Federation, allowing stranded seafarers to be repatriated and others to join ships. The main objective of the shipping industry was to recognize all seafarers as “key workers” thus bringing about a **removal of all barriers to obtaining any necessary documentation and the lifting of national travel restrictions, allowing easier crew changes and repatriation on conclusion of their contract**.

For all these reasons, in the end of 2020 the **“Neptune Declaration on Seafarer Wellbeing and Crew Change”** was signed by many members of the maritime industry and human rights leaders, with the aim of designating professional seafarers and marine personnel as “key workers”.

The Neptune Declaration urges the implementation of four main actions to address the crisis, as follows:

- recognize seafarers as key workers and give **them priority access to COVID-19 vaccines**
- establish and implement **gold standard health protocols** based on existing best practice
- **increase collaboration between ship operators and charterers** to facilitate crew changes
- **ensure air connectivity between key maritime hubs** for seafarers.



PEOPLE WHO WORK FOR THE COMPANY

SDGs

5

GENDER EQUALITY

UN TARGET

5.5

Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

ACTIVITIES AND KPIs IN 2021

35.3%

the percentage of female managers (onshore personnel)

8

DECENT WORK AND ECONOMIC GROWTH

8.6

By 2020, substantially reduce the proportion of youth not in employment, education or training

98.8%

the percentage of women with open-ended contracts (onshore personnel)

33.3%

the percentage of new hires under 30 (onshore personnel)

42%

the percentage of new hires under 30 (seagoing personnel)

253

trainees in 2021 (seagoing personnel)

In 2021, d’Amico Group’s workforce consisted of 2,824 employees¹¹, 218¹² of whom were onshore personnel (7.7%) and 2,606 employed on board vessels (92.3%).

The two types of resources, given their distinct characteristics, are managed by **dedicated departments** - the Human Resources Department for onshore personnel and the Crewing Department for seagoing personnel – sharing, however, the common d’Amico Group policy on Human Resources Management.

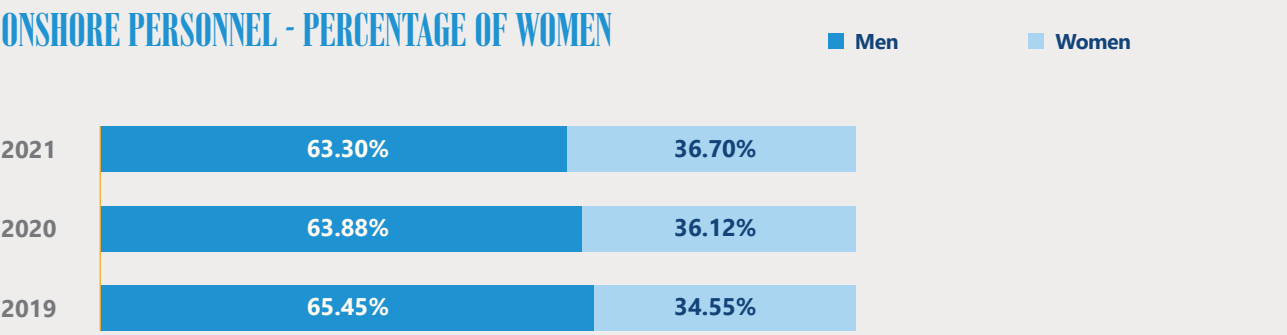
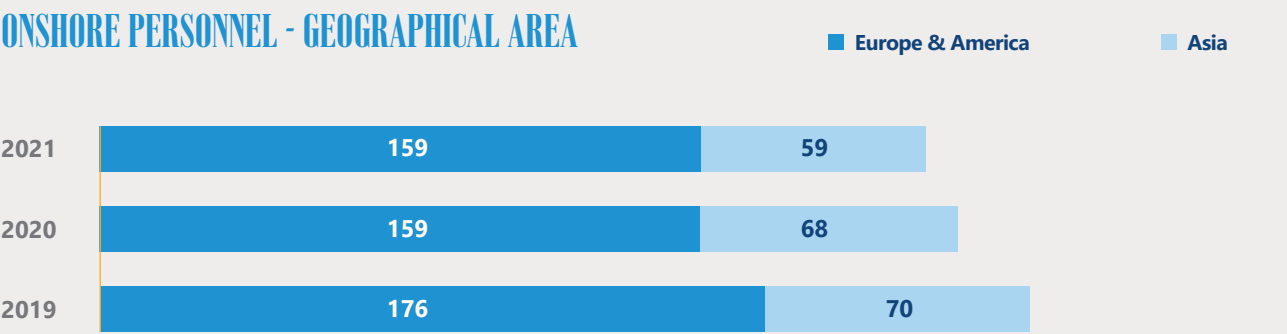
Compared to 2020, onshore personnel recorded a sharp decrease: although it remained stable in Europe and America, it significantly (-13.2%) in Asia, due to the transition of the purchase department from Singapore to India.

The organisational structure, in fact, saw a **further development of its presence in Mumbai under the d’Amico Ship Ishima India company**¹³, with the new development of the Buyers team - in addition to the existing technical and marine superintendents, ICT, PMS and FPM teams - as operation arm of the d’Amico Group Professions, for which the Indian market provides **highly qualified personnel with excellent professional expertise** and fluency in the English language.

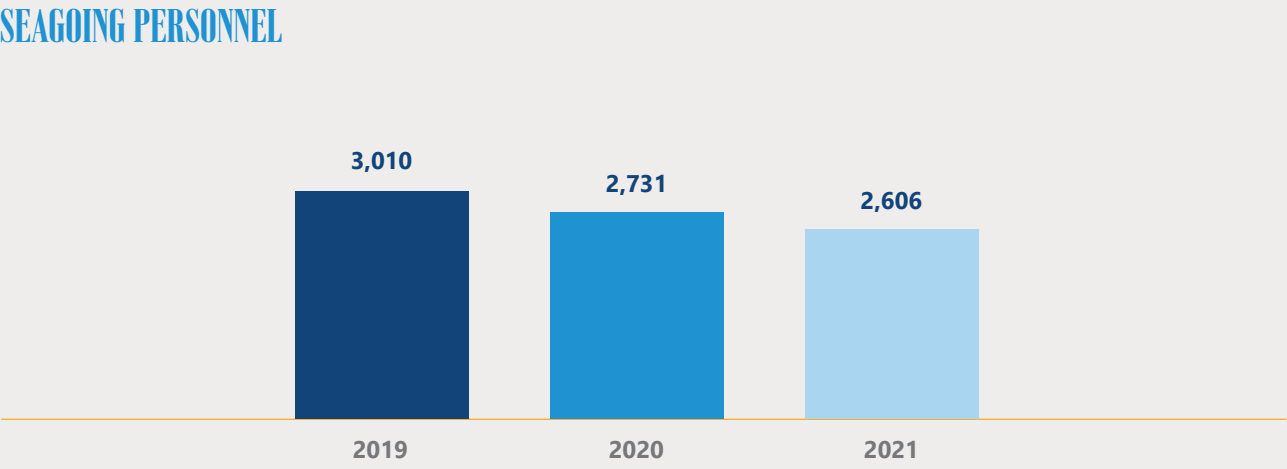
The **percentage of women** in relation to the total number (36.7%) **increased** compared to the previous years.

The decrease in onshore personnel numbers reflects the reorganisation process that the d’Amico Group undertook during 2020. The d’Amico Group decided to **implement a reorganisation of some work activities with the aim to improve efficiency and remedy any imbalances within the organisation, thus improving cost optimisation**. This entailed a series of interventions and investments aimed at rationalisation and renewal. Following this process, some activities were optimised by moving them from peripheral offices to more central offices, where management is located.

¹¹ This number takes into account the staff rotation on d’Amico Group ships.
¹² The consolidated number of onshore employees is equal to 274; the data reported below refers only to the personnel related to d’Amico and Ishima, equal to 218 units.
¹³ The personnel belonging to the Indian company are not included in the total personnel of d’Amico indicated in the paragraph. The reduction in staff is therefore justified by the transfer of employees from Singapore to India.



ONSHORE PERSONNEL	2019				2020				2021			
GEOGRAPHICAL AREA	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
Europe & America	120	56	176	31.8%	105	54	159	34.0%	102	57	159	35.8%
Asia	41	29	70	41.4%	40	28	68	41.2%	36	23	59	38.9%
TOTAL	161	85	246	34.6%	145	82	227	36.1%	138	80	218	36.7%

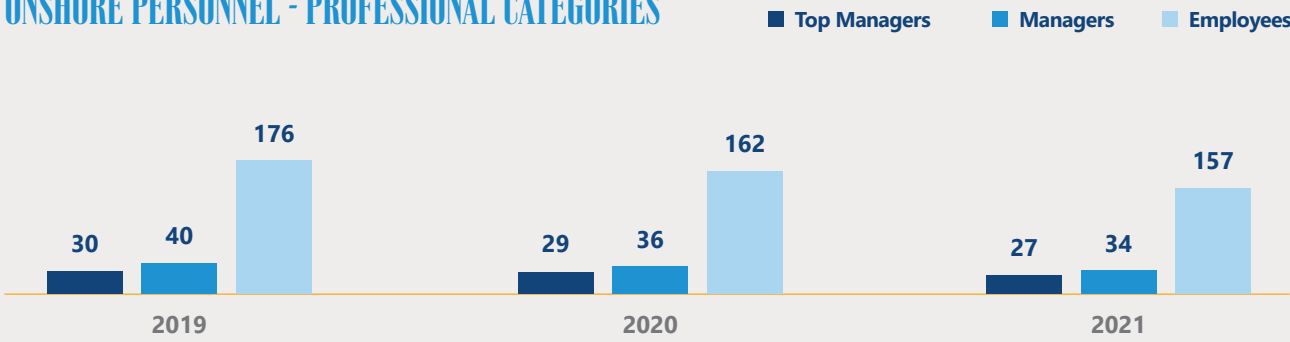


A 4.6% drop is reported in the number of seagoing personnel compared to 2020, equal to 125 seafarers. In 2021, the composition of the ship management operational tables was revised, favouring the consolidation of resources already

present within the organisation, instead of investing in new operational resources. In addition, compared to 2020, d’Amico Group sold 7 of its oldest vessels to focus only on modern and efficient ‘Eco’ vessels for its fleet.

The reduction in onshore personnel mainly involved both Employees, Managers, and Top Management.

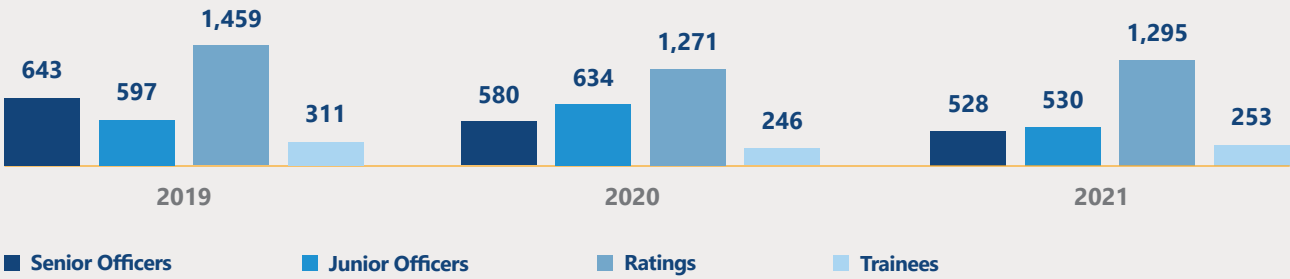
ONSHORE PERSONNEL - PROFESSIONAL CATEGORIES



ONSHORE PERSONNEL	2019				2020				2021			
PROFESSIONAL CATEGORIES	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
Top Managers	29	1	30	3.3%	28	1	29	3.5%	26	1	27	3.7%
Managers	25	15	40	3.75%	24	12	36	33.3%	22	12	34	35.3%
Employees	107	69	176	39.2%	93	69	162	42.6%	90	67	157	42.7%
TOTAL	161	85	246	34.6%	145	82	227	36.1%	138	80	218	36.7%

As regards seagoing personnel, the increase affects mainly trainees (+2.8%) and ratings¹⁴ (+1.9%), while there was a decrease in junior officers (-16.4%) and senior officers (-9.0%)

SEAGOING PERSONNEL - PROFESSIONAL CATEGORIES



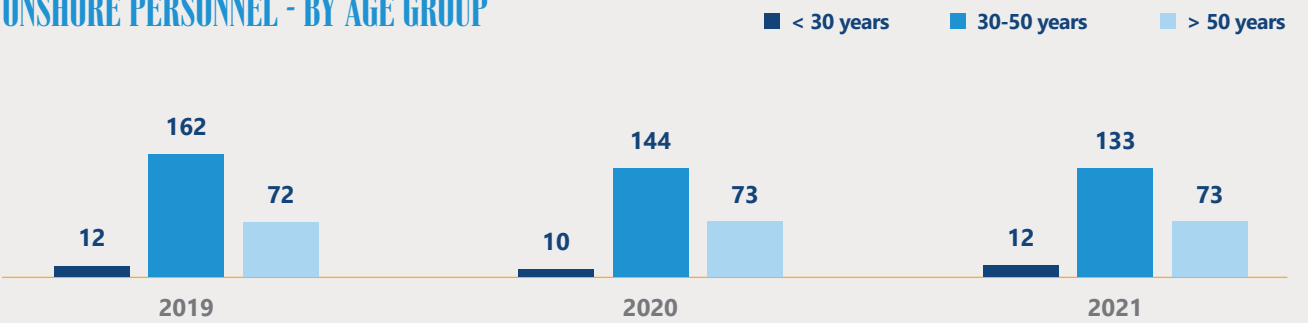
61% of the Group’s onshore personnel is between 30 and 50 years of age, 5.5% is under 30 of which 58.3% are women.

¹⁴ Ratings: Petty officers and Seamen.

The decrease in Senior officers and Junior officers in 2021, compared to 2020, was mainly due to the **lower number of ships managed** and to the **extension of the duration of on-board contracts** due to difficulties in organizing crew changes caused by Covid-19.

The ratings, on the other hand, increased because - not being able to make crew changes with Indian and Filipino personnel, being more penalized by the restrictions for Covid - d’Amico was forced to **add new personnel of other nationalities** such as Indonesians, Russians and Ukrainians.

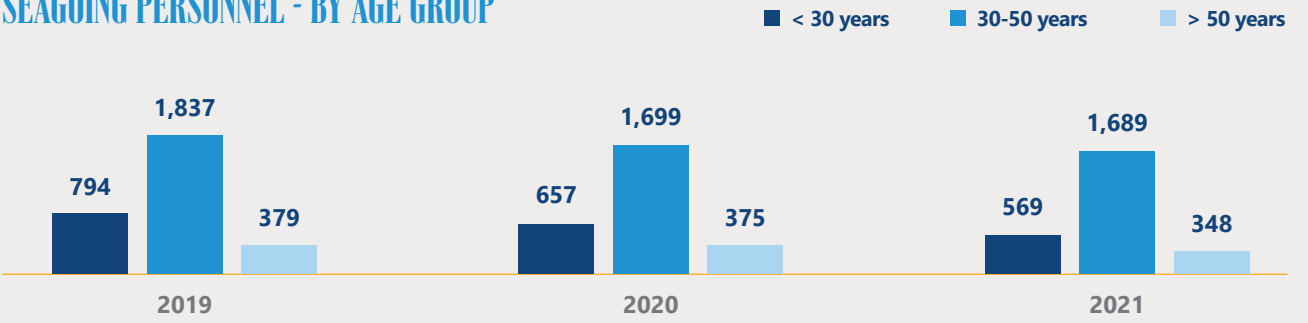
ONSHORE PERSONNEL - BY AGE GROUP



ONSHORE PERSONNEL	2019				2020				2021			
AGE GROUP	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
<30 years	5	7	12	58.3%	3	7	10	70.0%	5	7	12	58.3%
30 - 50 years	97	65	162	40.1%	87	57	144	39.6%	82	51	133	38.3%
>50 years	59	13	72	18.1%	55	18	73	24.7%	51	22	73	30.1%
TOTAL	161	85	246	34.6%	145	82	227	36.1%	138	80	218	36.7%

On average, seagoing personnel was younger: 21.8% under 30 years of age, 64.8% between 30 and 50 and the remaining 13.4% over 50.

SEAGOING PERSONNEL - BY AGE GROUP



SHIP AND SHORE STAFF SEMINAR 2021

Periodic meetings and targeted actions are organised **to promote integration between onshore and seagoing personnel.**

Every year the Company organises two editions of the **"Ship and Shore Seminar"**, generally in Italy and India. In addition to the actual purposes of the seminar - which include **activities for learning and sharing topics** related to health, safety, environment and any other matter of relevance to the shipping industry - the event also allows seagoing personnel, their families and office staff **to develop strong bonds.** Ideas and experiences are shared on a platform and commitments are made **to spread sustainability values, the knowledge of new maritime regulations, and safety and health procedures.** These are a cultural rather than operational imperative, in addition to being a distinctive characteristic in order to actively respond to the changes in the sector and succeed in becoming a leading company in an increasingly complex and regulated market. The interaction between sea and shore staff provides the right platform **to learn lessons from past incidents** and highlights how safety can be achieved and safeguarded

onboard through various aspects.

Since the outbreak of the pandemic, the seminar has been organized online. **In 2021 the d'Amico Group - together with Ishima - organised two seminars, one in July and one in December.**

Besides the important topics presented by all company's departments (i.e., marine, technical, chartering, operation, ICT and purchasing) the highlight - in the July edition - was the focus on seafarers' wellbeing, with the presentation by Mental Health Support Solution (MHSS) who has been offering pragmatic and effective support to d'Amico seafarers since 2021.

Conversely, the December seminar was structured in a different manner. The entire flow of the event was organized by alternating presentations with group discussions and workshops. During these sessions, the groups of crew members were asked to interact on specific topics to ensure discussions and feedback.

The seminars were appreciated by all participants and increased their commitment to the d'Amico Group.



LIGHTHOUSE

Starting in January 2014, d'Amico Group began publishing "The Lighthouse", an **internal magazine** that provides **interesting content and represents an efficient shore-and-ship communication link, on a quarterly basis.**

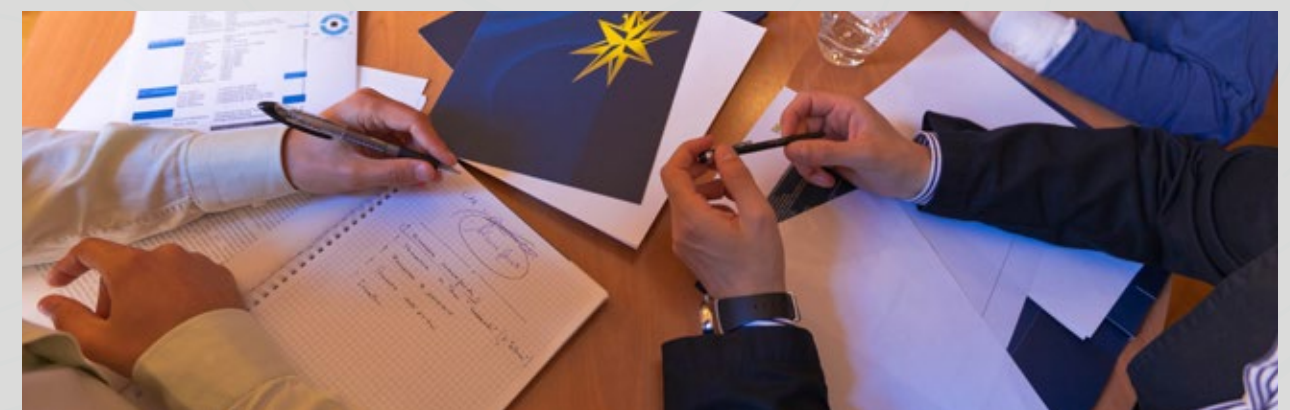
"The Lighthouse" magazine helps d'Amico Group to communicate across teams dynamically and comprehensively, **creating a sense of community throughout the Group.** All departments contribute to each edition of "The Lighthouse", with articles about new regulations, new projects, best practices development, and analysis and comments on marine casualties. In line with the Group policies, the magazine is aimed at **focusing the attention of all crew members on individual health, safety procedures, and protection of the environment. Nevertheless, "The Lighthouse" also includes sections dedicated to life on board,** more generally to the wellbeing of seafarers, as well as information about company events onshore.

This year the attention was also focused on the COVID-19 pandemic. The Group has shown its commitment to

guarantee their seafarers the possibility to get vaccinated against the COVID-19. Therefore, an important vaccination campaign was implemented on board our vessels to minimize the risk of Coronavirus contagion for our seafarers; vaccination is a fundamental step to safeguard their health and safety.

These continue to be challenging times for many of our seafarers. In this regard, d'Amico Group also focused its efforts on safeguarding their mental health. Bullying and Harassment are still present in the maritime shipping industry, and for this reason it is essential to prevent any kind of behaviour that could harm the crew.

"The Lighthouse" magazine is also **an opportunity to congratulate our seafarers,** through the "Service with Pride" section, **for seniority within the organisation.** Starting with five years of service in the organisation, we proudly list officers and crew with a seniority of twenty years and more. This is a special way of making the d'Amico community aware of the seniority reached by our onboard people within the organisation.





Types of Contracts

SDGs



UN TARGET

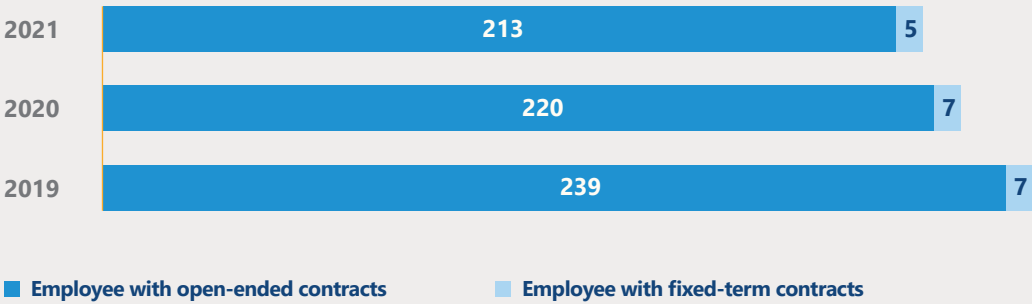
8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

ACTIVITIES AND KPIs IN 2021

- 97.7%** The percentage of employees with open-ended contracts (onshore personnel)
- 86.2%** The percentage of seafarers with open-ended contracts (seagoing personnel)
- 89.0%** The retention rate of onshore personnel, +2,7 percentage point since 2020
- 86.2%** The retention rate of tanker ship seafarers, +2.0% since 2019
- 83.5%** The retention rate of dry ship seafarers -1.3% since 2019

The percentage of onshore **personnel employed with an open-ended contract increased from 96.92% in 2020 to 97.71% in 2021** as clear evidence of the high level of attention that the Group places on retention activities, connected to long-term investment in its resources.

ONSHORE PERSONNEL - BY CONTRACT TYPE

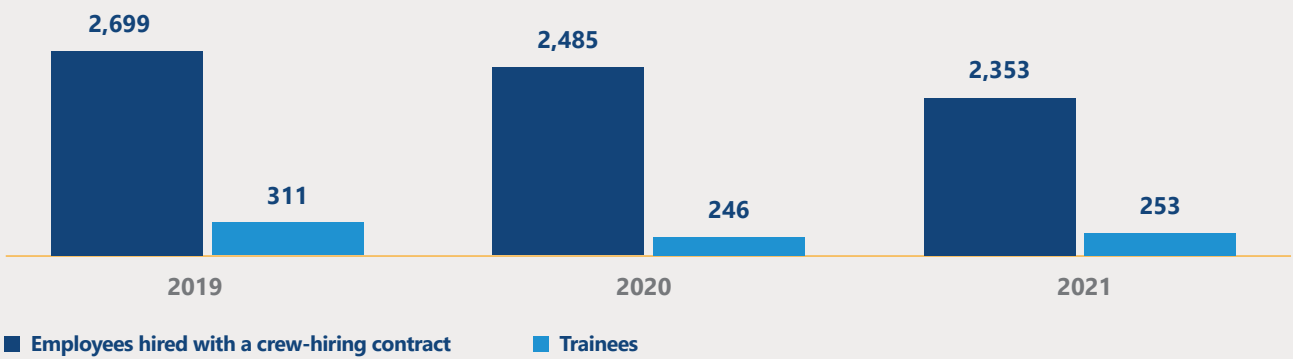


ONSHORE PERSONNEL	2019					2020					2021				
	Europe and America		Asia		Tot	Europe and America		Asia		Tot	Europe and America		Asia		Tot
	M	W	M	W	T	M	W	M	W	T	M	W	M	W	T
Open-ended contract	115	55	40	29	239	102	52	39	27	220	99	56	35	23	213
Fixed-term contract	5	1	1	0	7	3	2	1	1	7	2	2 ¹⁵	1	0	5
TOTAL	120	56	41	29	246	105	54	40	28	227	102	57	36	23	218

The Group employs seagoing personnel under a seafarer employment agreement in line with international standards and regulations (2006 Maritime Labour Agreement) and as described in the Collective Bargaining Agreement (CBA). It also guarantees the **continuity of staff rotation on similar types of ships, as shown by the high retention rate of 84.9%**, which is a satisfactory result, **in line with market standards**.

In 2021, the Company had **253 trainees in its fleet**, i.e. 9.7% of total staff employed on board.

SEAGOING PERSONNEL - BY CONTRACT TYPE



SEAGOING PERSONNEL	2019	2020	2021
CONTRACT TYPE	Total	Total	Total
Employees hired with a crew-hiring contract	2,699	2,485	2,353
Trainees	311	246	253
TOTAL	3,010	2,731	2,606

¹⁶ Both contracts were commuted to open-ended contracts in 2022.

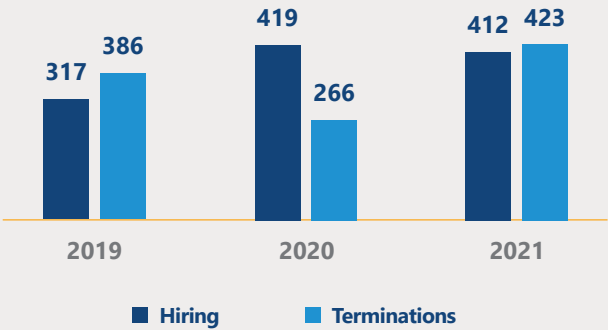
Hiring and Resignations

In 2021, d’Amico Group recorded **negative turnover of 7 people** with a decrease in seagoing personnel (-11 people). In the same year, the Group hired **18 new onshore employees** (12 men and 6 women), 30% of whom under 30, and **412 (all men) seagoing employees**, 42% of whom under 30.

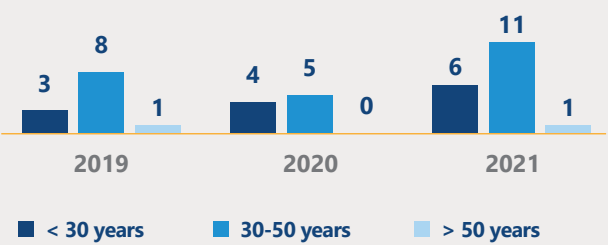
TURNOVER - ONSHORE PERSONNEL



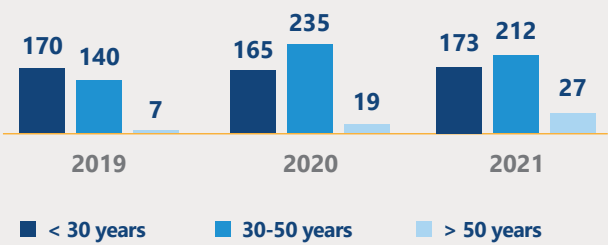
TURNOVER - SEAGOING PERSONNEL



HIRING BY AGE - ONSHORE PERSONNEL



HIRING BY AGE - SEAGOING PERSONNEL



ONSHORE PERSONNEL	2019					2020					2021				
	Europe and America		Asia		Tot	Europe and America		Asia		Tot	Europe and America		Asia		Tot
	M	W	M	W	T	M	W	M	W	T	M	W	M	W	T
<30 years	2	1	0	0	3	1	1	0	2	4	2	2	2	0	6
30-50 years	3	1	2	2	8	1	0	3	1	5	7	4	0	0	11
>50 years	1	0	0	0	1	0	0	0	0	0	1	0	0	0	1
TOTAL	6	2	2	2	12	2	1	3	3	9	10	6	2	0	18

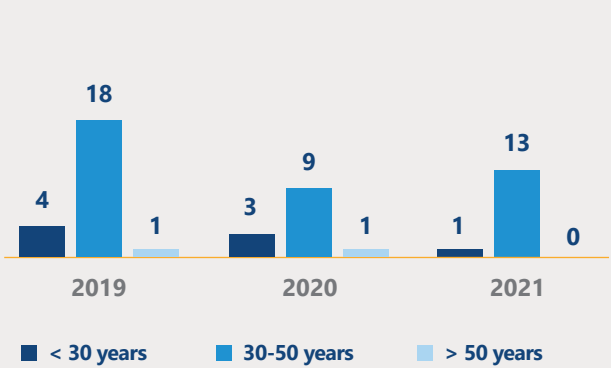
SEAGOING PERSONNEL	2019	2020	2020
HIRING	Total	Total	Total
<30 years	170	165	173
30-50 years	140	235	212
>50 years	7	19	27
TOTAL	317	419	412

Regarding exiting **staff**, in 2021, 14 resignations were recorded among onshore personnel and 423 resignations among seagoing personnel. **The Group had very good retention levels for both onshore (89.0%) and onboard personnel**, in particular, the retention rate was **89.1% on tanker ships and 89.2% on dry vessels of d’Amico Società di Navigazione while 83.4% on tankers and 77.8% on Dry for Ishima. The sector’s retention rate**¹⁷, as regards tanker ships, is instead 80%, under every aspect lower than the Groups’ retention rate.

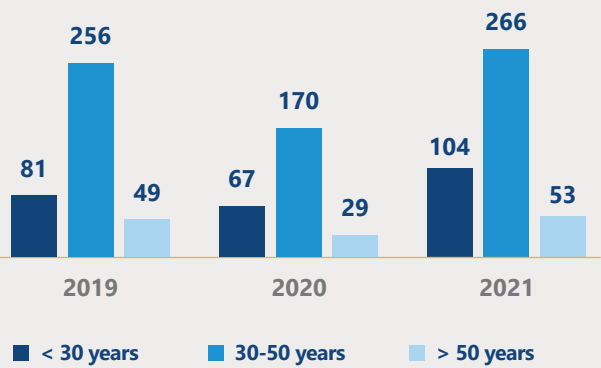
A considerable number of captains have spent their entire careers with d’Amico, starting out as cadets and rising, in some cases, to fill management positions in the offices.

The **reorganisation** of some professional activities undertaken during the previous year with the aim of improving efficiency and resolving any imbalances within the organisation, resulting in cost optimisation, has confirmed throughout 2021 the effectiveness of the operation which has been guaranteed by the interventions and investments undertaken as well as the renewal and consolidation of the same activities, now more centralised.

RESIGNATION BY AGE - ONSHORE PERSONNEL



TERMINATIONS BY AGE - SEAGOING PERSONNEL



¹⁷ OCIMF, Tanker Management and Self Assessment 3 (TMSA3), Third Edition 2017

ONSHORE PERSONNEL	2019					2020					2021				
RESIGNATIONS*	Europe and America		Asia		Tot	Europe and America		Asia		Tot	Europe and America		Asia		Tot
	M	W	M	W	T	M	W	M	W	T	M	W	M	W	T
<30 years	1	2	1	0	4	1	0	0	2	3	1	0	0	0	1
30-50 years	4	3	8	3	18	1	4	2	2	9	2	3	4	4	13
>50 years	0	0	1	0	1	1	0	0	0	1	0	0	0	0	0
TOTAL	5	5	10	3	23	3	4	2	4	13	3	3	4	4	14

* The Intertanko formula describes the total number of terminations from any cause (in effect this means the total number of employees who left the company for any reason). Retirement, long-term illness, or staff that do leave providing benefit to the company by virtue of leaving, are not counted for the retention.

SEAGOING PERSONNEL	2019	2020	2021
TERMINATIONS**	Total	Total	Total
<30 years	81	67	104
30-50 years	256	170	266
>50 years	49	29	53
TOTAL	386	266	423

**Total number of seafarers who, for various reasons, have stopped sailing with d’Amico Group.



Multicultural Approach

SDGs

UN TARGET

8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8 DECENT WORK AND ECONOMIC GROWTH

ACTIVITIES AND KPIs IN 2021

NO REPORTING

Received in relation to discriminatory acts against people of different ethnicity or nationality

10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10 REDUCED INEQUALITIES

17

Different nationalities within the crew members

24

Different nationalities within the onshore personnel

79.4%

Of the personnel is from Asia

As a global operator, d’Amico Group recognises multi-cultural integration and team building as a **value at all levels of the organisation, both in the offices as well as on board our vessels.**

Multi-culturalism as a value embodies equal opportunities, diversity, and inclusion policies in the workplace. A **diverse workplace gives a company a competitive advantage**, especially for an international business. In fact, a multi-cultural approach promotes the integration of different cultures and a mutual exchange of ideas, experiences, and perspectives, which leads to innovation for the business and more favourable and positive working relationships.

It offers **opportunities for businesses to expand globally**, achieving and improving corporate social responsibility, and is one of the **key indicators of a global organisation.**

Open-mindedness and communication are the core advantages of multi-culturalism that can benefit the workplace. It encourages open dialogue to create understanding, collaboration and teamwork among staff. Above all, multi-culturalism demonstrates tolerance, respect and acceptance which improves the Company’s culture and reduces conflict within the workplace, giving equal attention and representation to cultural needs. It entails the removal of barriers to consider the great potential for cultural, and even professional, growth represented by the diverse traveling community aboard a ship, which may often share this condition for a long time.

The ships’ crews come from 17 different countries, with the majority made up of Indians 58.7%, Filipinos 18.2% and Ukrainians 10.0%. The remaining 13.1% come from countries such as Italy, Romania, Russia, Morocco, Bangladesh as well as Ethiopia, Liberia and the Maldives.

The onshore personnel, on the other hand, **comes from 24 different countries**: more than half of the staff is Italian (54.6%), while the remaining part is mainly composed by Singaporeans (11.0%), Indians (6.9%) and French (6.0%).

RECRUITMENT AND SELECTION

Seamless hiring and remote talent acquisition

As a group we have not only introduced smart working policies for our employees since the beginning of the Coronavirus emergency, but we have **continued to hire new people**. We did it with **new methods, which require the entire people acquisition process to be carried out remotely**, from the selection phase to the signing of the contract: all the steps have been reviewed and adapted in light of the new needs. To minimize movement and contact between people, all interviews take place on platforms such as Skype, MS Teams, both the first cognitive meeting, in which the soft skills and professional skills of the candidate are assessed, and the technical one, until hiring.

Onshore Personnel

Recruitment is a crucial process because it is during this phase that the Company identifies and selects the human resources capable of providing an important contribution to the organisation, consistent with its corporate culture and values. The **quality of people**, in fact, remains a **strategic asset for the Company**. The accurate identification of the professional profile to be recruited, in terms of skills, capabilities, seniority and experience, represents an important moment.

For this purpose, the Company invests in **talent acquisition through sector networking and partnerships with reputable universities, educational and training institutions** supporting a constant commitment to all “brand employment” actions. When there is a job vacancy, in order to be able to recruit the most qualified and talented candidates, the Human Resources Department identifies the best mix of recruitment channels available on the market, develops a detailed job profile description and determines the appropriate seniority required. **An important recruitment channel** for highly qualified professionals, especially for positions that directly support the operations and the management of vessels, **is the onboard personnel**. As such, the synergy between the vessel and the office allows to offer opportunities for professional growth with the intention also of strengthening d’Amico Group’s culture.

Two candidates have been selected from the d’Amico onboard personnel (navigational officers) to strengthen the Operation Department – Ship Control Unit. Their effective shore employment started in early 2021.

During the selection process, the Human Resources Department works closely with the line manager of the relevant unit so that the best candidate is selected in terms of **skills, experience, motivation and compatibility with the organisational context and working group**. With regard to the latter aspects, **adherence to the values and culture of the d’Amico Group** is a key attribute that guides the selection of the candidate.

ONSHORE SELECTION PROCESS	2019	2020	2021
Jobs and selection processes opened*	12	4	7
Candidates	1,673	1,460	1,558
Of which spontaneous	1,131	1,393	1,146
Candidates for job vacancies that are reviewed	542	67	412

* For each open position, approximately 5 or 6 candidates were short listed and examined in the final phase of the selection.

As can be seen from the previous figures, the number of candidates - in particular the number of spontaneous candidates - underline the **d’Amico Group’s ability to attract and fascinate new talent**.

At the same time, also the HR department’s ability to evaluate, interview and review many more candidates for each position have been improved during the last year, in order to better search and find talents to be included within the organisation.

To immediately build a deep understanding of the expected role and to strengthen integration in the organisational environment, **new recruits are accompanied through an induction training process** (On-Boarding). This consists of meetings with their line manager and the HR Department as well as on-the-job training and ensures that recruits acquire all the necessary tools and information to become a member of the team and the organisation.

Seagoing personnel

The quality of the crew is a key aspect for d’Amico, as it guarantees safety, efficiency and reliability in the management of the fleet. In fact, d’Amico crew members spend much of their time on board, therefore it is very important to identify high quality personnel.

In 2021, **officers spent 6.0 months on board, while ratings spent 8.4 months on average**. The period is longer than the previous year due to difficulties in arranging crew changes because of COVID-19 travel restrictions. The time spent on board is calculated as the sum of the durations of the various contracts of each person. A person can have multiple contracts during the year. The typical staff rotation (especially officers) provides an average of 3 months of rest for every 5 months spent on board.

Access to highly qualified personnel requires an effective recruitment and retention programme. In order to meet these needs fully, a selection strategy has been adopted for seagoing personnel, resulting in recent years in the implementation of specific initiatives, such as the consolidation of relations with Sirius Ship Management Srl, the company entrusted with recruitment activities.

Loyalty and identification with the company’s corporate culture are core values for the Group and in line with its values, d’Amico Group believes that the presence of a crewing and training structure in its seafarers’ countries of origin will strengthen their sense of belonging to the Company. It ensures mutual understanding and sharing of the Group strategy and values. It is, in fact, **the Group’s general policy to recruit personnel from the countries where it has established crewing and training structures**. In line with this, cadet recruitment and training centres will be supported in all locations where there is an in-house established crewing and training structure that can supervise their training and skill progression.

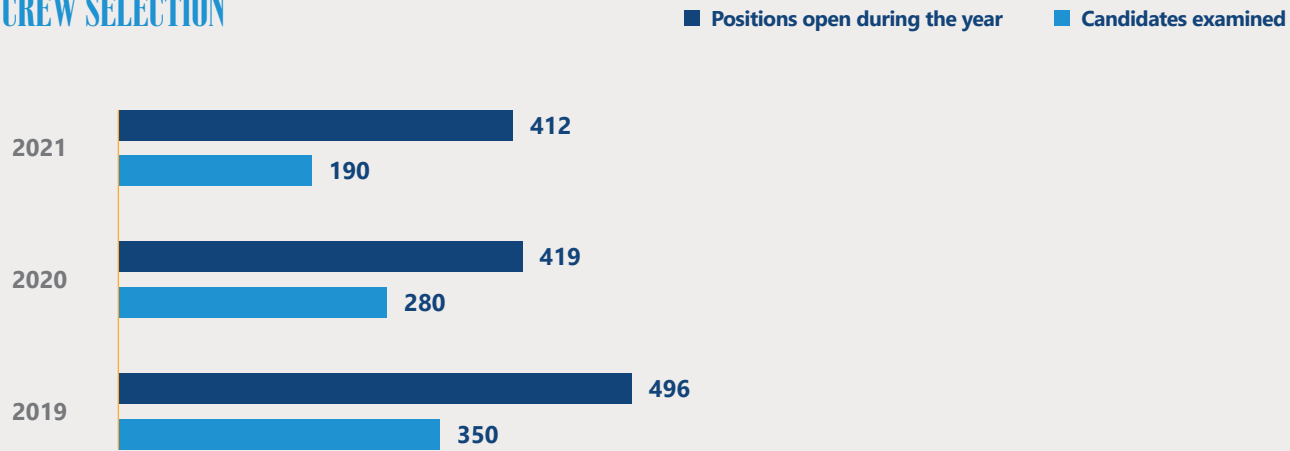
Among these initiatives, the greater involvement of the Mumbai office and the selection of an external provider in the Philippines should be noted. Both initiatives respond to the need to **play a significant role in countries where the labour market features strong demand and suitable availability of qualified personnel**. In addition to the traditional presence in India and Philippines, the Group has recently reinforced its presence in Ukraine and Romania for the recruitment of officers for both the Dry and Tanker Fleet. The d’Amico Group encourages and supports intercultural values within the Company, confirming its commitment to implementing a policy based on diversity and inclusion, regarded as success factors for the organisation.

For the selection of personnel holding positions of responsibility in ship management, the Company’s policy is to select – where possible – these positions from among the seagoing personnel of its fleet.

Candidates are identified through feedback and assessments received from DPA, maritime managers and technicians. For these positions, as a rule, senior officers are preferred. Recruitment activities are entrusted to a company within the Sirius Group (and its subsidiaries), which is duly certified to fully operate in compliance with the MLC 1.4 standard.

Specific selection and recruitment criteria in line with international standards and regulations - 2006 Maritime Labour Agreement - and with Collective Bargaining Agreements (CBAs) have been defined by the Group to ensure that highly qualified personnel are selected and that they are offered extensive protection of their rights.

CREW SELECTION



CREW SELECTION	2019	2020	2021
Positions open during the year	496	419	412
Of which for internal positions	256	204	142
Candidates examined	350	280	190



THE DAY OF THE SEAFARER


International shipping and related industries are dependent on qualified seafarers to operate ships, and on shore-based personnel to support ship operations. The maritime community contributes to quality of life, particularly in developing countries, by employing 1.5 million seafarers and much more land-based personnel, thereby directly enhancing economic prosperity in local communities. The safety and security of life at sea, the protection of the marine environment, and the efficient movement

of global trade depend on the professionalism and competence of seafarers.

The seafaring profession is promoted through the annual Day of the Seafarer, which provides a platform for seafarers and maritime sector personnel **to celebrate and share their experiences with the general public and to raise awareness of the value and importance of maritime transport**. The Day of the Seafarer (25th of June) is recognized in the list of annual United Nations Observances.



TRAINING AND DEVELOPMENT

SDGs	UN TARGET	ACTIVITIES AND KPIs IN 2021
	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	17.2 Total per capita training hours provided to onshore personnel
		21 Total per capita training hours provided to seagoing personnel
		63% The percentage of people trained out of total employees
	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	0.7 The ratio between per-capita training hours for women and per-capita training hours for men (onshore personnel)

The Group assigns great importance to training and to defining growth and professional development processes for both onboard and onshore personnel. Through its **training programmes**, d’Amico ensures that people build new competencies and update those they already possess, in order **to maintain high quality performance, to support the development of talents** through growth in terms of roles and responsibilities, **and to reinforce the sense of belonging** to the Company.

Onshore Personnel

Training and development are a fundamental part of the people management system and, together with the reward and performance evaluation system, contribute to maintaining and strengthening high quality performance by the people working within the Group. The aim of the training policies and initiatives is to create a **context of continuous learning that supports the process for developing and maintaining skills**.

Within this framework, the **d’Amico Academy** was created for onshore personnel. The goal of the Academy is to build a community of employees, colleagues and experts who **share management and shipping knowledge in a common learning platform**. The Academy brings together all learning and development initiatives to create an environment for developing skills and strengthening professional relationships and hence enhancing and consolidating the learning culture at all organisational levels, mixing different approaches and tools.

Since 2019, all d’Amico personnel can access, through a dedicated Academy section in the **Darwin intranet portal**, e-learning training courses and orientation training programs, as well as the upcoming shipping courses. That is, a list of training initiatives relevant to the shipping industry that the HR Department selects and assembles from different training providers.

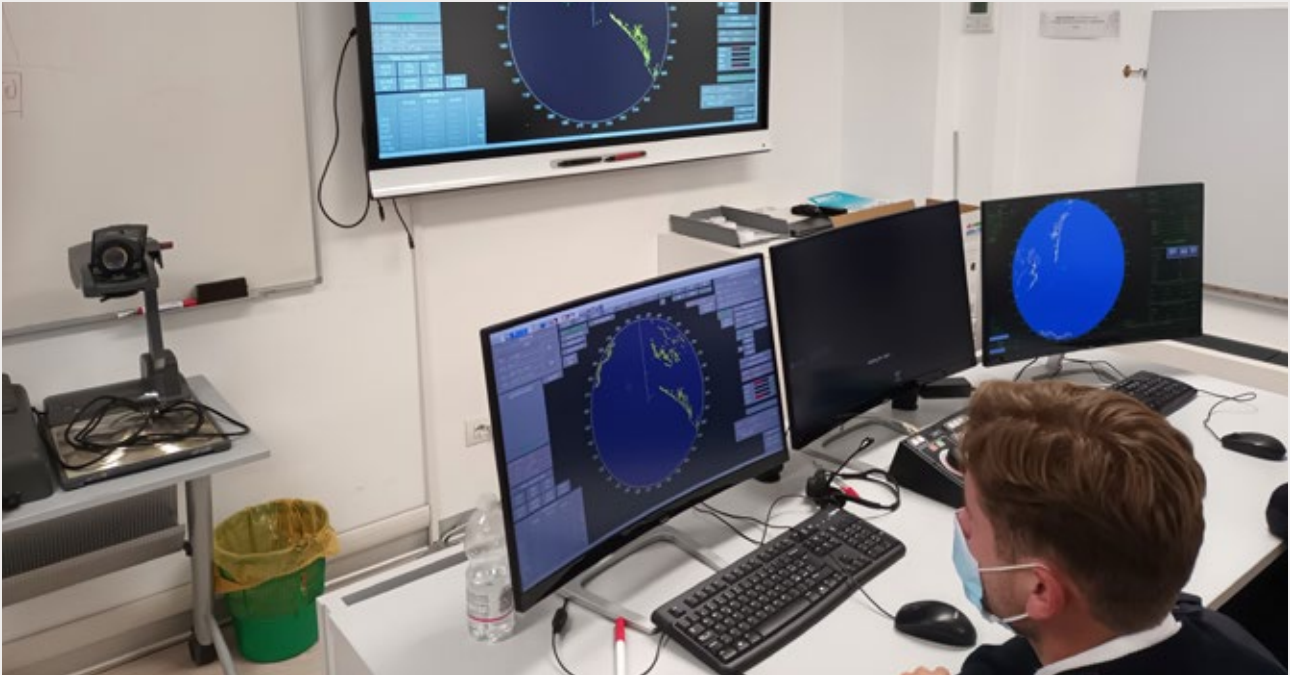
This is the result of the **Group’s recent focus on innovation in terms of training methods adopted**.

In addition to more traditional classroom training, several e-learning courses have been delivered to ensure a flexible, modular and interactive approach to learning - 24/7 from different devices - which is also the result of planning inspired by both case studies and by the motivating and engaging use of gamification. The Academy includes several **pillars**:

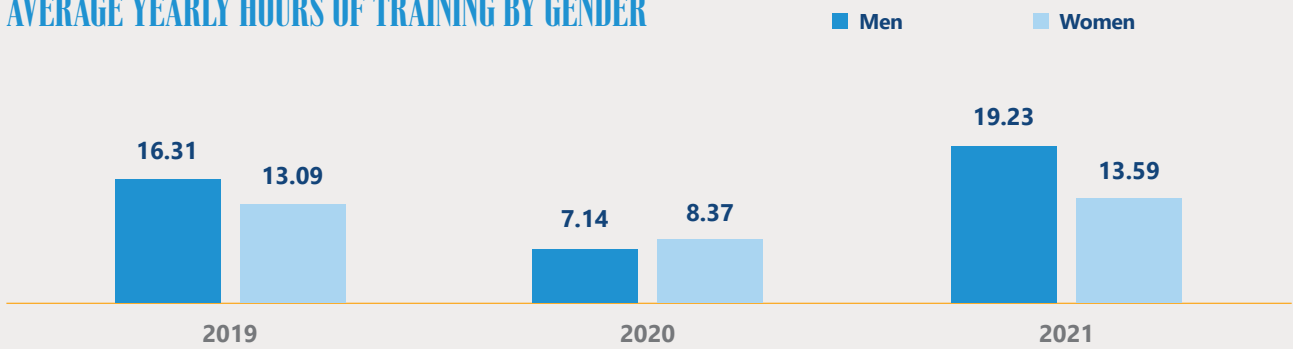
- **Technical and shipping training:** this area aims to develop specific skills typical of the professional category as well as skills closely related to the shipping sector. Many courses, including some that are tailored to specific business needs, are carried out in collaboration with leading players in the sector, for example, BIMCO, Lloyd’s Maritime Academy, DNV GL, RINA Academy, National Cargo Bureau, ASBA Education and ASDEM.
- **Managerial training:** this area aims to develop soft skills and, through the design and implementation of specific training programmes, to develop skills for effectively and professionally operating in an increasingly complex organisational environment. High-performing organisations recognise that it is not only what people do but how they do their jobs that makes the difference in achieving business objectives. It is a crucial development system and ensures practices that are geared towards defining, assessing, maintaining, and developing the soft skills of our personnel that enhance the culture of high performance, which can be observed through people’s actions and behaviours.
- **Institutional and compliance-related training:** this pillar is designed to meet the requirements of compliance with the standards imposed by law and includes institutional initiatives for the entire organisational workforce.
- **Language & IT training:** these courses are designed to ensure that employees are kept up to date with the latest software used in the Company and available on the market, as well as to improve communication flow among the d’Amico offices. These are both targeted initiatives related to the launch of new systems and ongoing initiatives aimed at ensuring high levels of language and technology skills to help employees operate at an optimum level in an international and increasingly innovative environment.

Alongside these four key reference areas, the Company offers the opportunity to participate in **postgraduate training programmes**, supports **professional certifications** and encourages participation in **industry-specific conferences**, both as participants and as speakers.

In 2021, 42 main training projects were completed, generating around 800 trainings editions with the involvement of 187 employees and the delivery of 3,717 training hours (465 days) in line with pre-Pandemic results (3,870 hours). Most of training hours were of course delivered through the e-learning platform and webinars.



AVERAGE YEARLY HOURS OF TRAINING BY GENDER



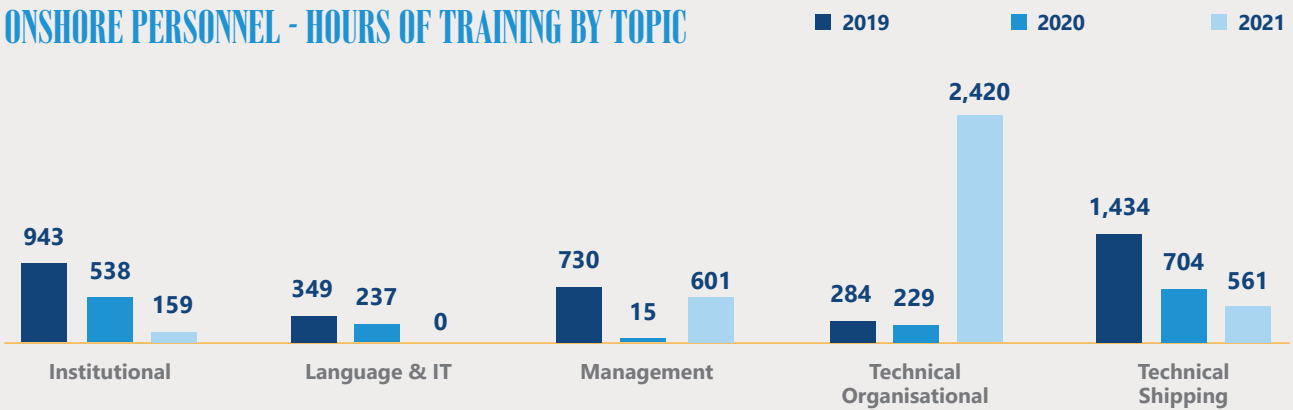
ONSHORE PERSONNEL	2019		2020		2021	
AVERAGE YEARLY HOURS OF TRAINING	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Top Managers	13.31	3	3.82	1.3	18.19	59.11
Managers	15.98	17.40	2.26	19.10	5.40	22.17
Employees	17.21	12.30	9.40	6.61	22.91	11.37

ONSHORE PERSONNEL	2019				2020				2021			
AVERAGE YEARLY HOURS OF TRAINING BY GENDER AND AREA	Europe and America		Asia		Europe and America		Asia		Europe and America		Asia	
	M	W	M	W	M	W	M	W	M	W	M	W
Top Managers	12.17	3.00	18.80	/	4.71	1.30	0.55	/	18.87	59.11	15.35	/
Managers	11.23	19.58	23.10	3.25	3.20	22.39	0.69	2.65	3.03	24.14	9.54	7.33
Employees	16.36	14.56	19.85	8.80	12.18	8.41	1.84	3.63	9.84	8.55	60.99	17.57
TOTAL	14.88	15.52	20.51	8.41	9.33	10.87	1.39	3.56	10.77	12.35	43.21	16.68

64% of the training initiatives hours have been dedicated to developing skills and competencies on Technical Organisational area (ABS program), with a significant increase since 2020 (+956.7%).

Out of the total hours, 16% and 15% were dedicated respectively to the Managerial and Technical Shipping areas and only 4% to Institutional. No Language & IT training was provided during 2021.

ONSHORE PERSONNEL - HOURS OF TRAINING BY TOPIC



ONSHORE PERSONNEL	2019				2020				2021			
HOURS OF TRAINING BY GEOGRAPHICAL AREA, GENDER AND TOPIC	Europe and America		Asia		Europe and America		Asia		Europe and America		Asia	
	M	W	M	W	M	W	M	W	M	W	M	W
Compliance/Institutional	450	228	148	117	281	196	23	38	24	21	102	12.9
Language & IT	89	141	66	53	75	127	15	20	-	-	-	-
Management	418	149	144	19	-	15	-	-	380	133	74	15
Technical - Organisational	59	107	116	2	96	121	10	2	446	278	1,340	356
Tchnical - Shipping	763	228	374	69	528	128	8	40	249	272	40	-
TOTAL	1,779	853	848	260	980	587	56	100	1,098	704	1,556	384

In general, in the last period a **new approach** has emerged in **terms of training methodology** along with the e-learning:

- Micro-learning is an approach to learning new information in small chunks at a time
- Memory does not stay consistent throughout trials. Memory can increase, decrease, and back again many times
- Splitting the content into small pieces and recalling different parts of it over time can help improve knowledge retention and performance.



TRAINING INITIATIVES

Among the training initiatives, in 2021 we launched, together with the Group of professionals The European House Ambrosetti, the *"Future Hub: Gear up for the future. State-of-the-art knowledge and skills. A learning environment dedicated to managers"*. Through this important initiative, d'Amico Group intended **to start a path of inspiration and reflection for its management**, including the ownership members, **to consolidate its mission, strengthen**

its competitiveness, rethink new managerial skills, adapting the capabilities of the "organisation".

In particular, the focus of the initiative has been how to manage change processes in a context in which the transformation due to innovation, digitalisation, energy transition, sustainability, and socio-economic evolution strongly influences business models, organisational models, processes, and skills in the company.



Seagoing Personnel

A rigorous onshore and onboard training programme is envisaged for crew, starting with the pre-embarkation period and covering the officer's entire career. Training capitalises on the knowledge developed within the Company, involving the participation of specialised trainers and senior staff with seagoing experience.

The d'Amico Group provides **career development for junior officers** starting from cadets, and aims to promote senior officers from within the Company, with specific programmes and performance evaluations that have the main purpose of enhancing and developing their rank competencies. The Company provides career development opportunities by arranging, whenever practicable, temporary shore-based assignments for vessel personnel as subject matter experts for specific projects or to support periodic management review. At d'Amico, **promotions are based on sustained performance in terms of results and behaviours, as well as future potential.**

In addition, the Group **implements a long-standing policy of collaboration with various maritime training institutions** with the aim of increasing awareness of safety and environmental issues and key priorities for the business. The Group continues its partnership both with the **European Training & Competence Centre (ETCC)** in Manila and the **Italian Maritime Academy Technologies (IMAT)** in Italy to provide a multitude of courses, most of which are approved by the National Administrations of the Philippines and Italy.

The centres are equipped with modern simulators that successfully mirror scenarios that are likely to occur on board the ships, allowing seafarers participating in training sessions to interact with the virtual realities that are created at a given time. In particular, ECDIS, BTRM and ETRM courses are conducted with great attention and with high competency by the instructors. The Group plans to implement shortly, through dedicated train-the-trainer sessions, the qualification of the instructors also on specific projects developed by d'Amico, and in particular the activities concerning the Fleet Performance Monitoring, Shipnet (PMS), ABS-NS, IHM and ELB-ORB. The Group looks forward to the contribution ETCC and IMAT can provide to support the professional growth of the seafarers and hopes that the collaboration will extend over time.

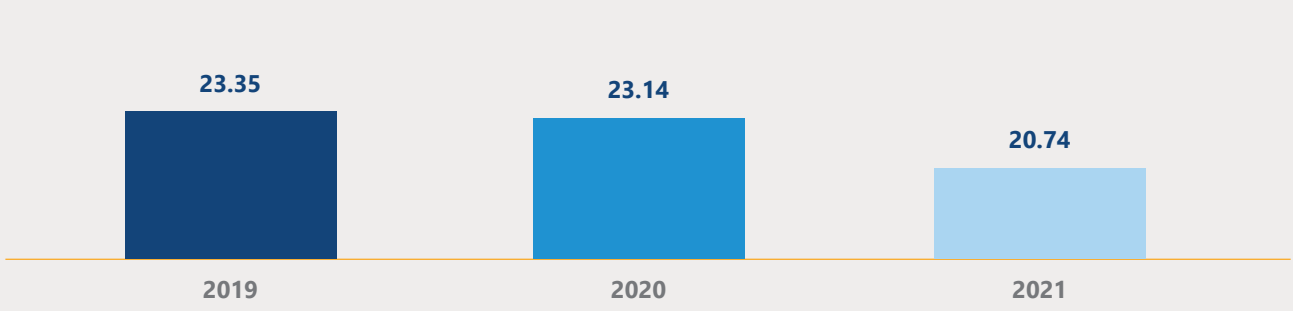
The **“Home Grown Officers” philosophy is a key aspect of the personnel development strategy.** In this regard, d'Amico Group implements specific personnel career development plans, which are constantly monitored and updated. The starting point is the strategy through which d'Amico Group cooperates with nautical institutions for the selection and training of its young cadets. One of these institutions is the **“ITS Fondazione G. Caboto”** Higher Education Technical Institution, which offers cadet training programmes, divided into courses, that combine theoretical study and hands-on training.

The aim is to provide an **excellent technical background to young recruits and at the same time transfer the knowledge of d'Amico Group's organisational structure, policies, expertise and vision, thus facilitating job placement within the Group.**

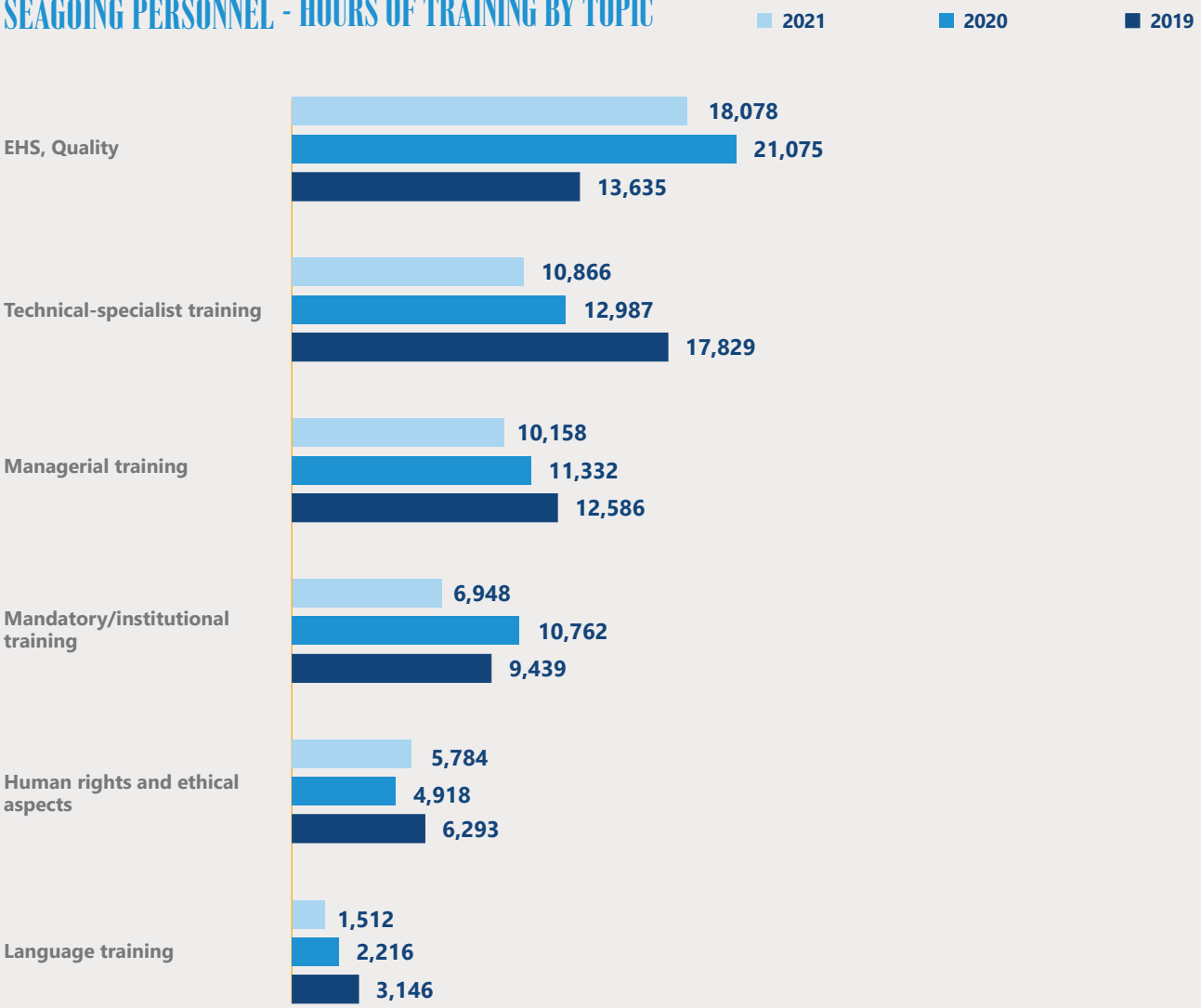
Particular attention is given to behavioural skills: in addition to the key technical skills required by the specific role, great importance is given to “how” staff work. For this reason, the Group promotes specific initiatives to encourage communication, leadership, and teamwork on board its ships.

In 2021, **a total of 8,996 in-house and out-sourced courses were provided**, corresponding to 53,976 total hours of training for seagoing personnel.

AVERAGE YEARLY HOURS OF TRAINING



SEAGOING PERSONNEL - HOURS OF TRAINING BY TOPIC



SEAGOING PERSONNEL - HOURS OF TRAINING BY TOPIC	2019	2020	2021
HOURS OF TRAINING BY TOPIC	TOTAL	TOTAL	TOTAL
Language training	3,146	2,216	1,512
Human rights and ethical aspects	6,293	4,918	5,784
Mandatory/institutional training	9,439	10,762	6,948
Managerial training	12,586	11,332	10,158
Technical-specialist training	17,829	12,987	10,866
EHS, Quality	13,635	21,075	18,708
TOTAL	62,928	63,290	53,976

PARTNERSHIP WITH THE LIBERIA MARITIME TRAINING INSTITUTE

Started in 2019, the project to encourage the employment of new Engine rating trainees from Liberia and, in particular, from the Liberian Maritime Training Institute (LMTI) of Monrovia, gave us the possibility to employ 8 graduates from LMTI on board our ships. Some of them were promoted from the Engine rating trainee position to the position of Wiper. The project will continue in the next year with an additional batch of 8 Liberian Engine rating trainees. The scenic campus of Liberia Maritime Training Institute, spreading over 17 acres, sits adjacent to the Junk, Farmington and

Du rivers and the Atlantic Ocean. It is a world-class learning community of excellence. Ship owners around the world require competent and trained seafarers to man their vessels. As **Liberia is the owner of the second largest ship registry in the world**, it is responding to the needs of its customers and the international marketplace by opening the LMTI, to facilitate quality training and to **produce well-trained, fully qualified and certified seafarers** in accordance with the Standards of Training, Certifications and Watch-keeping (STCW) Conventions and Code.



ONBOARD TEAM AND GROWING IN d'AMICO PROFILE ASSESSMENT

d'Amico is continuing to implement the Profile Assessment system started a few years ago aimed at fully developing teamwork and leadership through the definition of the d'Amico seafarer role profiles. **In 2021, 402 people were involved** in the Profile Assessment project.

The system is supported using the Profile XT tool, which is the most technologically advanced, state-of-the-art system available today for measuring human potential and predicting job performance. As a key part of the teambuilding system, it helps to uncover why some of our seafarers perform at extraordinary levels, while others who appear to be equally qualified, are only average performers. **Placing the right people in the right positions will have a positive impact on board the vessels.** The system is also used for employee management and development. In particular, it helps in managing perfor-

mance, effectively managing employee development, developing more efficient training, and building better performing teams. The Group enhances people's potential in working together. The three main assessment areas are:

- **thinking style** - The cognitive capabilities to cover the specific role. It is important that the cognitive demands of the job align with the abilities of the individual, which is the strongest predictor of job performance
- **behavioural traits** - The behavioural traits that are applicable to the role. Individuals who possess the desired traits for a job tend to be more comfortable in the position than those who are forced to behave in a manner inconsistent with their personality
- **professional interests** - The professional motivations to perform the role.



ITS FONDAZIONE G. CABOTO - HIGHER EDUCATION TECHNICAL INSTITUTION

The d'Amico Group is one of the founding members of the "ITS Fondazione G. Caboto" Higher Education Technical Institution for Sustainable Mobility - a public body under private law for the **training of specialised technicians** that offers two-year post-diploma courses for students who wish to pursue an **international career in the shipping industry**.

The educational approach applies a method according to which students are called upon to actively build their skills. At least 50% of the teachers are experts from the business world. Training includes a minimum of 600 hours of internship for ground professionals, and up to 12 months of internship on board ships.

Since 2011, the "ITS Fondazione G. Caboto" Higher Education Technical Institution **has trained 315 students, with**

an employment level of almost 100%, exceeding the already high rate (81.1%) achieved by the entire system of Higher Education Technical Institutions. The training offer is constantly expanding. It offers a wide range of courses and responds to the needs of companies and shipping partners, that require specific professional roles in their workforce as a result of the evolution of maritime professions.

The ITS Fondazione G. Caboto also had to adapt its training methods **due to COVID-19 pandemic**. For the safety of **all students and staff members, all courses have been organised online ensuring the continuity of the training** for the future generations of young officers. Despite the pandemic, **all students also completed their training with the internship onboard the vessels**.



REMUNERATION AND PERFORMANCE ASSESSMENT SYSTEMS

SDGs



UN TARGET

1.3

Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

ACTIVITIES AND KPIs IN 2021

ALL EMPLOYEES

Benefit from an adjustment to national collective agreements, to which are often applied better contractual conditions and exceeding the minimum expected



4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

99%

Of expected performance assessment evaluation received during the year (193 employees)

A high-performance culture supported by differentiated rewards and development is **key to achieving individual and business objectives**. This is driven by the alignment of clear and challenging responsibilities and ensuring that employees are aware of how their work impacts d'Amico Group.

Principles of openness, transparency and accountability are imbedded in the culture of d'Amico Group and where **performance is driven by values**.

People performance management is a **key process** within the Group **for enhancing professional skills and encouraging the retention and development of talent**. By analysing the training needs and the growth prospects in the role, the process bolsters organisational and individual development and the professional growth of personnel. d'Amico Group aims to retain and motivate employees by offering attractive but realistic career moves allowing them to develop their skills in the long term.

It also seeks **to improve the motivation and commitment of our people and strengthen their individual contribution to the Group's results**. To this end, the Group has implemented reward systems that sharply target individual performance and compensation policies aimed at fostering an effective pay-for-performance system.

The line manager and employee work together to ensure that **challenging objectives** are set and effectively evaluated throughout the year. Focus is also given to **projects**, non-routine tasks and, in general, the initiatives aimed at enhancing and reinforcing the Group's main policies. The individual objectives are set according to the following criteria:

- quantitative and realistic
- consistent with d'Amico Group policies
- coherent with one another.

Moreover, this enables managers to acknowledge high performance and reward employees accordingly, while ensuring low performance is properly managed with integrity.

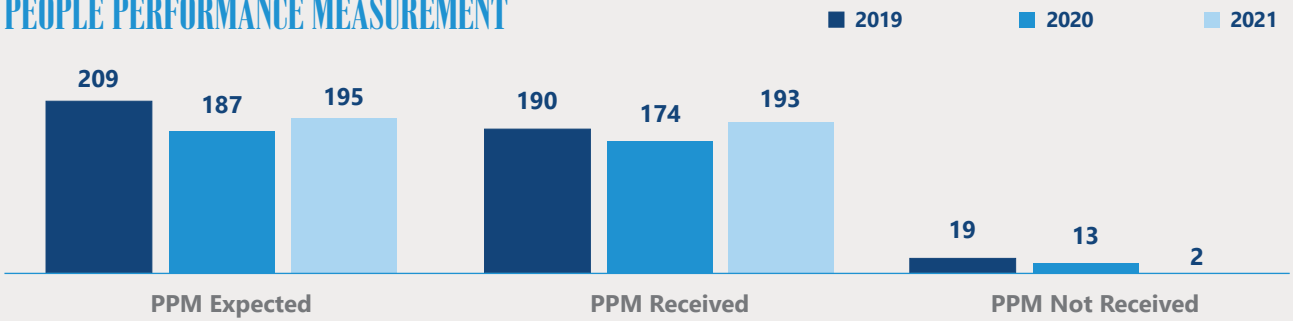
The Group’s remuneration policies are based on:

- **financial sustainability:** the total cost of personnel must be “consistent” with the cost structure and with the Group’s profitability goals
- **external comparability:** in setting the remuneration policy goals, the Group takes into account the benchmarks offered by the sector at international level
- **internal equity:** people must be remunerated on the basis of uniform criteria that relate to the organisational structure
- **differentiate people based on performance,** talent enhancement and development of high potential
- **performance management:** any salary review or bonus must be guided by the assessment of results. Bonuses should reward the achievement of goals set for extraordinary projects and activities, and a strong commitment to the Company.

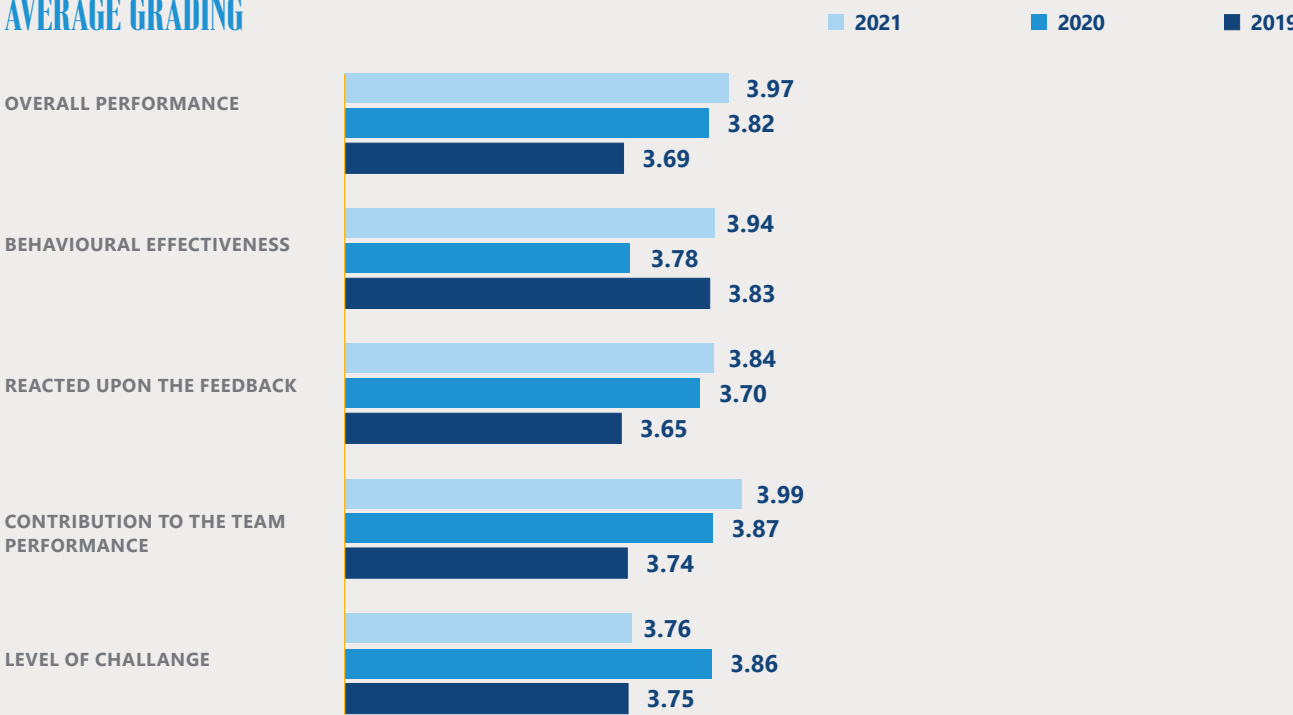
For seagoing staff, **the Group’s minimum reference salary is set by the ILO** (International Labour Organisation) which sets the minimum salary every three years for the reference position, i.e., expert sailor, which is used as a benchmark for building the salaries of all the other positions.

In 2021, 99% of the staff subject to evaluation were evaluated, with 15% of the population considered role model in terms of overall performance and 50% the percentage of population that met the expectation.

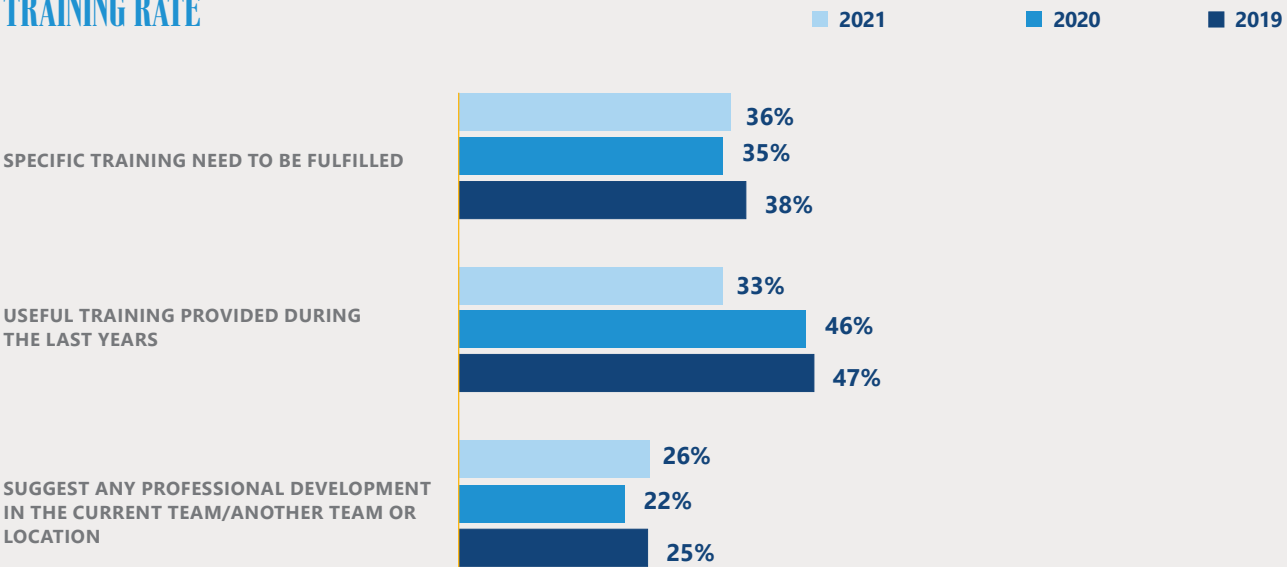
PEOPLE PERFORMANCE MEASUREMENT



AVERAGE GRADING



TRAINING RATE



The people performance feed form remains **very strongly focused on projects**, non-routine tasks, remarkable efforts, i.e., implementation of a new system, process improvement, and enhancement / reinforcement of the Group’s main policy. At the same time great importance is given to the Group’s expected behaviours in particular, attention to organisational targets based on multicultural approach, accountability, attention to excellence and continuous improvements, effective integration within the team and department, integration to the corporate values and commitment.



AN AWARD FOR THE PEOPLE WHO HAVE WORKED FOR d'AMICO FOR OVER 10 YEARS

In the years, in recognition of the loyalty of its onshore personnel, d'Amico Group has adopted and consolidated a **Long Service Award programme**, which rewards employees from any office who have reached 10 years of service with the Company. To date, the programme has rewarded more than half of the total workforce, once again confirming the employees' strong commitment to the Group.

In **"The Lighthouse"**, the internal ship-shore magazine published quarterly, d'Amico Group congratulates its seafarers through the **"Service with Pride"** section for seniority within the organisation. By starting with five years of service, we proudly list officers and crew with seniority of twenty years and more. This is a special communication tool to make the d'Amico community aware of the seniority reached by our onboard people within the organisation.

AWARDS OF THE BRONZE AND SILVER MEDALS BY THE PRINCIPALITY OF MONACO TO d'AMICO EMPLOYEES

d'Amico Group is proud to announce that, in 2021, **3 more employees from the Monaco Office were awarded with the bronze medal**. These employees are added to the other 14 employees awarded with the bronze and silver medals in the previous years. Established by Sovereign Ordinance of 6 December 1924, amended by Sovereign Ordinances of 29 January 2007, these medals reward workers who

have reached 20 and 30 years of good service within the same company.

Due to the Pandemic, a proper and formal award ceremony wasn't possible in 2021 and the medals were presented inside our Monaco offices.

This award is even more important to the Group because it **underlines the trust between the company and its employees**.

WELL-BEING

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021



1.3

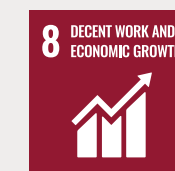
Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

1.4

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

MOST WELFARE SERVICES ARE GUARANTEED TO ALL EMPLOYEES

Health care, for example, is guaranteed to the entire company population, regardless of the position held in the company



8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

The training initiatives launched during the second half of 2019 turned out to be extremely positive during the COVID-19 pandemic and lockdown periods when all our people were working remotely from their homes

Paradigms of engagement and commitment are the pillars when we think about well-being practices. The link between employee engagement and well-being, being reciprocal, each influences the future state of the other.

Well-being and, more in general, a culture of people care is something that is becoming more and more important as employer of choice.

The Company has carried out several initiatives to **increase the well-being of its staff and their families**.

The objective is to create a working environment where every employee can operate at a high level, also guaranteeing **work-life balance programmes** that support people in balancing their family needs with work duties. **Work responsibility and participation** are therefore a determining factor for the Company in **creating a business that is attentive to the social dimension**. People's well-being affects the energy levels in the Company and has an impact on organisational welfare and on results. The welfare and benefits-related initiatives implemented range from personal well-being and health protection to recreational and entertainment activities for the entire workforce.

Among the initiatives to help **balance personal life, work, and family life**, personnel can use family leave, additional leave for special family needs such as taking care of children and relatives in the event of illness. Included in the products and services offered to the employees relating to personnel health, prevention and well-being, the Company supports, in different percentages, its employees’ **social security position** by participating in supplementary pension schemes, depending on the location and other characteristics.

Special attention is given to the state of **health** and the **preventive healthcare**, for example, providing supplementary healthcare to employees and the members of their family.

Health protection during COVID-19

During the year of the Pandemic, ensuring the **health and safety of its people was a top priority** within d’Amico Group’s strategy, and following all the necessary precautions, standards and protocols guaranteed the business continuity of the activities in a safe environment. This was confirmed by the fact that none of our onshore employees contracted the COVID-19 virus within the various office premises, resulting in no spreading among colleagues.

In all this, the Company confirms its commitment to **support the Protection of Health and Safety, providing a healthy and safe workplace** in compliance with the laws in force, thus minimizing the risk of injury and guaranteeing the right of access to preventive health care and the benefit of medical care. In the latter regard, the Company implemented an insurance coverage for all employees to cover medical expenses in the event of COVID-19 infection.

Well-being of seafarers

The **d’Amico Group considers seafarers its biggest asset** and is dedicated to improving their well-being. It was a turbulent year, with the pandemic fear still looming on the seafarers, therefore several initiatives were taken to improve their awareness and well-being, in continuation with the previous year’s progress. Activities started in 2021 led to set objectives being achieved and a firm plan in place for 2022.

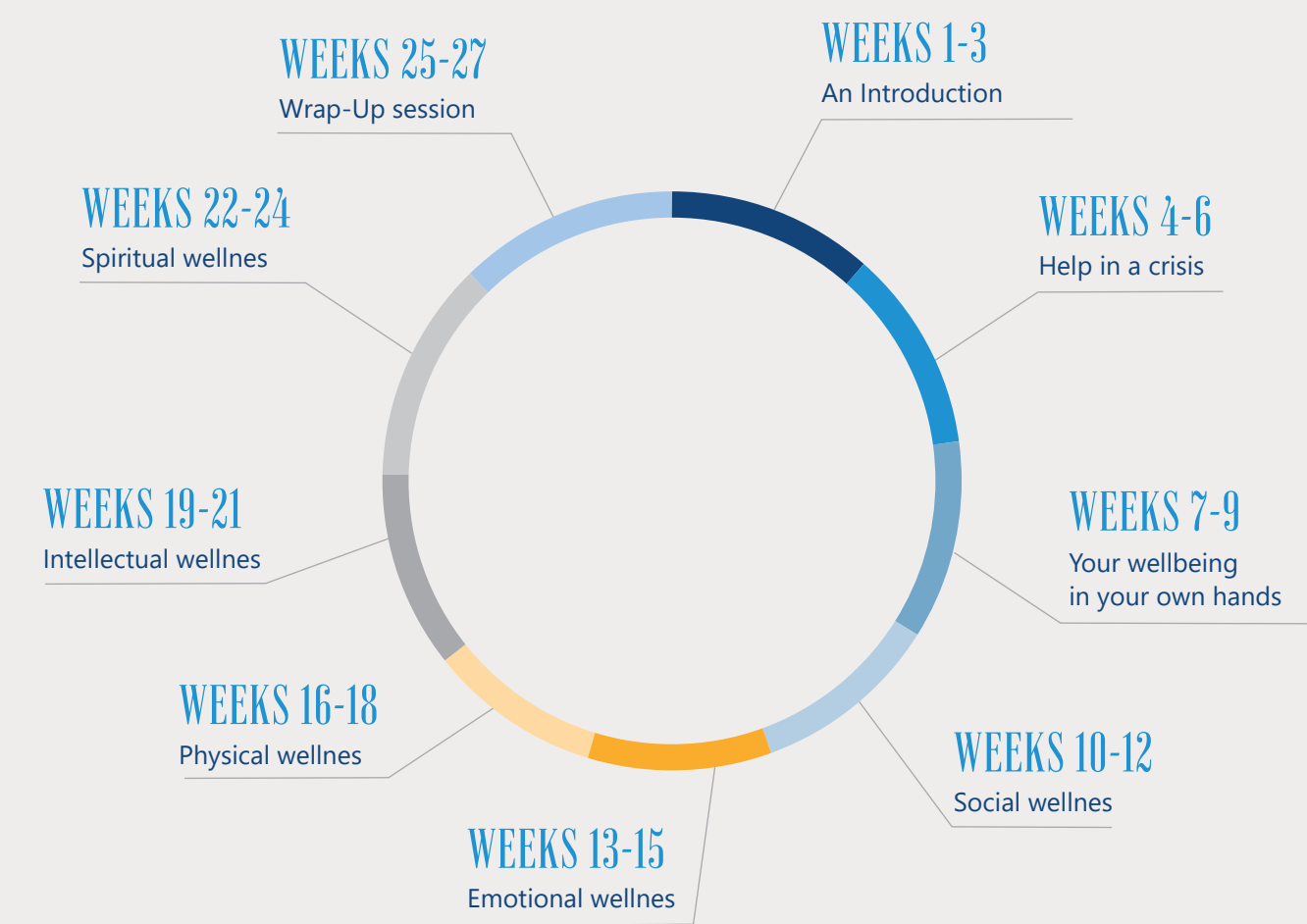
Seafarers face unique challenges due to the nature of their work. The global pandemic further added to the pressure, bringing additional anxieties about health, family, extended contracts, and uncertainty. The objective of the **Company’s well-being program** is to:

- **Generate awareness** about mental health issues
- **Provide training** to ship staff so that they have the necessary tools to understand the various factors governing the state of mind
- **Support crew mental health**, when required, through external service providers
- **Promote positive mental health** and reduce stigma
- **Build resilience** through regular training
- **Promote Leadership skills** to support well-being
- Have a **robust support structure** in the company to assist seafarers
- **Monitor the progress** and opportunities of improvement through feedback received.



Numerous steps were taken to achieve the established objectives in 2021:

- 1. Leadership visits:** The senior management communicated with the seafarers during seminars and - physical and remote - ship visits to reinforce their commitment to well-being. They took note of feedback from the crew to improve upon existing conditions.
- 2. Shell Partners in Safety Program (PinS):** The company continued to implement Shell PinS program onboard the Tanker fleet, “Resilience”, “Let’s Talk”, “Fatigue Risk management”, “Champions Network”, and “Individual awareness” were some of the training modules covered.
- 3. Professional care through MHSS:** The company concluded an agreement with “Mental Health Support & Solutions” (MHSS) in April 2021. They are mental health and wellbeing specialists in the maritime industry running a 24/7 support line.
- 4. CIRM contract for premium medical care of seafarers:** The company concluded an agreement with CIRM (Rome) in Sep 2021, who are now providing additional services dedicated to improving access to medical care and treatment for seafarers while onboard through a dedicated online web portal.
- 5. Wellness Campaign:** The company voluntarily participated in the ‘Wellness at Sea’ (WAS) campaign by the Seafarer’s society, which involved the sailing staff from selected vessels and their families and shore staff.
- 6. Shore staff training:** For the first time, the company initiated training of shore staff also with regard to mental well-being and carried out training sessions.



7. Discussion in the Company Seminar: In Dec 2021, well-being was discussed in the ship-shore seminar and viewpoints were exchanged with ship staff. Such first-hand interactions with seafarers provided vital inputs for overall improvement of seafarer wellbeing, which are planned for year 2022.

8. CEO Communication and commitment: The company’s CEO communicated with fleet vessels from time to time to assure them of the company’s commitment and support at the highest level. A virtual meeting of the CEO with his senior management team was carried out on 11th October 2021.

9. Support during the Covid-19 pandemic: The company intensified efforts to provide support to seafarers as the ripples from the Covid-19 pandemic continued to affect seafarers across the world. The company also arranged for the vaccination of crew members at convenient ports, free of cost.

10. Feedback: Written and verbal feedback was collected from seafarers from time to time to gauge the effectiveness and acceptability of the company’s wellbeing initiatives.

For some of the above steps, specific forms and documents were distributed on the fleet vessels in order to **collect data and information aimed at reporting the yearly results of the process.**

d’Amico is committed to ensuring that the seafarers working onboard our vessels have access to medical care and treatment in the best conditions possible. The objectives of the year 2021 have been achieved paving the road to new challenging improvement actions through:

- **Continuing existing initiatives**
- **Providing additional shore-based training** to key onboard ranks to increase their awareness and understanding of Well-being topics, so that wellbeing training can be facilitated fleetwide
- **Training** of seafarers on: Social Style at work, Values, Emotions and developing one’s own strengths, Building healthy habits, Active listening, Observing and taking action, Managing Conflict and Using Social skills.



HUMAN RIGHTS

SDGs

UN TARGET

ACTIVITIES AND KPIS IN 2021



16.1

Significantly reduce all forms of violence and related death rates everywhere

NO REPORTS

Were received regarding the conduct of violent and prevaricating behaviour in all the group's ships and offices

16.3

Promote the rule of law at the national and international levels and ensure equal access to justice for all

ANY DISPUTE OR CLAIM

arising in connection with the group is governed by and construed in accordance with the local law. The parties irrevocably agree that the local courts shall have exclusive jurisdiction to settle this kind of dispute or claim

One of the main goals of the Group's HR department is making employees feel valued, respected, involved in the Company, with access to equal opportunities, going well beyond mere compliance with equal employment opportunities or non-exclusionary laws. In this respect, d'Amico Group encourages the **promotion of ethical conduct within the workplace as embedded in the d'Amico Group values and Code of Ethics**. The Code of Ethics adopted by the Group contains the principles which govern internal and external activities and pursues the objectives in accordance with the values of fairness, honesty and transparency. These values have become the assets and the reference point for the Company's organisational culture. The purpose of said document is to ensure that the ethical values expressed therein are clearly defined and shared, and form the basis of its corporate culture, as well as serving as a constant reference for the conduct which all the Code of Ethics recipients are invited to follow when carrying out their activities, conducting Company business and in relationships with stakeholders. The first 3 statements of the Code of Ethics (indicated below) underline a clear commitment of the d'Amico Group in respecting human rights:

- 1. Compliance with laws:** When carrying out their activities, recipients must act to ensure that they fully comply with all applicable regulations of both the legal systems of the countries in which they operate on behalf of the Company, on a European and transnational level, and with the principles referred to in this Code of Ethics and agree to comply with them with impartiality and objectivity. Staff are also required to comply with the instructions and business procedures forming part of the Integrated Management System and ensure that their work is also compliant.
- 2. Honesty, fairness and transparency:** Relationships which the Company has with the various recipients are based on the standards of transparency, honesty, cooperation, integrity, equity, fairness and mutual respect. Recipients are required to comply with the rules of ethical, professional and expert conduct applicable to operations performed on the Company's behalf. They are also required to comply with business regulations, implement ethical, specialist and/or professional obligations, and comply with the principle of transparency.
- 3. Respect for a person's dignity:** Recipients must respect the fundamental rights of individuals, safeguard their physical, moral and cultural integrity and provide equal opportunities. In relationships within and outside of the Company, practices of a discriminatory nature based on a person's sensitive data and relating to, by way of example but not limited to, racial or ethnic origin, their religious, philosophical or other beliefs, political opinions, membership of parties, trade unions, associations or organisations of a religious, philosophical, political or a trade union nature, and relating to personal data likely to reveal their state of health and/or sex life are not allowed.

In these regards, the values stated by the Code of Ethics find their translation and implementation in any policy, process, procedure, and daily practice related to all the people management activities.

Moreover, the Company gives particular attention to its firm commitment to **respecting human rights from a broader perspective**.

On board of managed vessels, work and rest hours are timely and constantly monitored to avoid any breach of applicable regulations. The Company assures that all seafarers receive medical care during the whole service tenure and guarantees they are assisted even after contract termination in case of illness or injury. In any case, the seafarers' right to be safely repatriated is always guaranteed. The Group also follows strict procedures relating to respect for human rights, avoiding bullying and harassment on board its ships.

In 2021, the Group extended the rules applied to shipboard personnel to onshore personnel. In March 2021, a **new Group whistleblowing channel** merging the two previous systems - onboard violations Open Reporting System and onshore violations whistleblowing website - **was launched**.

The procedure aims at **avoiding bullying and harassment situations** and manages them when they occur and is relevant to all employees on board managed vessels. Bullying and harassment shall be deemed to be a form of discrimination when unwanted conduct takes place that has the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment. Hence, the Company does not tolerate any kind of harassment or bullying, and employees are encouraged to report any instances immediately so that appropriate action can be initiated.



WORKERS' HEALTH AND SAFETY

SDGs

UN TARGET ONU

ACTIVITIES AND KPIs IN 2021



8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

ZERO

Injuries in 2019, 2020 and in 2021

The health and safety of its workers is of key importance to d'Amico Group and must be ensured at all times. To this end, the Group has implemented a certified occupational health and safety management system compliant with the ISO 45001 standard aimed at:

- **Protecting the health and well-being of employees** by reducing occupational risks from unfavourable exposure to hazards
- **Preventing hazardous actions, injuries, illnesses, accidents** to personnel, material and environmental damage
- Ensuring that **priority is given to collective protection measures** rather than individual protection measures
- **Pursuing the ongoing improvement of health and safety management performance**
- Making continuous and systematic efforts in order to reduce and/or **eliminate the negative repercussions on health and safety resulting from its processes and activities**, including accidents
- Clearly **stating the commitment to complying with applicable legal requirements** and with other requirements endorsed by the d'Amico Group and related to the hazards identified
- **Improving the safety of everyone and promoting a "safety first" culture** in order to create a working environment free of injuries and illnesses.

The policy is distributed to all personnel working under d'Amico's control so that they have knowledge of their individual duties when managing health and safety issues. It is available to all interested parties and is reviewed periodically to make sure it is always relevant and appropriate.

In relation to the 2020 COVID-19 pandemic emergency, d'Amico was among the first to issue a detailed **Contingency Plan**, with all the preventive measures to be implemented on board, before boarding and during navigation, and in presence of positive or suspicious cases.

Seafarers' Safety

d'Amico Group's policy is that **all seafarers, of all ranks, must be in good health and fit for the work** they do on board. For this purpose, **each crew member must undergo a medical check-up every two years** and a thorough **medical check-up before embarkation** by a competent doctor employed directly by the Company. Appropriate medical assistance is ensured on board its ships.

To ensure adequate rest for all staff, the Group adopts several measures and best practices:

- All crew members must always have **sufficient hours of continuous rest**
- The **hours of rest without interruption must comply with employment contracts and STCW** (Standards of Training, Certification and Watchkeeping for Seafarers) **requirements** and, as regards Italian vessels, also with ILO 180 and Italian Leg. Decree 271/99 and must be monitored using updated records.

The vessels are equipped with a system that uses a software to monitor hours of work and rest, ensuring compliance with regulations and the crews' wellbeing.



INTERNATIONAL RADIO MEDICAL CENTRE

d'Amico Group has been a partner and supporter of the International Radio Medical Centre (C.I.R.M.) for many years. C.I.R.M. was established in 1935 to provide medical assistance via radio to seafarers on ships with no doctor on board, of any nationality, sailing on all seas. From its base in Rome, C.I.R.M. provides continuous medical services 24/7 and free of charge.

In almost 80 years, the organization has assisted about 70,000 pa-

tients and provided no less than 800,000 medical consultations via radio. These figures make it the most renowned centre worldwide.

In June 2021, d'Amico Group signed a contract with CIRM (International Medical Radio Center) for their Top-Class service. With this paid service d'Amico Group will be able to better monitor the health of its seafarers 24/7 both on board and ashore thanks to a team of highly specialized doctors.



Health and Safety Performance

The special attention paid by d'Amico to occupational health and safety issues and management brought the **number of accidents to zero in 2019, 2020 and 2021.**

ACCIDENTS	2019	2020	2021
FREQUENCY INDEX ¹⁸	0	0	0

Incident¹⁹ Investigation Analysis

The injuries on board are categorized according to the OCIMF "Marine injury guidelines" and are duly investigated through the internal process for incident investigation.

The purpose of investigating incidents is to provide practical learning through an investigation structured approach to allow the development of effective analysis and preventive activities.

The Company Incident Investigation Model encapsulates a process for conducting investigations following losses related to people, structures, machinery, equipment, outfitting, pollution, commercial/financial or media/reputation.

d'Amico Group uses the Marine Root Cause Analysis Technique, called "Why-Tree" or "5-Why", which is **designed for use in investigating and categorizing the underlying causes of incidents**, including accidents and near misses, with safety, health, environmental, quality, reliability, production, media and financial impacts. The method of the root cause analysis requires determining how the sequential causes of a failure event occurred and identifying the cause-effect failure path.

"Why" is asked to find each preceding trigger until determination of the root cause of the incident.

The result of the investigation and the actions implemented are considered as a valuable tool to:

- Protect the safety and health of workers and the public
- Preserve the organisation's human and capital resources
- Improve quality, reliability and productivity
- Ensure continued service to clients and customers
- Comply with regulatory and insurance requirements
- Comply with organisational and industry policies
- Respond to legal, regulatory, organisation, community and/or employee concerns
- Educate management, staff and employees
- Demonstrate management concern and promote employee involvement
- Advise others of unrecognized risks and/or more effective risk management strategies.

¹⁸ The frequency index measures the number of occupational accidents per million hours occurred in a given period, in relation to the number of hours worked in the same period.

¹⁹ Collision, contact, grounding, non-accidental structural failure, fire, and explosion.

Health and Safety management at facilities

d’Amico Group’s commitment to the management of occupational health and safety issues is also applied in its offices across the world. The Group obtained the **ISO 45001** certifications related to health and safety.

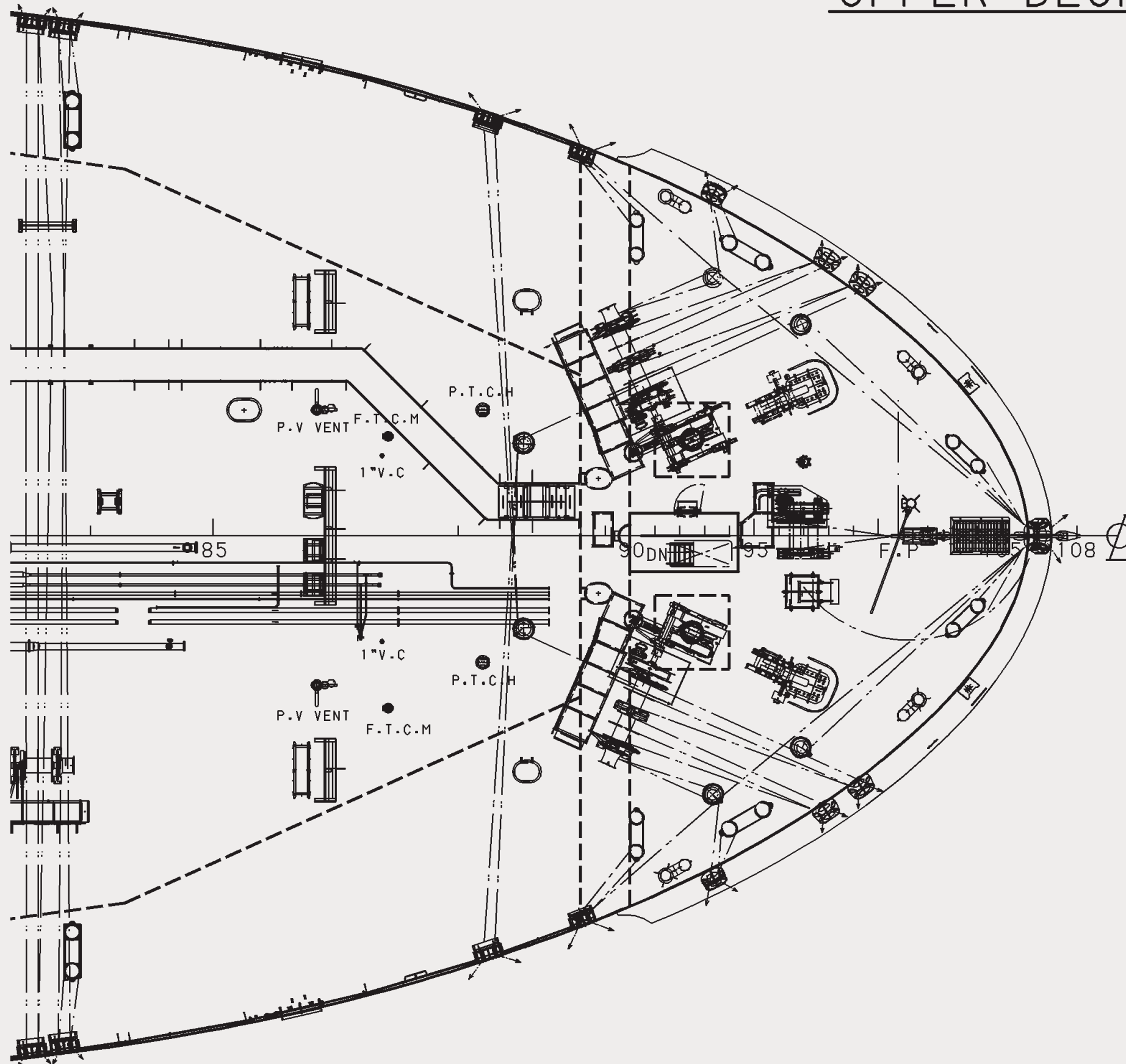
HEALTH AND SAFETY KPIs	2019	2020	2021
Number of injuries to employees ²⁰ [n]	0	0	0
Total number of lost days [n]	0	0	0
Loss of business time due to infrastructure failure	0	0	0



²⁰ More than 1 day of absence, excluding injuries in transit.



UPPER DECK



Clients

SDGs

Sections of the Sustainability Report

Activities



Complaints and reports

- Highest attention to the service offered, through qualified and trained staff, appropriate equipment, onboard inspections, process control and effective internal communications



Communication to clients

- Customer engagement through: direct communications, complaints and reports, internal ship reports and feedback on service quality

Thanks to its **global presence, with offices in 10 countries on 4 continents**, and the employment of highly qualified personnel, d'Amico provides its customers with a wide range of different services and ongoing, timely assistance 24/7.

In order to provide the Group's services, the **Chartering Department** is responsible for screening the employment opportunities for vessels, negotiating terms and conditions of the contracts under which the vessels are going to be chartered and entering into a chartering agreement.

Instead, the **Operations Department**, provides post-fixture support to the vessels, issues voyage instructions and it ensures that the ships perform as per the charter-party agreements; it also ensures the safety and efficiency transportation and delivery of cargoes. The department supervises the disbursement of necessary funds, it arranges for freight, hire and demurrage collection from charterers and, finally, it arranges for the provision of the vessels with bunkers.

In addition to the above activities, the Group offers **technical ship management services** and it supports the management of quality, safety and environmental protection systems, as well as dealing with legal and insurance aspects.

In 2017, with the fleet growing, the Company believed it was the right moment to strengthen and unite the Operations departments of Dry Cargo and Tankers into one team: **The Global Operations ("Global Ops")**. The Global Ops' goal is **to strengthen the Group business model ensuring an outstanding service towards d'Amico Group's clients**. It focuses on:

- taking advantage of commercial synergies of both Dry cargo and Tanker business units
- developing parallel procedures and working instructions
- streamlining operators' daily tasks
- maximizing operators' efficiencies.

The Global Ops is involved, together with Chartering, Technical, Performance Monitoring, HSQE (Health, Safety, Quality and Environment) and Legal departments, in several strategic meetings and it acts as a reference point for dry and tanker Operations Regional managers and the Shipping Control Unit.

Among the main activities, Global Ops is specifically involved in:

- **High Level Coordination** - facilitating the correct flow of information among the different departments, thanks to its central role in getting information from each of them
- **Emergency** - participating in Emergency Group Onshore, as well as being the first line of contact and response for operations when accidents occur; participating in drill exercises organized by our HSQE teams
- **Charter Party fulfilment** - assisting chartering department in relation to the hired fleet with any kind of information needed (deadline extensions, declaration of options...)
- **Ad hoc issues** - supporting regional managers
- **Third parties Contract** - reviewing vendor contracts such as agencies, towage and other contract proposals
- **Reports** - releasing reports in relation to Operational activities
- **End of Month Accounting Closure** - coordinating and supervising end of month closure
- **Management of Commercial software**
- **Procedures / HSQE manual** - reviewing and amending the documentation related to Operational processes, support during internal and external audits.

ORGANIZATION CHART



BUSINESS AREAS AND CLIENTS

Dry Cargo

The Group operates in the dry-cargo shipping sector. Its **market segments** include the transport of **grain, coal and mineral sectors**, where d'Amico boasts longstanding experience.

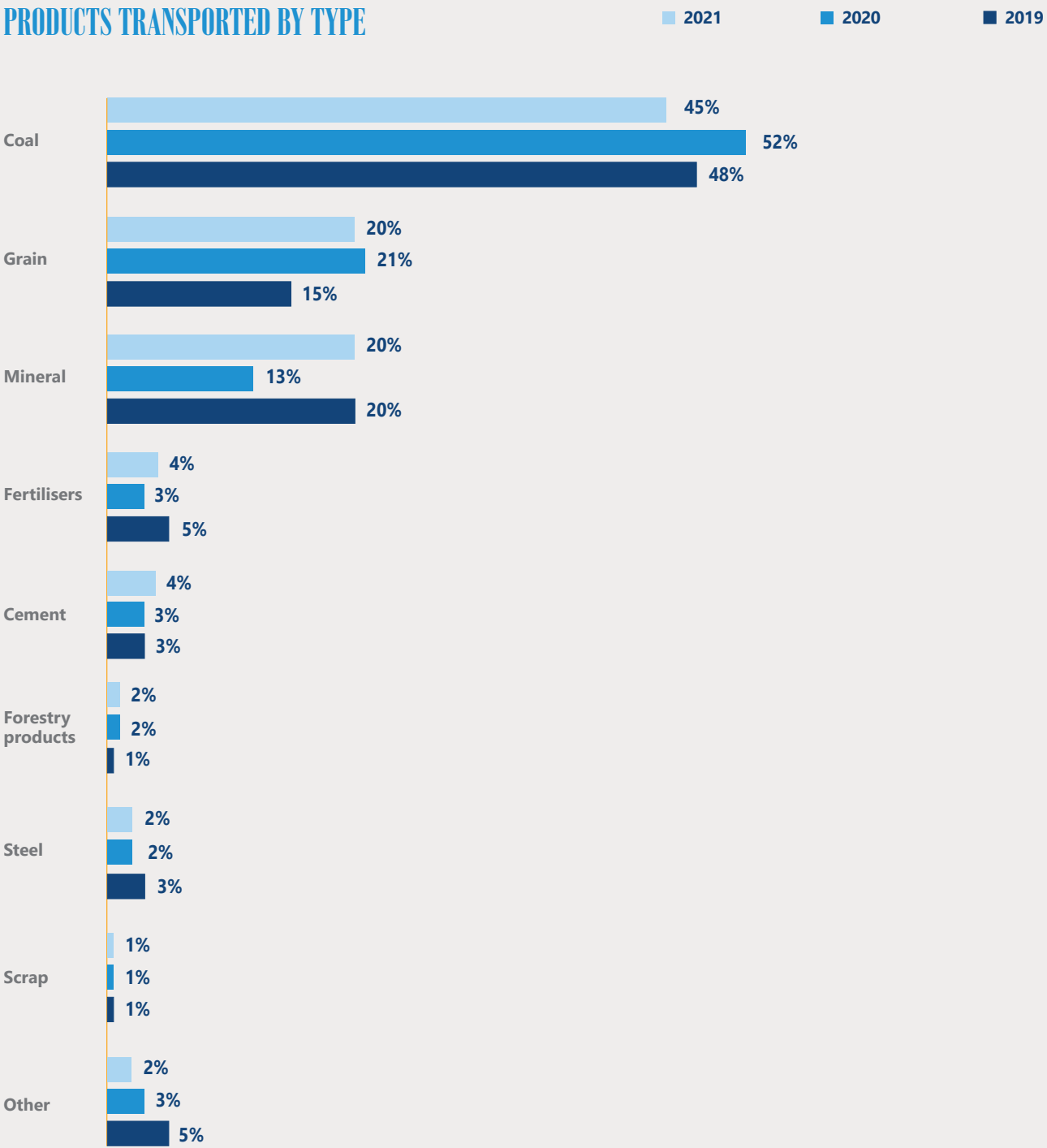
Other transported bulk commodities are: fertilisers, cement, forestry products, steel products and steel pipes.

This business also includes shipping forestry products from Chile to ports in the Mediterranean, as well as from Brazil to South Africa. These shipments are based on long-term contracts with the major wood pulp producers and on spot contracts that allow to maximise short-term opportunities presented by the market and guarantee maximum flexibility in fleet use.

The Dry cargo vessels are mainly employed under voyage-based and short-term charter contracts and, depending on market opportunities, also under medium and long-term "time-charter" contracts to ensure highly flexible fleet use.



PRODUCTS TRANSPORTED BY TYPE

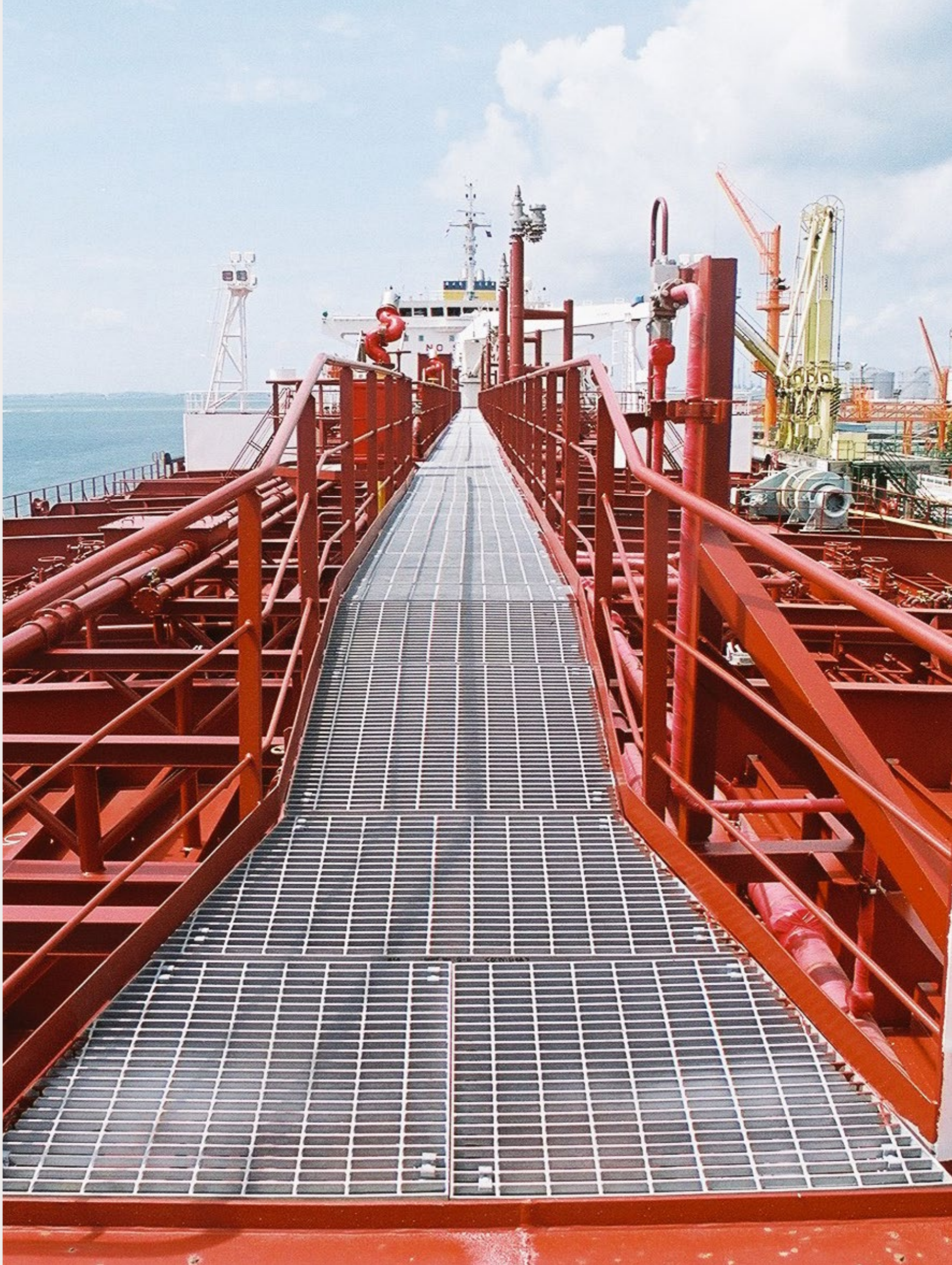


d’Amico Dry performance in 2021 was characterised by some exogenous factors – such as COVID-19, natural disasters such as Hurricane IDA in the US and the Russia-Ukraine crisis – that affected the dry bulk commodities transport market.

Despite all this, **exports of grain increased worldwide by 2% in 2021**, as well as an increase in shipments in bigger vessels and longer haul shipments, which boosts ton-miles. The globally high inflation and the crisis in the Black Sea could influence the grain market, especially wheat and corn.

China continues to dominate global coal trends and maintains market leadership. India is the second largest consumer, producer and importer. China and India account for two-thirds of global coal consumption²¹. China has also

²¹ Coal 2021. IEA <https://www.iea.org/reports/coal-2021>



announced increasing domestic coal production to build stockpiles and will continue to enhance coal production and transportation capacities in 2022. India has increased domestic production from 2020 onwards and accordingly imports have decreased.

On a demand front, besides China and India, **European nations and the USA are expected to consume more coal**, mostly after the Ukraine-Russia crisis. On a supply front, Australia, Indonesia, and South Africa have continued to face some supply challenges that may limit the output over budgeted volume of coal.

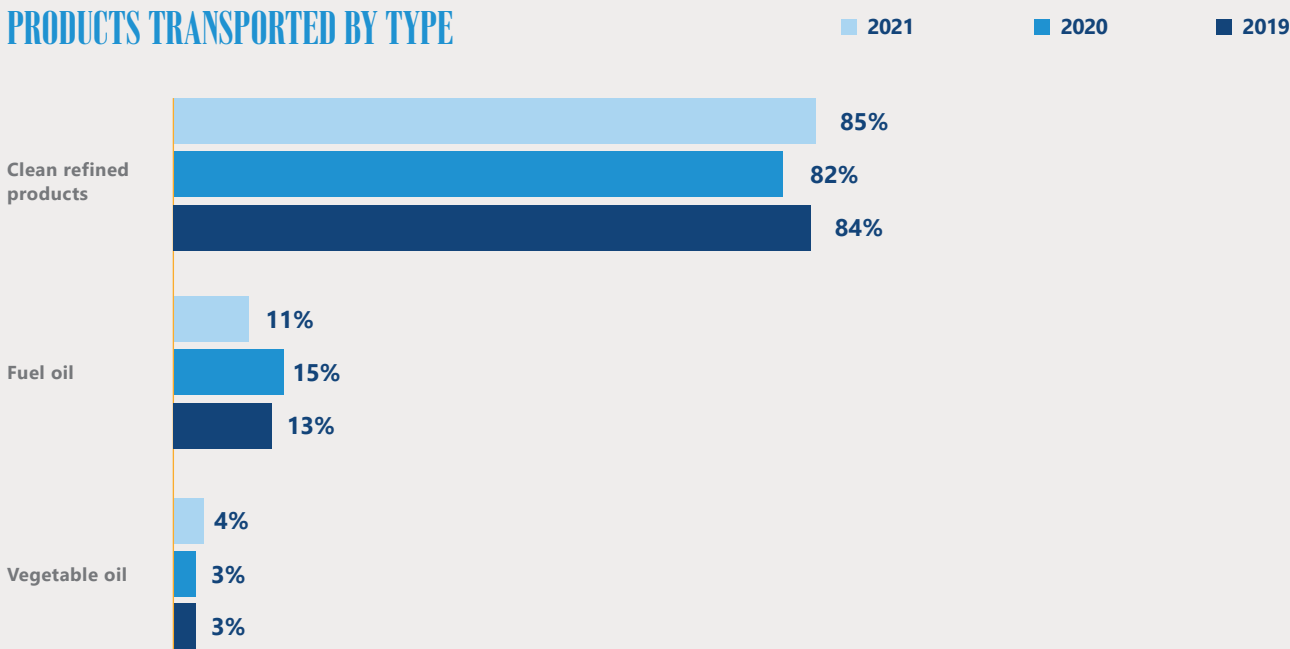
The demand of ore and steel **has decreased because of the shortage of domestic iron ore in India and the Chinese preference for higher grade ore** (healthy steel margins). Production has decreased in Australia due to Covid-related manpower shortages at mines.

The demand for minor bulk was very large in 2021. However, high commodity prices/inflation will continue to impact demand if they will be sustained.

Product Tankers

Through d’Amico International Shipping and its subsidiaries (DIS), the Group’s tanker sector is involved mainly in the transportation of **refined petroleum products**, providing services on a global scale to the major oil companies and to the leading commodities’ trading houses.

PRODUCTS TRANSPORTED BY TYPE



Clean refined products represent the vast majority of products transported by DIS. In particular, some of the clean refined products transported include: diesel oil, unleaded gasoline, naphtha, kerosene, jet fuel and gasoline blending components.

However, as at 31 December 2021, 76% of the fleet was IMO-classed, allowing the DIS to transport a wide range of products. Pursuant to MARPOL/IMO regulations, cargoes such as palm oil, vegetable oil, urea ammonium nitrate (UAN) and some other easy chemical products are also transported by DIS’ IMO-classed tankers. DIS also transports some fuel oil.

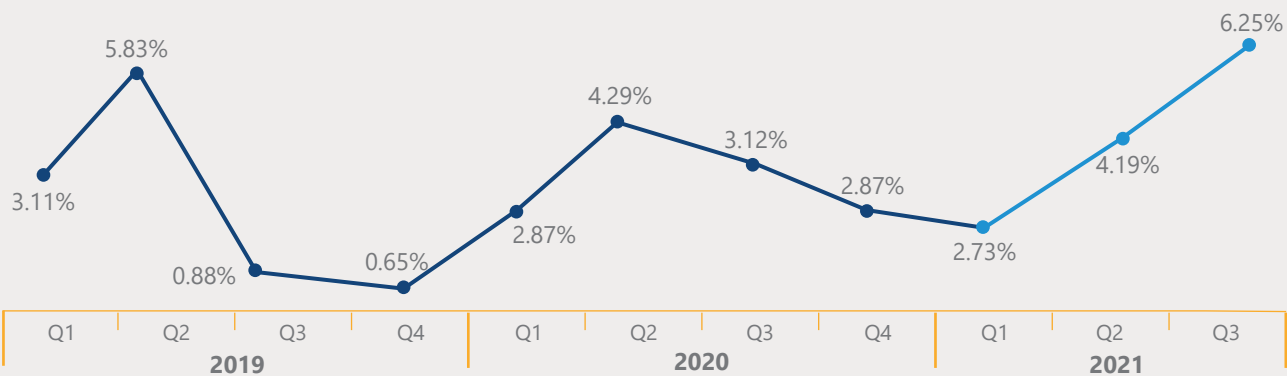
The product tanker market improved during 2021 as volumes traded steadily recovered since their mid-2020 low point. The muted fleet growth because of declining newbuilding deliveries and a surge in scrapping also supported the markets. Starting from the end of Q1 2022, the outbreak of the war in Ukraine has been having a significant impact on the tanker markets. This crisis is generating a substantial increase in ton-mile demand for the seaborne transportation of refined

products, as European imports of Russian cargoes (typically fuel and diesel oil) are partially replaced by more distant sources (US, Middle East and Asia). This has led to a significant surge in freight rates. In their April 2022 outlook, Clarksons estimates that in 2022 product tanker demand will grow by 10.4%, well above the expected increase in fleet supply (see below). Expectations for products exports from the US, MEG and Asia to Europe have increased, with potential for refiners in these regions to supply additional volumes, partly replacing lost volumes from Russia. Indeed, there have already been reports of Asian refiners raising runs to increase exports to Europe amid supportive arbitrage dynamics. Shifts in trade patterns appear likely to have a positive impact on products’ tonne-mile seaborne trade²².

Commercial oil stock declined by a steep 60 million barrels in December 2021, led by large draws in middle distillates across all regions. Inventories as at the end of 2021 were 355 million barrels lower than one year prior, with product stocks accounting for 50% of the decline. Refined product stocks are also well below their 2016-2020 averages, having declined to 1,376 million barrels at the end of 2021, 131 million barrels below their pre-COVID levels at the end of 2019²³.

Vegetal oil and palm oil represent an increasing percentage of total volumes transported by DIS, having risen from 2.87% in Q4 2020 to 6.25% in Q4 2021.

VEGETABLE AND PALM OIL AS A % OF TOTAL VOLUMES TRANSPORTED BY DIS



Maritime Services

Within the Group, certain companies perform **complementary and service-related activities** for the core shipping business in order to exploit common synergies. The services offered **not only benefit the d’Amico fleet, but also external clients**, and comprise, in particular, **ship management and intermediation in ship fuel purchases** (bunkering). The ship management services offered also include the provision of legal and insurance consultancies.

The core services offered include:

- technical management (supervision of construction and maintenance projects)
- planning, procurement and management of planned maintenance (“PM”)
- crew management (selection, recruitment and compensation management of maritime personnel)
- management of quality, safety and environmental protection systems
- management of information technology systems.

Bunkering operations for Group companies and for third parties are conducted by Rudder SAM from the Monaco and Singapore offices, and also through its representative office in Miami. The operations start from a constant monitoring of the reliability of the traders operating in the field and are based on a consolidated relationship with the major oil companies (oil majors).

²² d’Amico International Shipping SA Q1 2022 Financial results

²³ d’Amico International Shipping SA 2021 Annual Report

SERVICE QUALITY

The d’Amico Group’s quality policy includes goals that cut across the company areas and is based on several key elements:

- qualified, expert, and trained **personnel**
- equipment and facilities suitable for the **services** provided
- **inspections** of the managed fleet and adoption of necessary measures to remedy issues and shortcomings
- process **control**, performance **monitoring, auditing** and implementation of **corrective measures**
- effective **communication and cooperation** with all stakeholders, including customers, charters, manufacturers, suppliers, vendors and authorities, as well as between company offices and managed ships.

In particular, the d’Amico Group is aware that its effective positioning on the market largely depends on understanding and meeting both the current and future needs of its existing and potential customers. For this reason, the Group defines its customers’ needs and requirements and communicates them to all departments in charge of the service, which strive towards meeting the goals and increasing customer satisfaction. **The Group uses different channels and tools to verify customers’ perception of the services offered and their satisfaction.** These include:

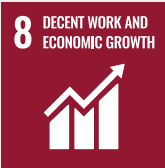
- direct communication with customers
- customer complaints and reports
- reports from ship command and ship agents
- results of audits carried out by appointed organisations
- internal relations of the Operational Department with feedback from people in direct contact with customers.

Furthermore, the company directly meets its customers through the sales department in order to collect annual feedback on the quality of the services offered. The results of the meetings are collected in the management review, helping to identify the goals that d’Amico sets to continue improving the quality of its service.



Claims and reports

SDGs



8 DECENT WORK AND ECONOMIC GROWTH

UN TARGET

8.2
Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

ACTIVITIES AND KPIs IN 2021

5
Complaints received during 2021

33.3%
The percentage of complaints relating to previous years resolved compared to the total of complaints from previous years

The Legal Department is responsible for handling claims received from third parties and those that d’Amico Group brings against them. Claims can be divided into the following main categories:

- **cargo claims:** claims that usually relate to the quality or quantity of cargo
- **charter-party disputes:** are disputes arising from contractual terms, for example from charter contracts
- **MOA claims:** disputes relating to a Memorandum of Agreement for the sale and purchase of a ship
- **underperformance disputes:** claims received from customers for inadequate ship performance, as established by the charter contracts. For example, these contracts often guarantee vessel speed that is monitored during the voyage by external companies, which then issue a report on the ship’s performance. If the vessel’s speed is lower and/or her consumption is higher than what has been contractually agreed between the shipowner and the charterer, the latter is entitled to claim damages.

CLAIMS BY TYPE							
	CARGO CLAIM	CHARTER-PARTY DISPUTES	MOA CLAIMS	DEMURRAGE	FFO ²⁴ / COLLISION	BUNKER CONTAMINATION	TOTAL
2019	9	0	0		0	0	9
2020	13	1	0		2	1	17
2021 ²⁵	12	2	0	1	3	2	20

Most claims received fall within the P&I (Protection and Indemnity) or the FD&D (Freight, Demurrage and Defence) insurance coverage. Once the claim is received by the Legal Department, it is also communicated to the insurers, which assist in handling the claim and contribute financially if the counterparty’s claim is well-founded. Claims are settled both out of court, without the help of external legal assistance, and in court. In the latter case, the d’Amico Group can rely on a **large network of external lawyers** appointed to represent the company’s interests in court.

In 2021, 15 out of 20 claims were from previous years. Five of them (four regarding cargo claims and one FFO), were settled during the current year (33.3% of the previous complaints).

Five new claims were received by the Group in 2021 for: cargo (one out of five), demurrage (one out of five), charter-party dispute (one out of five), FFO and collision (one out of five) and bunker contamination (one out of five).

In conclusion, there are a total of 15 continuing claims in 2021.

²⁴ Fixed and Floating Objects, including damage to property such as piers, jetties, light-buoys and pipelines
²⁵ For 2021, not only claims coming from usual clients and charterers have been included, but all the claims received from third parties against the vessels owned by the d’Amico Group and with a value of more than 50,000 USD

COMMUNICATION TO CLIENTS

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021



16.7

ensure responsive, inclusive, participatory and representative decision-making at all levels

16.10

ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

+ 18.9% international media coverage

Most business contacts, both for tankers and dry cargo ships, are made through brokers associated **with brokerage companies with which the Group has been working for some time**. In certain geographical areas, such as Japan, some relationships date back to the 1970s, when the d'Amico Group was one of the first Italian companies to enter into business relations with the Far East.

Brokers play a key role: **they act as a mediator for both sides**, they know the shipowner's fleet and the needs associated with the specific aspects of the customer's product, especially the logistical and operational aspects.

An important opportunity for more direct relations and communication between the parties are **sector-related conferences**, often specific to the type of product, providing an opportunity for all shipping companies and customers to meet. The d'Amico Group also participates in these events annually, especially in Asia, the USA and Europe to **strengthen existing business relationships and build new ones**. Before the pandemic, the Group organised important **business and institutional events**, especially in Japan, Singapore and the USA, in order to facilitate communication with leading industry players and as a gesture of gratitude towards its partners.

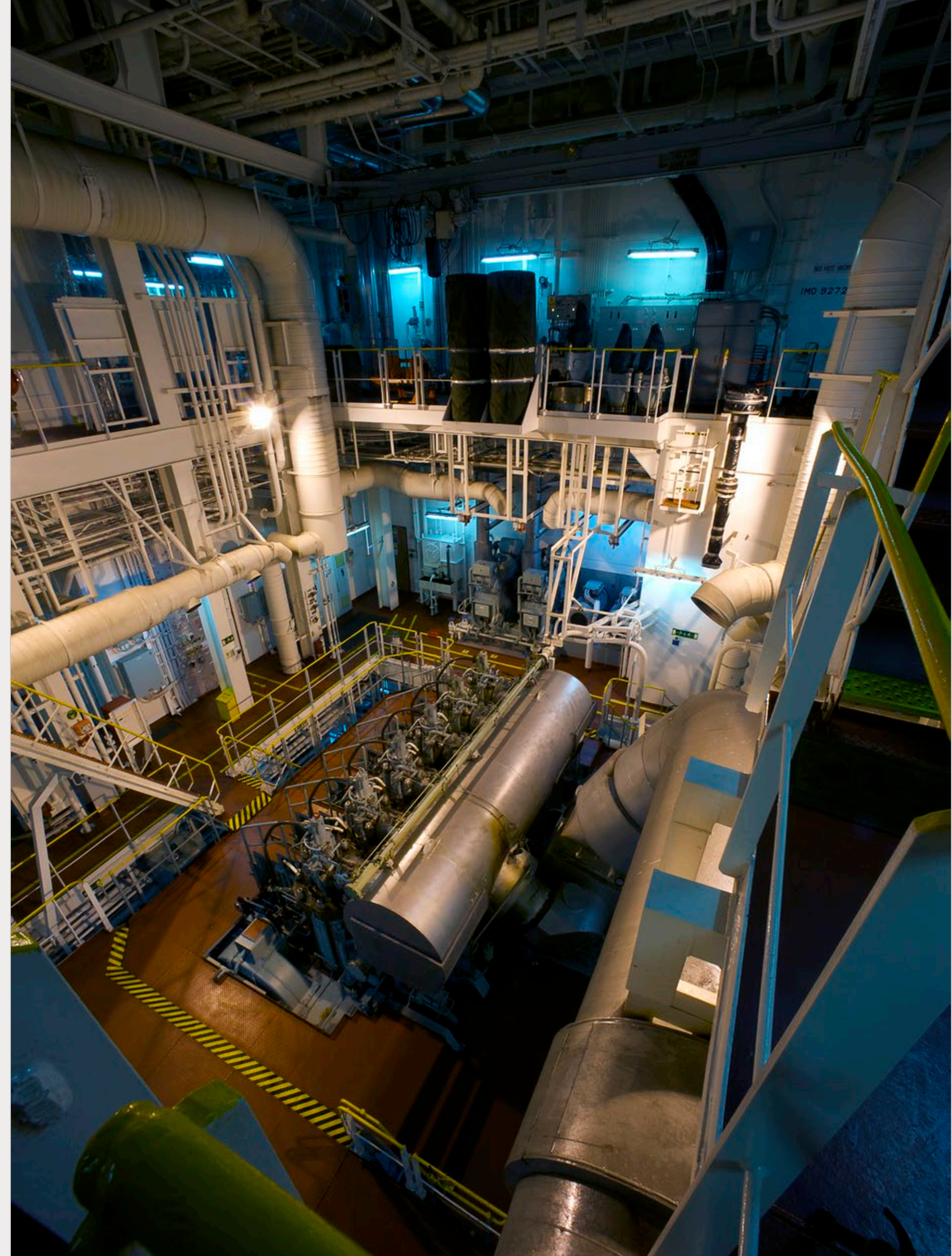
The Product Tankers business area (d'Amico International Shipping S.A), listed on the Milan Stock Exchange, participates in the Star conferences organised by the London Stock Exchange to meet investors and analysts.

2021 featured the progressive return of physical events, despite the persistence of the pandemic due to COVID-19 virus. However, as in the previous year, the d'Amico Group participated with its shipowners and Top Managers in many on-line conferences and events organised by the main players of the shipping industry and the financial community.

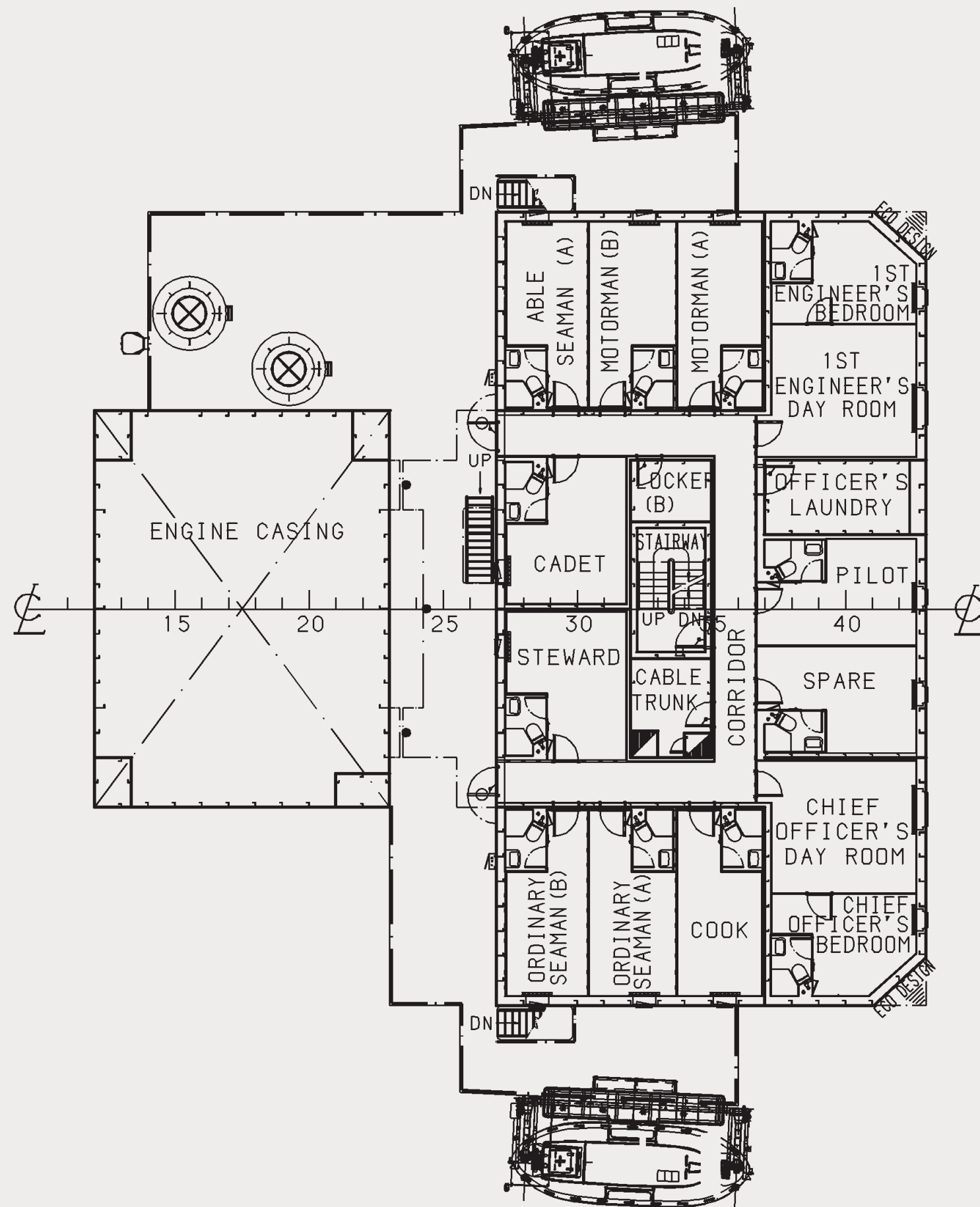
The Group also uses the web to provide customers and stakeholders with essential institutional and business information which can be accessed both through the **Group's website** - <https://en.damicoship.com/> - and through the websites dedicated to the main business areas (<https://en.damicodry.com/> and <https://en.damicointernationalshipping.com>).

In general, the media coverage of 2021 was down slightly, by 1.78% (compared to 2020). The coverage of 2021 was characterised by articles concerning: DIS Financial results (14.3% of the total) and the purchase and sale of some dry and tankers vessels (16.7% of the total).

Otherwise, the year **2021 marked an important increase in terms of international media coverage (+ 18.9% compared to last year)**. The Group obtained great visibility thanks to the active presence of the Shipowners and the management in national and international shipping associations and institutions.



B-DECK



Community

SDGs

Sections of the Sustainability Report

Activities



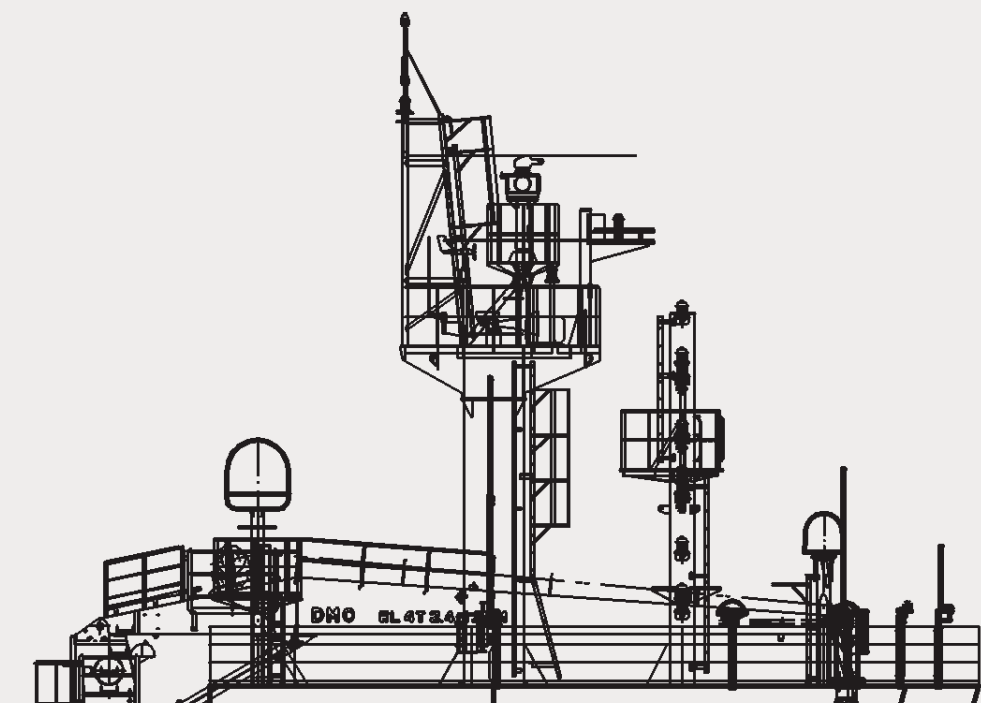
Participation in leading industry associations and organisations

Participation in leading industry associations and organisations

d'Amico Group's commitment to community

- Increase awareness, at global and national level, on the issues of climate change and environmental sustainability, by funding associations promoting a more sustainable business style

- Act in a systemic logic, to support local entities and associations, in order to develop a strong and cohesive infrastructure that allows greater success in achieving sustainable development as well as the goals of d'Amico Group and the community.



PARTICIPATION IN LEADING INDUSTRY ASSOCIATIONS AND ORGANISATIONS

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021



17.17

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

166,000€

disbursed as membership fees for national and international shipowners and other associations in 2021



12.8

By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

ACTIVE PARTICIPATION

With leading roles in several international organizations and associations within the shipping sector



13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

The d'Amico Group actively participates in leading national and international industry organisations and associations, holding top positions. The Company's shipowners and managers continue with the long-standing tradition of ensuring their constant and stable participation in key international shipping contexts.

CONFITARMA

The Italian Confederation of Shipowners (Confitarma) is **the main association of the Italian shipping industry**. It represents nearly the entire merchant fleet and gathers shipping companies and ship-owning groups operating in all sectors of freight and passenger transport, cruises and auxiliary traffic services. The d'Amico Group has been a member since its foundation.

Three d'Amico family members were appointed as chairmen over the years and were involved in significant events of the Confederation's history. Ciro d'Amico, Chairman from 1972 to 1975, contributed to the unification of the three different shipowner associations that later merged into Confitarma. Antonio d'Amico, Chairman from 1989 to 1995, worked actively towards joining Confindustria. Paolo d'Amico led Confitarma during a highly complex three-year period (2010-2013) in terms of international maritime safety. Cesare d'Amico also played a key role in Confitarma. He is current-

ly a member of the Executive Committee and Chairman of the Cyber / Maritime Security Working Group. **Another generation of d'Amico's joined the Young Shipowners Group.** The Young Shipowners Group was established in 1995 in compliance with the Confitarma's Statute and it comprises over 60 members, including shipowners, sons of shipowners, managers and employees directly engaged in the enterprises represented by Confitarma and coming from about 50 member companies. In June 2021 Salvatore d'Amico was nominated President of Confitarma Young Shipowners Group.

REGISTRO NAVALE ITALIANO

Paolo d'Amico has been, since 2020, Chairman of the Registro Italiano Navale (Italian Naval Register), following the previous appointment as Vice Chairman and member of the Board of Directors. He will be in charge for the period 2020-2023. Among his priorities: a **global approach to sustainability and digitalization to restart the economy after the pandemic emergency**.

Registro Italiano Navale is the majority shareholder (70%) of RINA S.p.A., thus of the RINA Group. Its Board of Directors includes representatives of the key categories connected with the shipping industry.

INTERTANKO

The International Association of Independent Tanker Owners (INTERTANKO) has 204 members from more than 40 countries. **The Association**, chaired by Paolo d'Amico since November 2018, **is committed to ensuring a highly competitive, transparent and sustainable industry with the objective of achieving high international standards**. Two of d'Amico Group's staff also hold a role at INTERTANKO: an HR Manager chairs the Human Element in Shipping Committee (HEISC), and the Technical Director is a member of the Safety and Technical Committee (ISTEC) and the Environmental Committee.

THE STANDARD CLUB

The Standard Club **is the fourth largest Protection and Indemnity Club in the world** and handles around 10% of the international insurance market. A network of **650 agents in 130 countries** is responsible for monitoring and assisting a fleet exceeding 130 million gross tonnes. Cesare d'Amico is currently the Chairman and is the first Italian to have achieved this important position.

INTERCARGO

INTERCARGO, International Association of Dry Cargo Shipowners, **represents the interests of the leading dry cargo shipowners, with a view to promoting free and fair competition**. The d'Amico Group is also highly involved in this association: Emanuele d'Amico is member of the Executive Committee, while the Deputy Technical Director is a member of the Technical Committee, who also participates in the IMO Correspondence Group on air pollution and energy efficiency and the IMO Correspondence Group on CII and reduction measures.

ESSF - European Sustainable Shipping Forum

Since 2017, d'Amico Group has been an expert member of the Environmental Sustainable Shipping Forum (ESSF) with the Performance Manager as member of the Air Emission from Ships Subgroup and since the end of 2019 also in the Ship Energy Efficiency Subgroup.

The Forum was created to promote structural dialogue, the exchange of technical knowledge, cooperation and coordination between parties, in order to **to encouraging sustainable, competitive and quality shipping without compromising safety**.

ECSA - European Community Shipowners Association

Founded in 1965, ECSA is a **trade association representing the national shipowners' associations of the EU and Norway**. European shipowners' control 40% of the global commercial fleet.

ECSA is involved in safety and environmental issues, maritime and trade policies and social affairs. It promotes shipping interests and seeks to create a free and competitive business environment.

In 2020 ECSA created a pool of Shipowner Expert Members in order to participate at the Draft delegated act published in November 2020 which includes: manufacture of low carbon technologies for transport, Sea and coastal freight water transport.

One of d'Amico's managers is also a **member of the CSA EU Maritime Taxonomy Group committed to becoming a global leader in sustainable finance**. The European Commission established the High-Level Expert Group on Sustainable Finance (HLEG) in 2016, tasked with developing a comprehensive EU strategy on sustainable finance. The ECSA Board of Directors gathers the directors of its 20 national member associations.

The Board has authority to make decisions on all relevant issues and it is chaired by a President who serves for two years. The President is elected by the General Assembly of ECSA. One of d'Amico's Managers represents Ireland in the Board of Directors.

ECPSF – European Commission Platform on Sustainable Finance

The platform is an advisory body subject to the Commission's horizontal rules for expert groups. Its main purpose is to **advise the European Commission on several tasks and topics related to further developing the EU taxonomy and support the Commission in the technical preparation of delegated acts, in order to implement the EU taxonomy**.

The Platform brings together world leading sustainability experts across all stakeholder groups: Private stakeholders from financial, non-financial and business sectors, NGOs and civil society, academia and think tanks, experts in personal capacity, as well as public and international institutions.

One of d'Amico Group's Manager has been nominated in 2021 as Tech Expert Member.

ICS - International Chamber of Shipping

The International Chamber of Shipping (ICS) is the **leading international trade association for the shipbuilding industry**. It comprises shipowners from Asia, Europe and the Americas. Overall, the shipping companies associated with ICS manage over 80% of the world's merchant shipping tonnage. One of d'Amico Group's Top Managers serves as Chairman of the Construction & Equipment sub-committee.

Irish Chamber of Shipping

Ireland's **leading trade association for the shipping industry represents shipowners and operators in all sectors and trades in Ireland**. The Irish Chamber of Shipping is Ireland's representative on the ECSA (European Community Shipowners' Association) and the International Chamber of Shipping.

SSA - Singapore Shipping Association

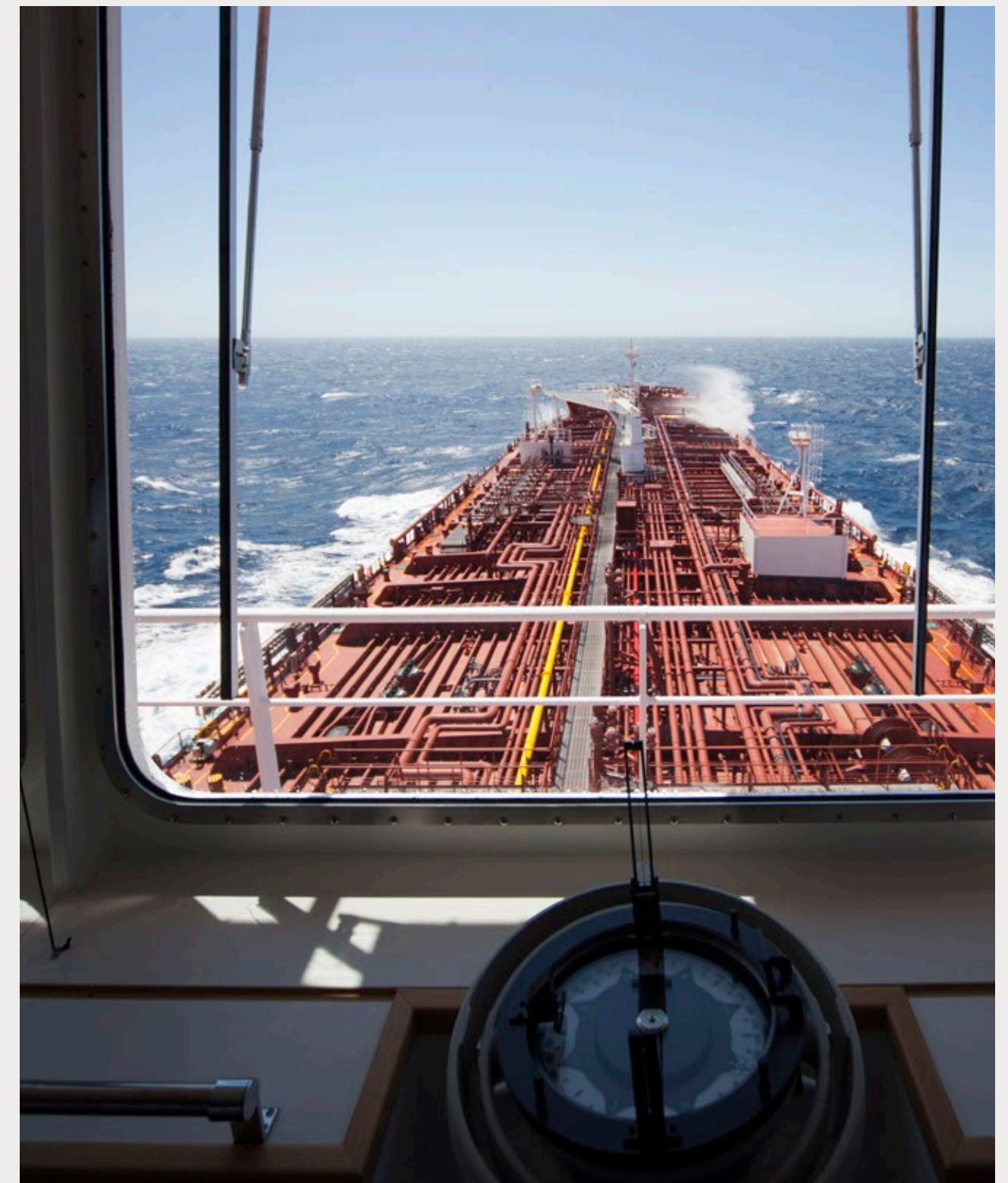
d'Amico Società di Navigazione SpA and Ishima Pte Limited are members of the Singapore Shipping Association (SSA). The association was founded in 1985 and **represents over 470 member companies**, including shipowners, ship managers and operators, brokers, bunker suppliers, insurers, lawyers and bankers specialising in the maritime sector.

ICCS - Italian Chamber of Commerce in Singapore

The Italian Chamber of Commerce in Singapore is a **non-profit association that aims to strengthen bilateral relations between Italy and Singapore**. It focuses on collaboration between strategic partners belonging to the two countries. d'Amico Group is now one of the Italian companies with the greatest presence in Singapore and it has an office that represents the Company's hub in Southeast Asia.

BIMCO

d'Amico Group is a member of BIMCO, **the largest international maritime association**. It is accredited as an NGO with all relevant UN bodies and its membership represents approximately 60 percent of the world's merchant shipping tonnage and that it has members in more than 120 countries, including shipowners, brokers and agents, etc. In the past, d'Amico Group executives were members of the Association's technical committees.



d'AMICO GROUP'S COMMITMENT TO COMMUNITY

SDGs

UN TARGET ONU

ACTIVITIES AND KPIs IN 2021

**17.17**

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

100,000€

Disbursed by the Group as donations and sponsorships in 2021

TRAINING

Student Naval Architect Award

The Student Naval Architect Award is a **prestigious award** that, for over 15 years, has been given to Genoa University students who has studied in the faculty of Naval Engineering or in similar subjects and who has graduated with honours. The aim is to reward excellence in the field of naval engineering with a view to building the future of shipping. d'Amico Group co-funds this award together with the Royal Institution of Naval Architects, the British professional association of naval engineers founded in London in 1860.

In 2020, a member of the d'Amico family and also a Top Manager of the Group was elected President of the Royal Institution of Naval Architects (RINA) for the 2020-2022 two-year period.

IPE - Naples Institute for Research and Education

The Master's Degree in Hr & Social Recruiting held by IPE (Institute for Research and Education) in Naples is a **unique educational programme** in Italy.

Its aim is to train professional experts in selection, management and evaluation processes of Human Resources that, in addition to basic skills, acquires the skills necessary for digital corporate transformation through social recruiting techniques, employer branding, change management.

Thanks to this collaboration **every year students can develop a final project work in the Group**. d'Amico also gives the most deserving students the opportunity to do an internship at the HR department. The Master's programme boasts a 100% placement rate and is accessible annually through a scholarship provided by d'Amico Group.

National Maritime College of Ireland – Cadet training programme

d'Amico Group has supported the National Maritime College of Ireland for many years, offering cadets the opportunity to board the vessels of the d'Amico fleet for 90 days each year. The new Navy officers can complete their edu-

cation with a period of onboard training and they can receive the certificate of competency required for navigation. **Through its cooperation with the National Maritime College of Ireland, d'Amico Group is also a partner of Chiltern Maritime, a company specialising in the recruitment, training and administration of officer trainees for British Merchant Marine scholarship programmes.**

The Connecticut Maritime Association - CMA Essay Contest

The Connecticut Maritime Association is a **non-profit association of the US shipping industry**. The Group has been an active member of the association since 2001. Since 2014, d'Amico Group has sponsored the "Business of Shipping Competition", organized by the CMA and the CMA Education Foundation.

The competition **rewards the best essays written by students attending American colleges and universities with programmes and/or courses specialising in shipping, international trade, marine biology and maritime engineering.**

SOLIDARITY

d'Amico Group supports charitable activities across the globe. It sponsors events for the protection of human life and scientific research, and projects to assist the neediest populations and areas in which it operates - paying special attention to the protection of children and the most vulnerable.

Il Porto dei Piccoli (The Children's Harbour)

d'Amico Group supports the Association "Il Porto dei Piccoli" (The Children's Harbour) which helps children facing illness and their families. Its aim is to provide support throughout the treatment period, regardless of the pathology, and to offer a safe harbour where children and their families can find understanding and support.

The sea is the constant companion during the recreational and educational activities offered every day by the association's volunteers. In its more than 17 years of activity Il Porto dei Piccoli has assisted more than eleven thousand children in different Italian regions.

Children's Emergency Fund - Save the Children

The Children's Emergency Fund of Save the Children seeks to **rescue and provide assistance to people affected by natural disasters and conflicts**. d'Amico Group collaborates with the organisation in providing first response at the onset of an emergency to ensure that children and families receive food, water, hygiene kits, medical care and temporary shelters.

The Group also supports projects dealing with health and education designed to guarantee a better and safer future for children all over the world.

Telethon Foundation

For many years, d'Amico Group has supported the activities of the Telethon Foundation - aimed at **helping research progress towards the treatment of genetic diseases** - and helps the Foundation in financing top researchers and research institutes.

Children's Kidney Disease Foundation

For many years, d'Amico Group has supported the "Fondazione Malattie Renali del Bambino" (Children's Kidney Disease Foundation), an **Italian non-profit organization for the prevention, treatment and study of kidney disease in children**. Its aim is to help them receive the assistance they need to go back to live a perfectly normal life.

ART AND CULTURE

d'Amico Group supports art and culture, driven by its **close bonds with many of the local communities** in which it operates worldwide and by its desire to spread Italian culture beyond its national borders. The Group has developed several projects enabling it to introduce social, economic and environmental issues to an ever-growing public, and to personally contribute to the preservation of artistic, cultural and traditional heritage.

The Owner's Cabin

In 2015, d'Amico Group launched the project - The Owner's Cabin, a one-of-a-kind artist's residency that combines art, culture and shipping, and it **hosts international artists on board the Group's vessels, offering them a unique perspective**. Interlacing industry and art, trade and creativity, isolation and global interaction in the creative process, several artists from all over the world have already produced a body of artwork inspired by these features.

FAI - Fondo Ambiente Italiano (Italian Environmental Fund)

d'Amico Società di Navigazione is part of "The 200 of FAI", a group of generous sponsors who, together with their companies, support FAI in its mission to protect, care for and enhance Italy's historical, artistic and environmental heritage.

ENVIRONMENT

d'Amico Group believes in the **protection of the marine environment** and for that reason it supports Associations and NGOs which dedicate their efforts in preserving the marine environment.

Association of Sea Museum Promoters - Galata Sea Museum of Genoa

d'Amico Group has always had a special relationship with the city of Genoa. Recently, **the Group contributed in creating the "Shipowners' Hall" in the Galata Sea Museum**.

The room is situated on the third floor of the museum and it tells the story of Genoa and its port through its protagonists: the shipowners and Italian maritime history since 1861. The museum also includes the "Antonio d'Amico Room". This room is dedicated to the memory of one of the three brothers who founded d'Amico Società di Navigazione. It contains the bell that belonged to the transatlantic liner REX and other mementos given by the Company to the city of Genoa through a free loan, as a testament to the close bond between d'Amico and the city.

Istituto Italiano di Navigazione

d'Amico Group is a partner of the **Italian Navigation Institute**. It was founded in 1959, the body acts as a connecting element between the various institutions and companies to promote the development and dissemination of the technical-scientific culture of navigation (both maritime, land, air and space), and to provide insight into the legal, judicial, management and economics aspects of the sector.



Environmental responsibility



2021 HIGHLIGHTS

88%

of owned fleet compliant with EEDI phase II and with EEXI (Dry Cargo)

70%

of owned fleet compliant with EEDI phase II and with EEXI (Product Tanker)

13%

of owned fleet compliant with EEDI phase III and with EEXI (Product Tanker)

-5.2%

reduction of the EEDI/EEXI of Product Tanker fleet (2021 vs. 2019)

-11.3%

reduction of EEDI/EEXI of Dry Cargo fleet (2021 vs. 2019)

-4.0%

reduction of the AER of d'Amico fleet (2021 vs. 2019)

-7.5%

reduction in CO₂ emissions per nautical mile (2021 vs. 2019)

-7.4%

reduction in NO_x emissions per nautical mile (2021 vs. 2019)

-7.0%

reduction of bunker consumption per nautical mile (2021 vs. 2019)

-3.4%
reduction

of the total waste produced onboard since 2019

97.5%

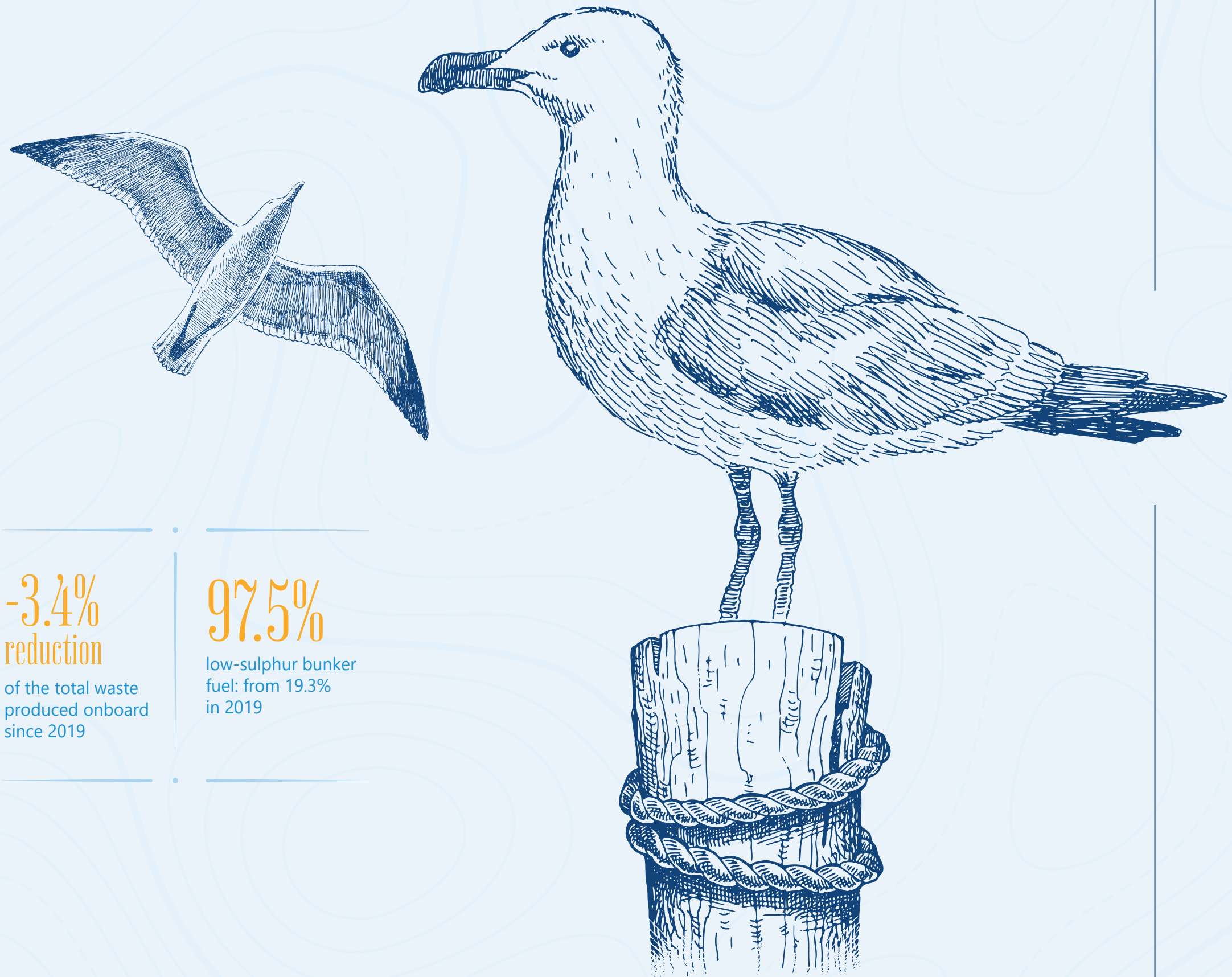
low-sulphur bunker fuel: from 19.3% in 2019

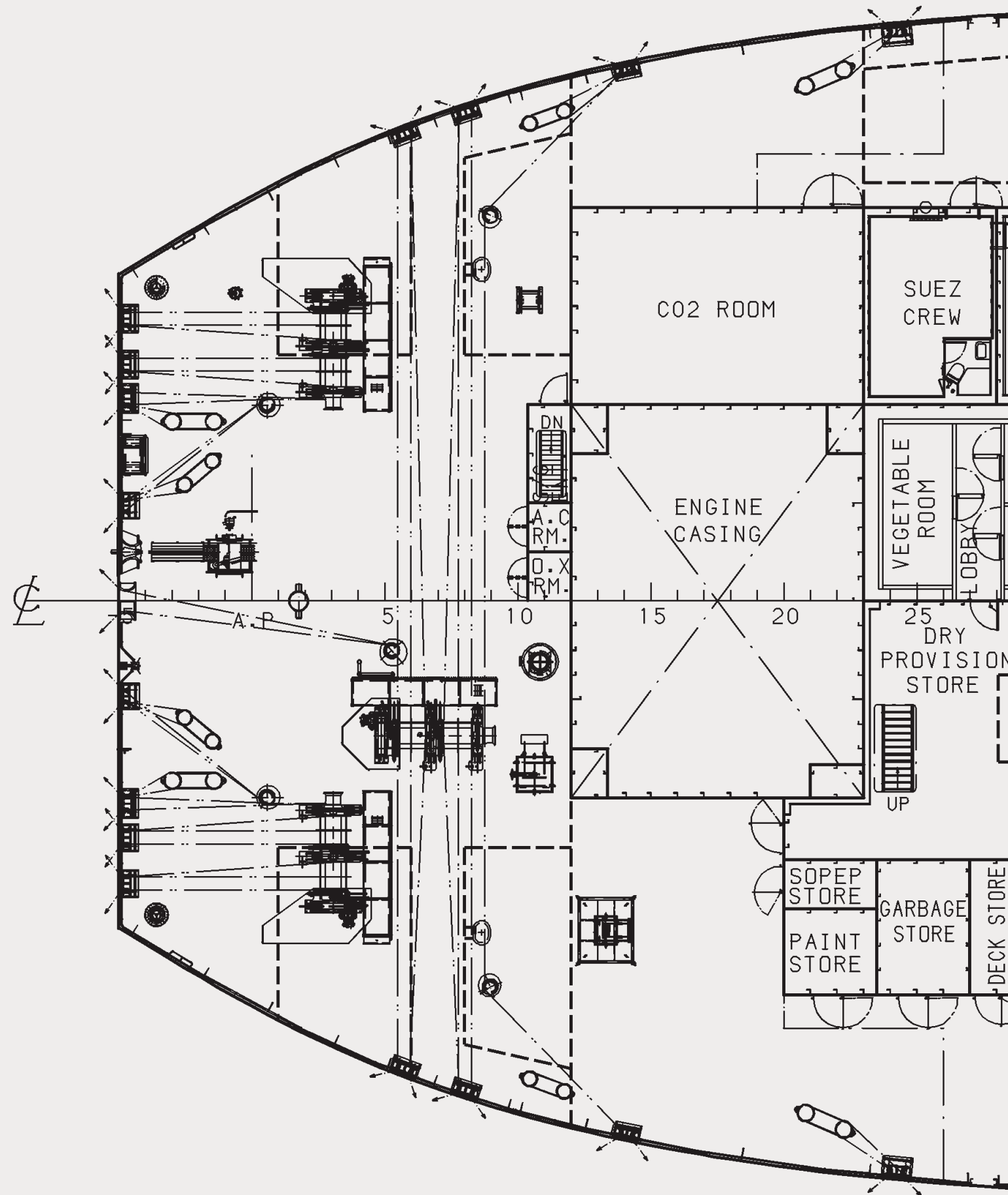
Zero

accidents and spills in the last three years

0.999

the fleet reliability index, considering the maximum target of 1





Environmental Responsibility

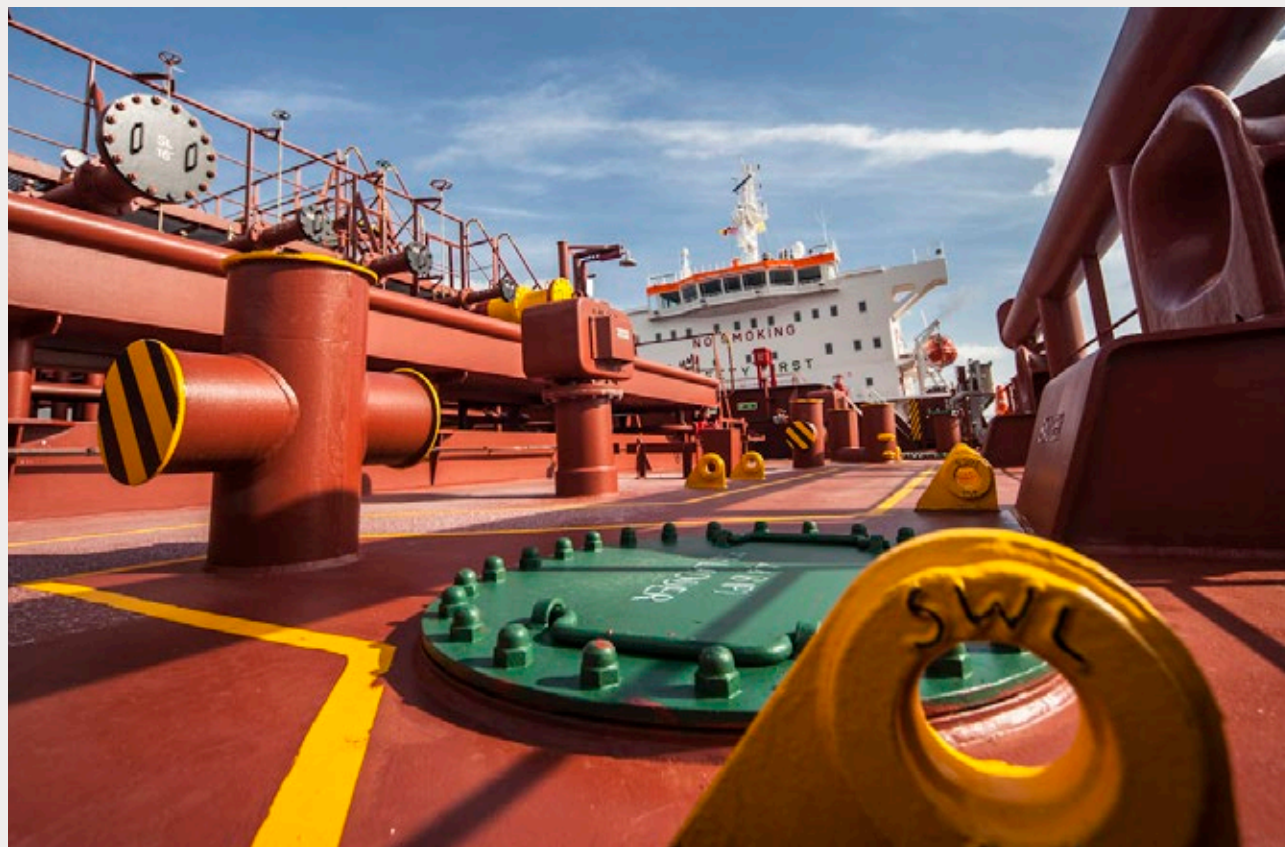
SDGs	Sections of the Sustainability Report	Activities
	Environmental policy	<ul style="list-style-type: none"> Application of policies and implementation of activities to reduce harm to individuals and deaths caused by water, air pollution and other emissions
	Environmental management at facilities	<ul style="list-style-type: none"> Achieve an efficient consumption of water within the offices and the Group facilities
	Environmental policy Environmental performance Environmental management at facilities	<ul style="list-style-type: none"> Renewal of "Eco ships" fleet, in line with IMO directives, thanks to the implementation of innovative technologies Achieve an increasingly efficient energy consumption within the offices
	Environmental policy	<ul style="list-style-type: none"> Prevent hazardous actions, injuries, illnesses, accidents to personnel, material and environmental damage Improve the safety of all employees by developing an internal culture of safety
	A fleet at the forefront Environmental management at facilities	<ul style="list-style-type: none"> Projects aimed at improving vessel performance from an environmental perspective and in terms of onboard safety and efficiency Reducing travel between offices and increase use of video conference and conference call systems
	Sea and Marine environmental safety Waste management Environmental management at facilities	<ul style="list-style-type: none"> Preparation of hazardous material inventories on all new buildings and on the existing fleet Plastic-free project in the Group's offices Separate waste collection in all d'Amico offices
	Environmental performance	<ul style="list-style-type: none"> Activities to raise awareness on climate change issues among personnel and in the community Implementation of activities seeking to reduce harm to individuals which are caused by water and air pollution
	Sea and Marine environmental Safety	<ul style="list-style-type: none"> Minimum impact of activities on environmental integrity at all times and in all places Ongoing prevention of every possible form of pollution, with a zero pollution goal

The d'Amico Group considers **environmental protection and respect for the environment as a mission**. Its environmental policy is a key reference point for its Integrated Management System and in the adoption of international certifications. The d'Amico Group is aware of the importance of its role and **constantly promotes responsible behaviour towards the environment**. It takes part in several projects, focusing its efforts on preserving the marine environment from pollution and over-exploitation.

ENVIRONMENTAL IMPACT AND REGULATORY FRAMEWORK

Around 90% of global trade is based on maritime transportation. This is the most efficient and cost-effective method of transport for most goods and is constantly expanding, driven by the liberalisation and globalisation of economy. Currently this industry involves over 150 countries, with more than 50,000 cargo vessels that employ more than a million seafarers of all nationalities. From an environmental perspective, **shipping is the least environmentally damaging form of transport, as it is more efficient and has a much lower environmental impact than other existing forms of transport**. Considering the size of this industry, 2.7% of global CO₂ emissions are attributable to shipping. However, the sector has a highly cohesive approach when adopting and implementing international safety standards, under the umbrella of the International Maritime Organisation - IMO, which regulates this huge and diverse sector, regardless of nationality.

In 2015, the Paris Climate Agreement dealing with greenhouse gas emissions set out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.



IMO - INTERNATIONAL MARITIME ORGANIZATION

IMO is the United Nations agency that **handles shipping safety and security and the prevention of marine and air pollution by ships**. IMO membership implies compliance with specific standards. As an international industry by definition, shipping can only operate effectively if regulations and standards are agreed upon, adopted and implemented on an international basis. IMO measures cover all aspects

of international shipping – including ship design, construction, equipment, manning, operation and disposal. **The goal is to ensure that the shipping sector – which plays a vital role in the economy – is secure, environmentally friendly, energy efficient and safe.** Lastly, IMO works towards supporting the United Nations' Sustainable Development Goals, to which the d'Amico Group has also adhered.

The shipping industry is subject to the provisions of the International Convention for the Prevention of Pollution from Ships (MARPOL), which aims to prevent and reduce both accidental and operational pollution.

MARPOL

The MARPOL Convention was adopted on 2 November 1973 by the IMO and subsequently updated by the 1978 and 1997 protocols. It consists of six annexes, each addressing **the prevention and/or control of pollution by petroleum products** - crude oil and fuel oil - carriage of

noxious liquid substances in bulk, carriage of noxious substances in packaged form, sewage, waste and air pollution emissions - substances that deplete the ozone layer, nitrogen oxides (NO_x), sulphur oxides (SO_x), volatile organic compounds.



The main certificates that a vessel must have to demonstrate compliance with the MARPOL Convention are:

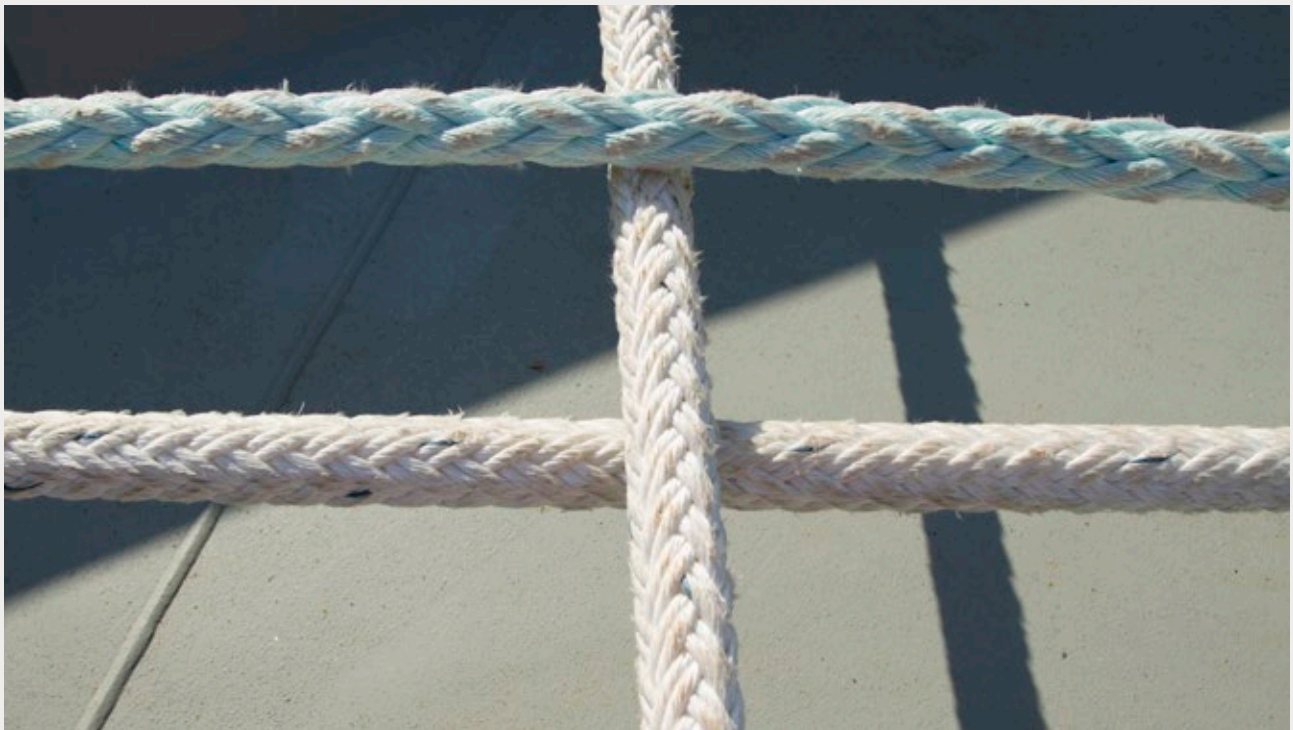
- **IOPP** - International Oil Pollution Prevention Certificate
- **ISPP** - International Sewage Pollution Prevention Certificate
- **IAPP** - International Air Pollution Prevention Certificate
- **NLS** - International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances.

In April 2018, the IMO reached a climate agreement regarding the adoption of a strategy to reduce greenhouse gas emissions from international shipping consistent with the Paris Agreement goals adopted by the United Nations in 2015. The agreement has two main objectives:

- **reducing CO₂ emissions from international shipping** per tonnes of cargo carried and nautical miles covered by at least 40% by 2030 and 70% by 2050, compared to 2008 values;
- **reducing greenhouse gas emissions** from international shipping by at least 50% by 2050 compared to 2008, consistent with the strategies implemented by the Paris Agreement.

The IMO Marine Environment Protection Committee (MEPC) has also reviewed the terms of MARPOL Annex VI with the following additions:

- adoption of a new Regulation (22A) establishing a **mandatory system for collecting and reporting data**, starting from 1 January 2019 for each year, on the consumption of each type of fuel oil used on board all vessels having 5,000 or more gross tonnage and engaged in international voyages;
- **adjustment of the level of sulphur oxide and nitrogen oxide emissions** by redefining the sulphur threshold that can be contained in the fuels used by vessels, which ranges from 3.5% to 0.5%, starting from January 2020 at a global level. An exception is made for vessels travelling through SECA - Sulphur Emission Control Area - areas, for which a maximum threshold of 0.1% has been defined, as already envisaged by the previous version and by Directive (EU) 2012/3²⁶ in European ports.



²⁶ Directive (EU) 2012/33 of 21 November 2012, known as the “Sulphur Directive” establishes that, from 1 January 2015, cargo vessels operating in the maritime areas of Member States may no longer use fuel with a sulphur content exceeding 0.1% by mass.

“Sustainable Shipping for a Sustainable Planet”

The year 2020 marked the beginning of a decade of action and progress for a more sustainable life on the planet. The IMO is convinced that the upcoming decade will be decisive not only for the shipping industry, but for life on the planet. For this reason, in 2019 the IMO launched the initiative “Sustainable shipping for a sustainable planet” for the year 2020. The aim of the initiative was to provide an opportunity to **raise awareness of the UN SDGs and showcase the work that the IMO and its Member States are undertaking to achieve the targets**. The shipping industry, with the support of the IMO regulatory framework, has already started the transition towards this sustainable future. **The IMO’s objectives are: safe, secure and efficient shipping on clean oceans.**

The IMO’s main objectives include the commitment to fight climate change by continuing to develop measures to cut greenhouse gas emissions, reduce the sulphur content of ships’ fuel oil, implement the Ballast Water Management Convention, protect the polar regions and reduce marine litter.

The fundamental purpose of the IMO, as described in the IMO Convention, is rooted in the **conservation and sustainable use of the oceans and their resources**. The IMO supports the targets for managing and protecting marine and coastal ecosystems through the establishment of **Special Areas under MARPOL and Particularly Sensitive Sea Areas**. **Regarding ocean acidification**, the IMO has established a regulatory framework that will contribute to climate change mitigation by regulating for carbon capture and sequestration in subsea geological formations and for marine geoengineering.

Its commitment also includes adopting measures to **improve the efficiency of shipping through the electronic exchange of information**, meeting the challenges of the digitalisation of shipping and enhancing the participation of women in the maritime community.

The adopted measures made the Energy Efficiency Design Index (EEDI) for new ships and the Ship Energy Efficiency Management Plan (SEEMP) for all ships mandatory. These measures will require ships built in 2025 to be 30% more energy efficient than those built in 2014.



Moreover, the IMO adopted a **mandatory data collection system for fuel oil consumption**. This is the first step in a three-step approach, the second being data analysis, and the third decision-making on whether further measures are needed to **enhance energy efficiency and address GHG emissions from international shipping**. IMO contributes to international cooperation to **facilitate access to clean energy research and technology**, in particular energy efficiency and advanced, cleaner fossil-fuel technology, and promotes investments in energy infrastructure and clean energy technology.

The COVID-19 pandemic has demonstrated the importance of shipping as the most reliable, efficient and cost-effective method of transporting goods internationally, thus highlighting the fact that shipping is an essential component of sustainable economic growth. **Security is also essential for a well-functioning transport system**. The shipping sector is on the front-line today, facing security threats from global terrorism and modern-day piracy on the world’s oceans. IMO also **promotes maritime security coordination and cooperation among States, regions, organisations and industry**, as well as assisting Member States to implement the International Ship and Port Facility Security (ISPS) Code on board all ships and in all ports engaged in international maritime transport.



2022 WORLD MARITIME THEME

"New technologies for greener shipping" is the World Maritime theme for 2022, reflecting the need to **support a green transition of the maritime sector into a sustainable future**, while leaving no one behind. The theme provides an opportunity to focus on the importance of a sustainable maritime sector and the need to build back better and greener in a post-pandemic world.

The IMO actively supports a greener transition of the shipping sector into a sustainable future, and showcases maritime innovation, research and development, and the demonstration and deployment of new technologies.

The 2022 theme will also allow for a range of activities to delve into specific topics related to the promotion of

inclusive innovation and adoption of new technologies to support the needs for the maritime sector transition, especially in the context of developing countries, and in particular the Small Island Developing States (SIDS) and Least Developed Countries (LDCs).

The theme is linked to the United Nations Sustainable Development Goals (SDGs) as well, particularly

- SDGs 13 and 14 on climate action and sustainable use of the oceans, seas and marine resources
- SDG 9 on industry, innovation and infrastructure
- SDG 17, which highlights the importance of partnerships and implementation to achieve these goals.



The requirements of the International Maritime Organization

The International Maritime Organization (IMO) has identified further potential for improving the efficiency of maritime transport and for reducing greenhouse gas emissions. In 2011, it approved the adoption of both technical measures (EEDI²⁷), to **ensure efficient ship design with respect to environmental impact, and operational measures** (SEEMP²⁸), both mandatory. The new regulations entered into force in 2013. SEEMP Part I is the operational measure that establishes a virtuous mechanism for **improving a ship's energy efficiency**. It introduces a systematic process for goal planning, including implementation of activities to achieve them, monitoring and measurements, continuous improvement as well as an operational efficiency indicator (EEOI²⁹).

As of 1 January 2019, SEEMP Part II requires **full monitoring of the ship's propulsion system efficiency**. Methods are established for collecting data on annual fuel oil consumption in metric tonnes including the use of bunker delivery notes (BDN³⁰), flow meters, monitoring of bunker fuel oil tank on board and direct measurement of CO₂ emissions - although not required by Regulation 22A.

In addition, SEEMP Part II includes **methods selected for measuring distance travelled**, hours underway, the procedure for reporting data to ground-based offices and to the administration that will be responsible for transmitting the data to the IMO. At the same time, on 1 January 2018 the European Union introduced EU regulation 2015/757 MRV - Monitoring, Reporting, Verification. This regulation was developed in response to the 2050 goals set by the European Union **aimed at reducing greenhouse gas emissions, which by 2030 must be at least 40% lower than 1990 levels**. It also establishes a European system for monitoring, reporting and verifying greenhouse gas emissions from maritime transport to improve information about the efficiency of vessels and to encourage the reduction of emissions and fuel consumption.

Therefore, both the IMO and the EU have clear targets for reducing greenhouse gas emissions from vessels. Both have introduced two mandatory requirements for collecting and analysing emissions-related data:

- IMO DCS - IMO Data Collection System on fuel consumption
- EU MRV - EU Monitoring, Reporting and Verification for CO₂ emissions

For the future, three additional measures have been approved, expected to enter into force on 1 January 2023, that will affect all existing cargo and cruise ships:

- The **retroactive application of the EEDI to all existing cargo and cruise ships above a certain size**, known as the Energy Efficiency Design Index for Existing Ships (EEXI). This will impose a requirement equivalent to EEDI Phase 2 or 3 for all existing ships regardless of year of build and is intended as a one-off certification. The EEXI is to be verified by the Administration and a new IEEC³¹ issued no later than the first annual survey on or after 1 January 2023.
- A **mandatory Carbon Intensity Indicator - grams of CO₂ per dwt (Deadweight tonnage)-mile - and rating scheme** where all cargo and cruise ships above 5,000 GT (Gross Tonnage) are given a rating of A to E every year³². The rating thresholds will become increasingly stringent towards 2030. For ships that achieve a D rating for three consecutive years or an E rating, a corrective action plan needs to be developed as part of the SEEMP and approved. At the next MEPC 78 in June 2022, the correction factors to be applied for the calculation of the Carbon Intensity Indicator (CII) will be approved.
- A **strengthening of the SEEMP** by including mandatory content, such as an implementation plan on how to achieve the CII targets, and making it subject to approval. The implementation of the SEEMP will also be subject to audits.

The **EEXI - Energy Efficiency Design Index for Existing Ships** - is a technical measure, and the required value for d'Amico Group's Bunkers and Tankers is equal to a reduction of 20% against the EEDI phase 0 reference line, hence in line with the EEDI phase 2.

With the release of MEPC 76 adopted on mid-June 2021, d'Amico has already started working on the calculation of the new indicator anticipating the requests for 2023, and the results of the first analyses carried out are explained in the next chapters regarding the Fleet and the Decarbonization Projects.

²⁷ Energy Efficiency Management Design Index

²⁸ Ship Energy Efficiency Management Plan

²⁹ Energy Efficiency Operational Indicator

³⁰ Bunker Delivery Note

³¹ International Energy Efficiency Certificate

³² Corrective factors and relevant methods of calculations will be finalised and approved at MEPC 78.

The Poseidon Principles³³

The Poseidon Principles is a global framework for responsible ship finance that provide a structure for integrating climate considerations into lending decisions to **promote the decarbonisation of international shipping**.

The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. They establish a global baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with the climate goals adopted. Thus, they also serve as an important tool to support responsible decision-making.

These Principles apply to lenders, relevant lessors, and financial guarantors including export credit agencies. They must be applied by all Signatories in all business activities:

- regarding **credit products** – including bilateral loans, syndicated loans, club deals, and guarantees – secured by vessel mortgages, finance leases secured by title over vessel, or unmortgaged ECA loans tied to a vessel
- where a vessel or vessels fall **under the purview of the IMO**.

The Poseidon Principles are consistent with the policies and ambitions of the IMO, including its ambition for GHG emissions to peak as soon as possible and to reduce the total annual GHG emissions.

Currently, 27 financial institutions are Signatories to the Poseidon Principles - **representing a bank loan portfolio to global shipping of approximately \$185 billion - nearly 50% of the global shipping finance portfolio**, and more banks are expected to join in the near future.

Signatories commit to implementing the Poseidon Principles in their internal policies, procedures, and standards and to work in partnership to implement the Poseidon Principles.

The Poseidon Principles are intended to evolve over time to include other issues where the collective influence of financial institutions can help improve the contribution the industry and its leaders can make to society.

The Poseidon Principles rely specifically on the **Annual Efficiency Ratio (AER)** as the carbon intensity metric. It is the ratio of a ship's carbon emissions per actual capacity distance (e.g., dwt/nm sailed). The AER uses the parameters of fuel consumption, distance travelled and design deadweight tonnage.



To assess the climate alignment of a single vessel, its annual carbon intensity is compared with the decarbonisation trajectory³⁴ for its ship type and size class. The climate alignment of a product and or portfolio is a weighted average of the vessel carbon intensities in each product or portfolio.

Standard decarbonisation trajectories are produced by the Secretariat of the Poseidon Principles for each ship type and size class.



³³ <https://www.poseidonprinciples.org/finance/about/>
³⁴ A decarbonisation trajectory is a representation of how many grams of CO2 a single ship can emit to move one tonne of goods one nautical mile over a time horizon.

ENVIRONMENTAL POLICY AND STRATEGY

SDGs	UN TARGET	ACTIVITIES AND KPIs IN 2021
	7.3 By 2030, double the global rate of improvement in energy efficiency	79% 'Eco' vessels in d'Amico Group's fleet
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	5 tonnes / day Less in bunker consumption for an 'Eco' vessel compared to a conventional vessel at same speed

The d'Amico Group is committed to managing environmental aspects and improving energy performance as an integral part of its business. To achieve this goal, it has implemented **a certified environmental management system** compliant with ISO 14001 and **a certified energy efficiency management system** compliant with ISO 50001, aimed at:

- ensuring that its activities have a minimum impact on the environment at all times and in all places
- protecting the marine environment
- preventing pollution
- reducing emissions
- continuously monitoring fuel consumption and air emissions
- encouraging innovation by identifying technologies to increase the energy efficiency of ships and reduce environmental impact
- complying with applicable legal requirements and with the commitments undertaken by the companies regarding environmental legislation and energy consumption and efficiency
- promoting the purchase of energy-efficient products and services as well as solutions for improving energy performance
- spreading the Environmental Policy to all employees on land, on board and at all levels within the organisation, making it available to the public and keeping it constantly updated.

FLEET ENVIRONMENTAL PERFORMANCE

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021

7.3

By 2030, double the global rate of improvement in energy efficiency

9.4

by 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

13.2

Integrate climate change measures into national policies, strategies and planning

0.867 tonnes

Of fuel consumption per Nautical Mile (-7.0% Since 2019) for Dry Cargo vessels

0.964 tonnes

Of fuel consumption per Nautical Mile (-7.0% Since 2019) for Product Tankers vessels

7.1 years

The average age of the d’Amico fleet (owned and bareboat) in the Product Tanker Sector, lower than the market average age of 12.3 years

5.2 years

The average age of the d’Amico fleet in the Dry Cargo sector, lower than the market average age of 11 years

0.2876

tCO₂ emissions per Nautical Mile (-7.5% since 2019)

0.0009

tSO_x emissions per Nautical Mile (in line with 2019)

0.0052

tNO_x emissions per Nautical Mile (-7.4% since 2019)

The d’Amico Group’s environmental and energy performance is improved mainly through the adoption of new technologies that **reduce consumption and increase the fleet’s energy efficiency**. In support of its environmental policy, the d’Amico Group is committed to implementing programmes and procedures seeking to **ensure strict compliance with international regulations** and to define higher standards where existing laws and regulations do not adequately guarantee sufficient protection of the ecosystem. Furthermore, **its management systems are specifically designed to prevent activities and conditions that may pose a threat**. They reduce risks involving onshore activities, vessels and personnel, thanks to safe operating procedures designed to handle any emergency whatsoever.

An essential aspect is also informing its employees and stakeholders about the commitment to reduce environmental impact and energy consumption, inviting them to contribute and offer their assistance in achieving specific goals and periodically reporting on the results achieved.

The d’Amico Group has also developed and is currently implementing **two internal audits dedicated to environmental management**. These audits are carried out on an annual basis, by Marine and Technical Superintendents respectively, with the aim of verifying environmental compliance with all laws, rules and regulations and the continuous implementation of the best environmental management practices on board. Results of this audit set the highest standards in vessel environmental management and contribute to reaching them.

Energy efficiency

The d’Amico Group **has implemented various technologies designed to reduce the energy consumption of its own fleet at the new building stage**. Specifically, the decision to install two-stroke engines with greater power than necessary, but de-rated and electronically controlled, lowers the specific consumption curve on the one hand and reduces the revolutions per minute of the engine shaft on the other, making it possible to combine it with larger and thus more efficient propellers. In addition, the Mewis duct and the Stator fins, which optimise the flow of water to the propeller, enable vessels to sail at the same speed with 2% - 4% and 3% - 5% less power, respectively.

Improved hull forms, **a more hydrodynamic bulb**, hull paints with extremely low friction coefficients as well as more aerodynamic shapes for the vessel’s housings have also significantly reduced ship resistance in sailing conditions. Moreover, all “Eco” vessels have been designed with the aim of optimising speed, which is lower than in the previous generation of conventional ships. The combination of these technical measures has led to a drop in the fuel consumption of d’Amico’s fleet of about 6 tonnes per day/ship compared to previous-generation ships.

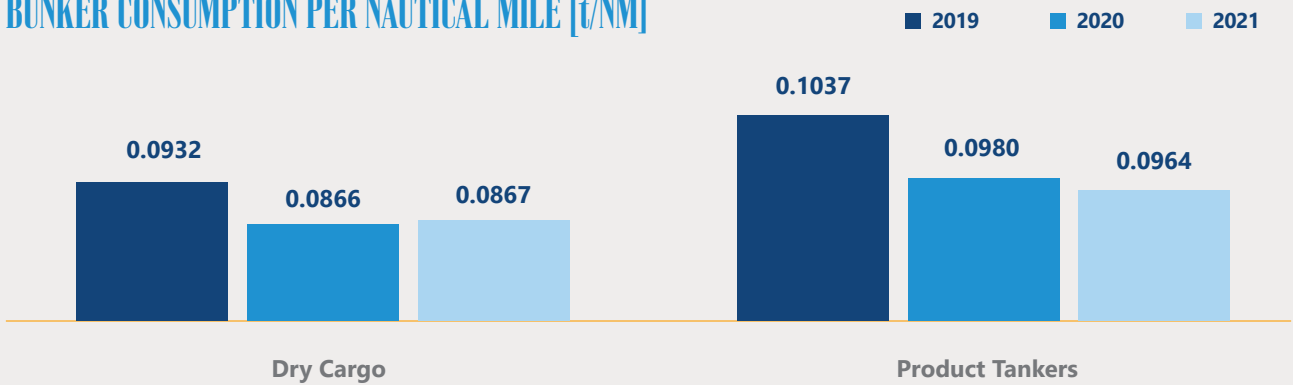
FUEL DRY CARGO	2019	2020	2021	Var. 20-21
Bunker [t]	110,301.2	91,168.5	91,101.4	-0.1%
Bunker per nautical mile [t/NM]	0.0932	0.0866	0.0867	+0.1%
Bunker per transport unit [t/t]	0.0116	0.0125	0.0125	+0.3%

FUEL PRODUCT TANKERS	2019	2020	2021	Var. 20-21
Bunker [t]	169,175.1	160,574.6	139,552.2	-13.1%
Bunker per nautical mile [t/NM]	0.1037	0.0980	0.0964	-1.6%
Bunker per transport unit [t/t]	0.0134	0.0123	0.0110	-10.6%

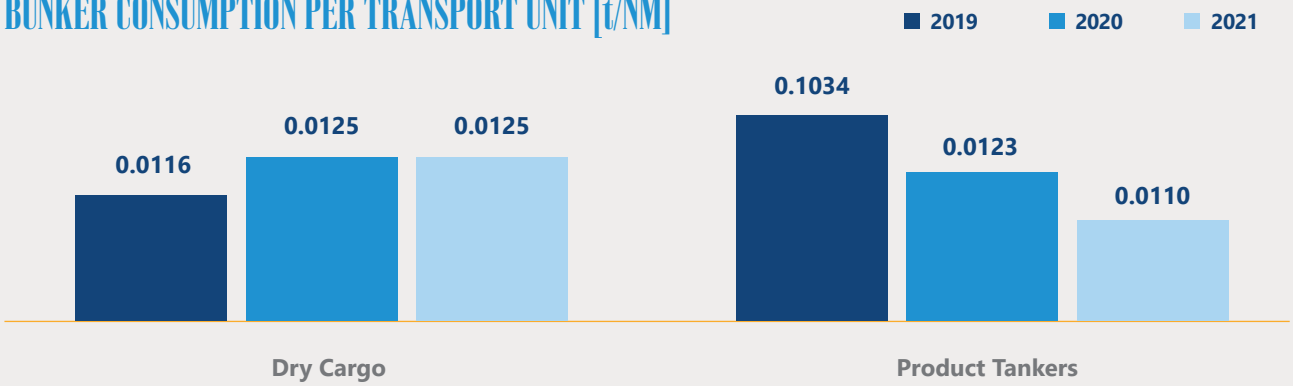
After the remarkable decrease in 2020 (-9.9%), **in 2021 the bunker consumption in the Dry Cargo business unit remains at steady levels**. Consequently, both the consumption per nautical mile (+0.1%) and per transport unit (+0.3%) are almost unchanged.

Meanwhile, the **Product Tanker business unit**, whose bunker consumption is turning down since 2019, **shows an additional reduction in 2021 (-13.1%)**. The consumption per transport unit is the most affected by this change, with a reduction of 10.6 percentage points in the last year; on the other hand, the consumption per nautical mile doesn’t seems to be so influenced (-1.6%).

BUNKER CONSUMPTION PER NAUTICAL MILE [t/NM]



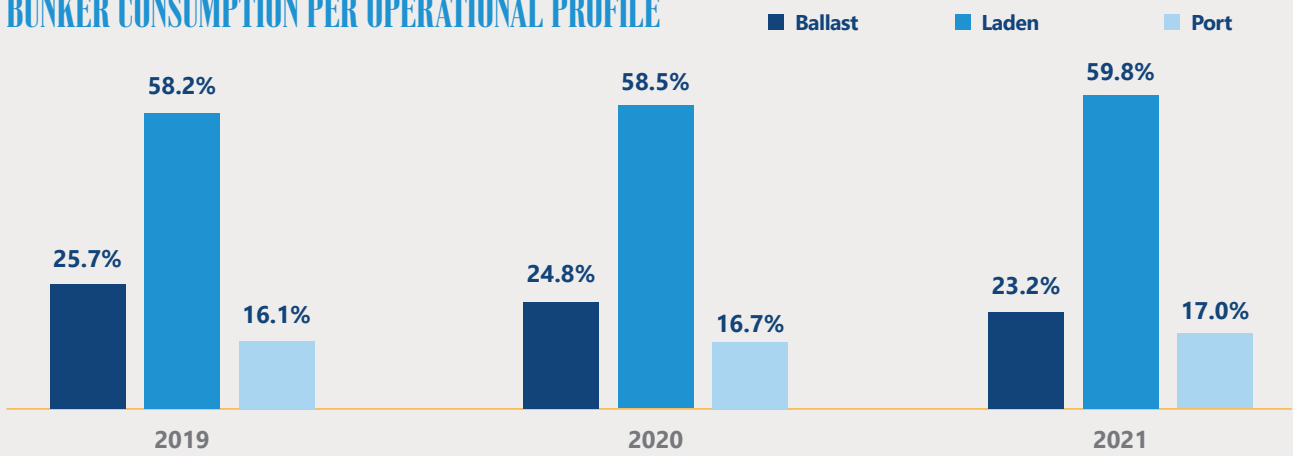
BUNKER CONSUMPTION PER TRANSPORT UNIT [t/NM]



Furthermore, by analysing the use of each individual d’Amico ship, it is also possible to investigate the fuel consumption of the vessels in relation to the type of activity carried out.

In particular, it is possible to analyse the fuel consumption percentage in relation to the operational profile: namely ballast journeys, laden journeys and the period of stay in port.

BUNKER CONSUMPTION PER OPERATIONAL PROFILE



Among the three operating profiles, **Laden identifies the productive profile which the Group uses to create profit**, as it represents the use of the ship to transport cargo and therefore also the most profitable profile.

Instead, the ballast profile - which represents trips with an empty ship and with only ballast water on board - and the port profile represent two unprofitable and non-productive moments in a vessel utilisation cycle.

The **goal of d’Amico**, and in general of a shipping company, **must therefore be to minimise consumption in port or with empty ships**, instead maximising consumption through the use of fully loaded ships - as they represent more functional consumption to the fulfilment of its business – in order to implement the Group’s profitability and efficiency.

From the graph it can be understood that **most of the consumption of the d’Amico Group, and consequently of emissions, comes from trips carried out with loaded vessels** for the transport of goods – increasing in the last two years, emphasising d’Amico’s better management of its own vessels - while a smaller share is attributable to trips in ballast mode and only 17% (in 2021) is attributable to consumption within port facilities.

Compared to 2020, in fact, there has been a **significant increase in the percentage of consumption associated with laden voyages (+1.3 percentage points)**, which identifies an improvement in the management of the whole fleet by the Group and an optimisation of the miles travelled. This is due to a corresponding **reduction (-1.6 percentage points) of bunker consumption by ballast voyage** and is an important success for the Group, as it highlights the reduction in fuel consumption not related to the shipping of products.



Emissions

According to the IMO International Maritime Organisation, the main GHG emissions from shipping that should be monitored and then reduced are CO₂ emissions, SO_x emissions and NO_x emissions.

CO₂ EMISSIONS³⁵

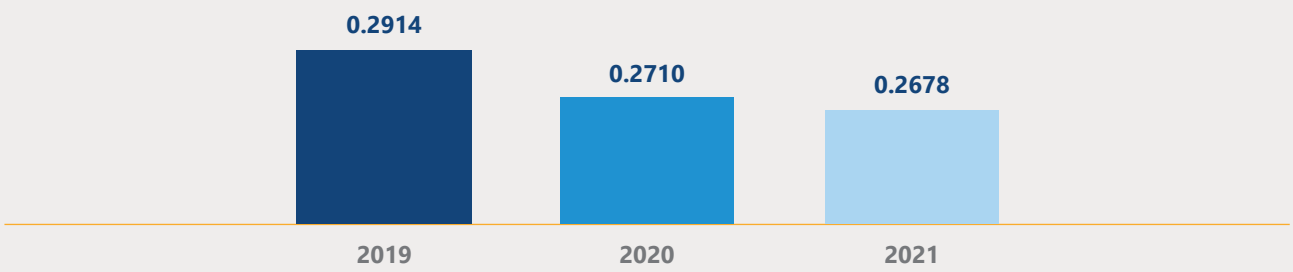
The data for 2021 on CO₂ emissions reflect the results obtained in fuel consumption savings and energy reduction, in particular for the Product Tanker segment.

Dry Cargo

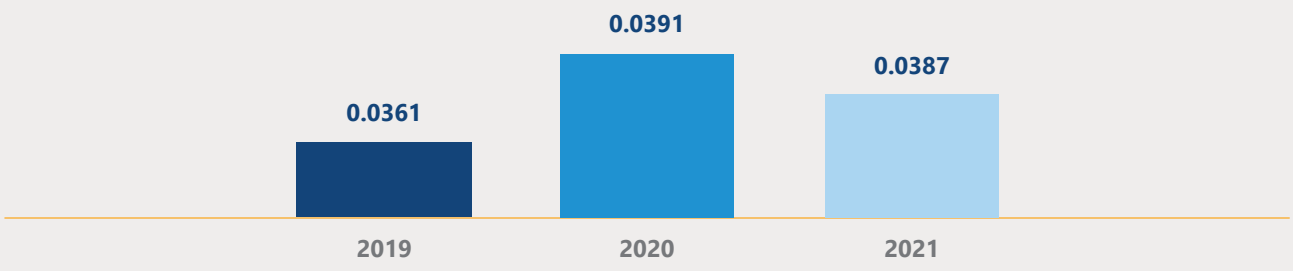
CO ₂ EMISSIONS	2019	2020	2021	Var. 20-21
CO ₂ emissions [tCO ₂]	344,816.0	285,437.0	281,530.0	-1.4%
CO ₂ per nautical mile [tCO ₂ /NM]	0.2914	0.2710	0.2678	-1.2%
CO ₂ per transport unit [tCO ₂ /t]	0.0361	0.0391	0.0387	-1.0%

In the Dry Cargo business unit, in line with the previous year, CO₂ emissions continue to fall, dropping by 1.4% from 2020. Similarly, the CO₂ **emissions per nautical mile fell by 1.2%, thanks to a significant reduction in emissions and a steady quantity of miles travelled** during the last two years. Instead the **emissions per transport** unit, which had increased during 2020, **decreased in 2021** (-1.0%) thanks to a reduction in overall emissions more than proportional to the reduction of the transported load.

CO₂ EMISSIONS PER NAUTICAL MILE [tCO₂/NM]



CO₂ EMISSIONS PER TRANSPORT UNIT (tCO₂/t)



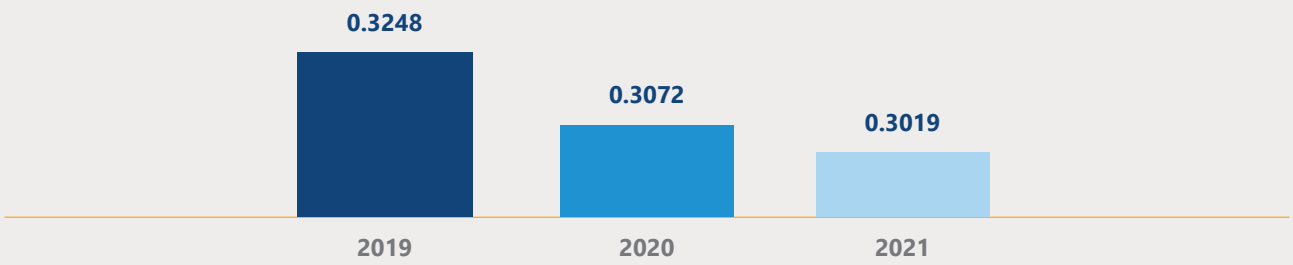
³⁵ The IMO provides the following formula for measuring the CO₂ emitted in burning fuel: **CO₂ [tonnes-CO₂] = CF [tonnes-CO₂ / MT] x Fuel consumed [MT]**, where CF is the Carbon Factor that is related to the different type of fuel. Detailed information can be found in the “Methodological Note” p. 230.

Product Tanker

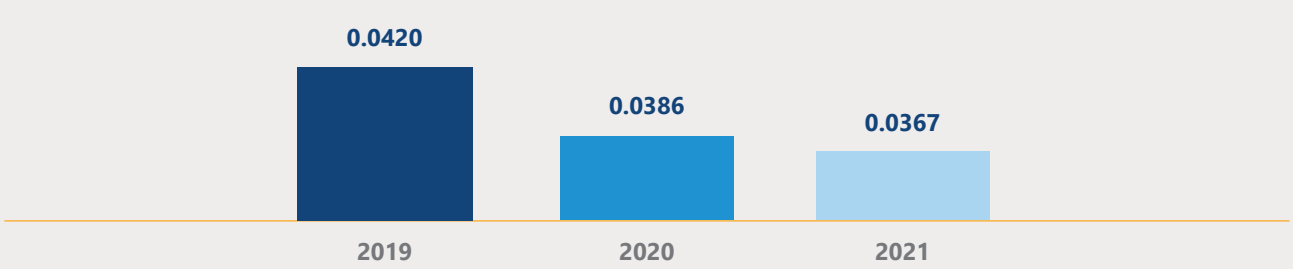
CO ₂ EMISSIONS	2019	2020	2021	Var. 20-21
CO ₂ emissions [tCO ₂]	529,696.0	503,279.0	436,938.0	-13.2%
CO ₂ per nautical mile [tCO ₂ /NM]	0.3248	0.3072	0.3019	-1.7%
CO ₂ per transport unit [tCO ₂ /t]	0.0420	0.0386	0.0367	-4.8%

Noting the carbon dioxide emissions in the Product Tanker business unit, the **remarkable reduction of 66,341 tCO₂** (-13.2% compared to 2020) stands out. Overall, it is important to underline a **reduction of 17.5% in the three-year period 2019-2021**. This particularly affects CO₂ per transport unit emissions, which decreased by 4.8% in 2021, whereas emissions per nautical mile slightly decreased (-1.7%). While the last two data showed a more evident decline from 2019 to 2020, total carbon dioxide emissions instead dropped faster from 2020 to 2021.

CO₂ EMISSIONS PER NAUTICAL MILE [tCO₂/NM]



CO₂ EMISSIONS PER TRANSPORT UNIT (tCO₂/T)



SO_x EMISSIONS³⁶

In 2020, due to the increase of use of low-sulphur fuel, sulphur oxides showed a reduction of 84.7% compared to 2019. In 2021, on the other hand, the overall figure is stable with that of 2020, with a modest increase for the Dry Cargo sector (+5.5%) and a more sensitive reduction for the Product Tanker sector (-8.8%).

Following the new IMO regulation, in fact, the **use of low-sulphur fuel increased from 19.3% in 2019 to 97.5% in 2021**.

Dry Cargo

SO _x EMISSIONS	2019	2020	2021	Var. 20-21
SO _x emissions [tSO _x]	6,533.0	778.0	821.0	+5.5%
SO _x per nautical mile [tSO _x /NM]	0.00552	0.00074	0.00078	+5.7%
SO ₂ per transport unit [tSO _x /t]	0.00068	0.00011	0.00011	+5.9%

After a drastic reduction (-88.1%) between 2019 and 2020 due to the **global sulphur cap lowered from 3.5% to 0.5%** and d'Amico's choice to use LSFO instead of Scrubbers, SO_x emission show a slight rise of 5.5% in 2021 in the Dry Cargo business area.

At the same time, both SO_x emissions per nautical mile and per transport unit increased by almost 6 percentage points during 2021.

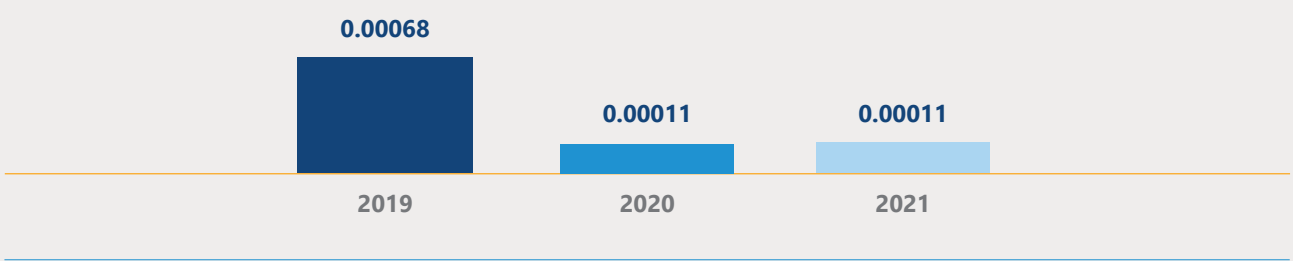
This increase is largely due to the different mix of time each individual ship spent outside the emission control area where the sulphur % is 0.5, and inside the emission control area where the sulphur content is 0.1%.

This **difference in ship routing can produce minimal changes in SO_x emissions** between the years.

SO_x EMISSIONS PER NAUTICAL MILE [tSO_x/NM]



SO_x EMISSIONS PER TRANSPORT UNIT (tSO_x/t)



³⁶ The following formula was used to calculate the SO_x content in the fuel burned:
SO_x [tonnes] = Fuel Consumed [MT] x Sulphur Content [%] x 20 [kg/MT] /1000, where 20 is the conversion factor related to the molecular weight of oxygen. Sulphur content [%] is the actual content of sulphur of the fuel burned. Detailed information can be found in the “Methodological Note” p. 230.

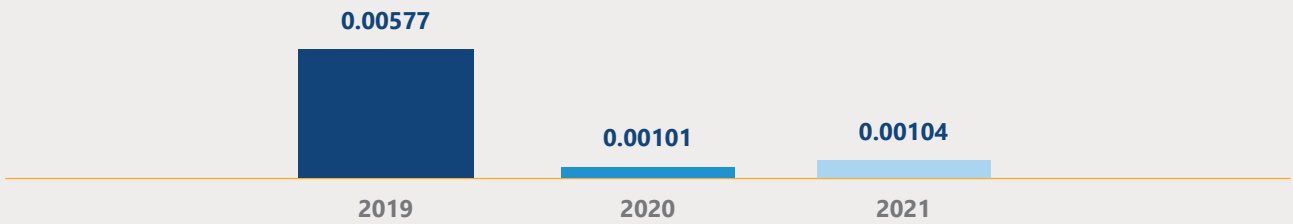
Product Tanker

SO _x EMISSIONS	2019	2020	2021	Var. 20-21
SO _x emissions [tSO _x]	9,411.0	1,656.0	1,511.0	-8.8%
SO _x per nautical mile [tSO _x /NM]	0.00577	0.00101	0.00104	+3.3%
SO _x per transport unit [tSO _x /t]	0.00075	0.00013	0.00013	0.0%

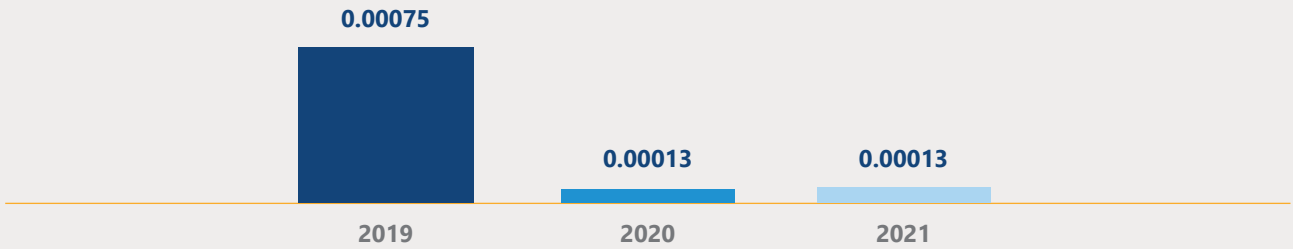
In the Product Tanker business unit, sulphur oxide emissions were also affected by a sharp abatement in 2020, with a further reduction in 2021 (-8.8%).

More specifically, **emissions per nautical mile increased, by 3.3% in 2021**, because of the reduction in miles travelled. The **emissions per transport unit instead remained steady at 0.0001 tSO_x/t**: both data, along with total sulphur oxide emissions, had fallen drastically between 2019 and 2021.

SO_x EMISSIONS PER NAUTICAL MILE [tSO_x/NM]



SO_x EMISSIONS PER TRANSPORT UNIT (tSO_x/t)



NO_x EMISSIONS³⁷

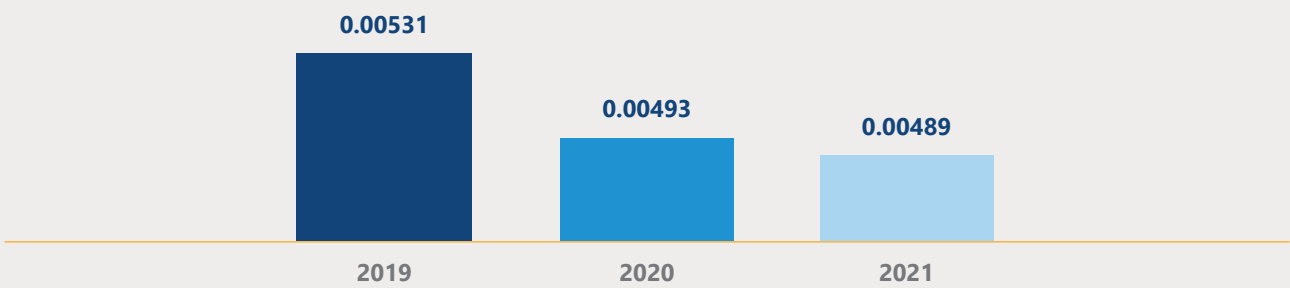
Nitrous oxides are more complicated to calculate, as they are related to the type and speed of the engine according to values provide by IMO. As a result, NO_x emissions show the same trend as CO₂ emissions, for which the same out-comes are valid.

Dry Cargo

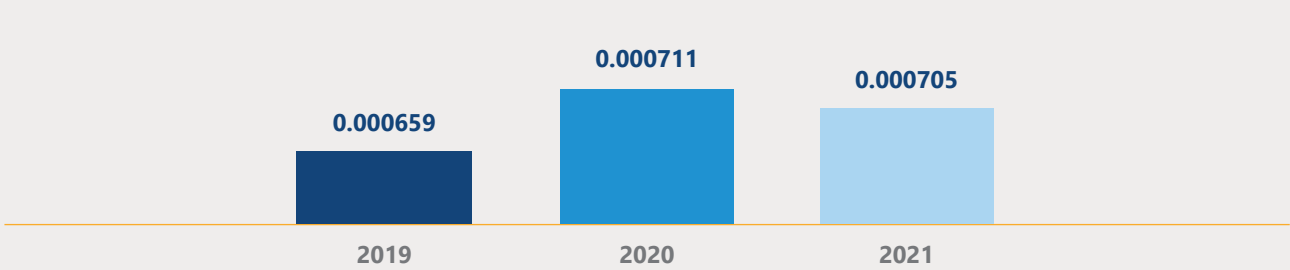
NO _x EMISSIONS	2019	2020	2021	Var. 20-21
NO _x emissions [tNO _x]	6,287.0	5,197.0	5,136.0	-1.2%
NO _x per nautical mile [tNO _x /NM]	0.00531	0.00493	0.00489	-1.0%
NO ₂ per transport unit [tNO _x /t]	0.000659	0.000711	0.000705	-0.8%

In the Dry Cargo business unit, nitrous oxide emissions continue to fall with a slight decline of 1.4% in 2021, even though the decline was much sharper the previous year (-17.3%). Similarly, NO_x emissions per nautical mile and per transport unit fell respectively by 1% and 0.8%.

NO_x EMISSIONS PER NAUTICAL MILE [tNO_x/NM]



NO_x EMISSIONS PER TRANSPORT UNIT (tNO_x/t)



³⁷ In the analysis, an approximate formula suggested by the IMO has been used:
NO_x [tonnes] = Fuel Consumed [MT] x 57 [kg/MT] /1000, where 57 [kg/MT] is the average Emission Factor for NO_x. Detailed information can be found in the “Methodological Note” p. 230.

Product Tanker

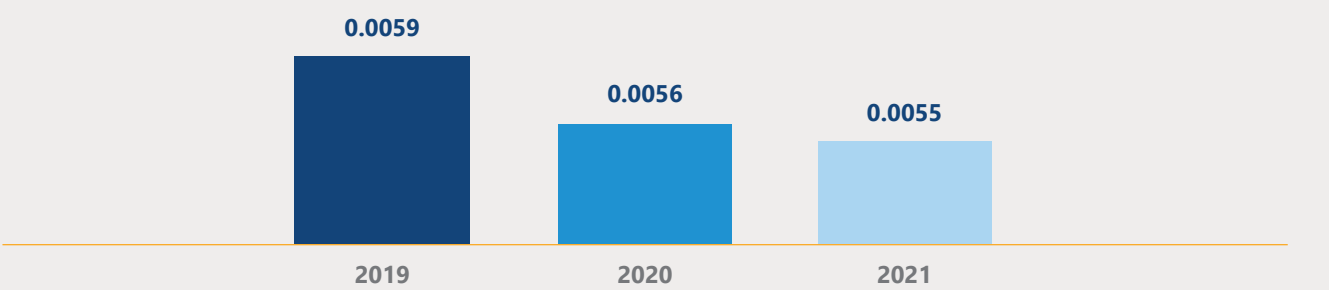
Looking at nitrous oxide emissions in the Product Tanker business unit, a **remarkable reduction of 1,199 tNO_x (-13.1% compared to 2020) is noticeable**. Overall, it is important to underline a reduction of 17.5% in the three-year period 2019-2021.

This is particularly affecting NO_x per transport unit emissions, which decreased by 4.7% in 2021, whereas emissions per nautical mile decreased slightly (-1.6%).

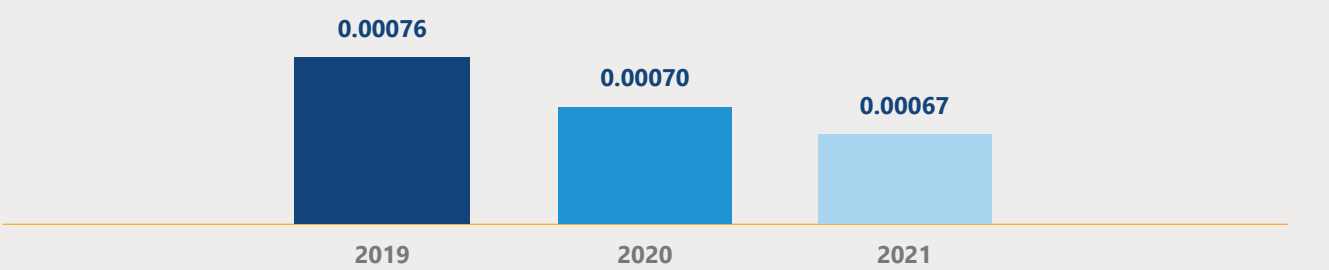
In addition to CO₂ emissions in the same business unit, the last two data had showed a more evident decline from 2019 to 2020, while total carbon dioxide emissions dropped faster from 2020 to 2021. This is due to the reduction in both the nautical miles travelled and the cargo transported by the ships of the Product Tanker division in 2021.

NO _x EMISSIONS	2019	2020	2021	Var. 20-21
NO _x emissions [tNO _x]	9,643.0	9,153.0	7,954.0	-13.1%
NO _x per nautical mile [tNO _x /NM]	0.0059	0.0056	0.0055	-1.6%
NO ₂ per transport unit [tNO _x /t]	0.00076	0.00070	0.00067	-4.7%

NO_x EMISSIONS PER NAUTICAL MILE [tNO_x/NM]



NO_x EMISSIONS PER TRANSPORT UNIT (tNO_x/t)



INTERTANKO GUIDE ON THE BEST PRACTICE FOR TANKER PERFORMANCE MONITORING

Through the participation of the Performance Monitoring Manager as Expert Member of the Intertanko Safety and Technical Committee (ISTEC) of the Performance Monitoring Working Group, the d'Amico Group provided

substantial support for the upcoming INTERTANKO Guide on Best Practices for Tanker Performance Monitoring, which will be the **first performance monitoring guide for the entire shipping industry.**



DECARBONISATION AND DIGITALISATION STRATEGY

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021



9.4

by 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally-sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

66%

of fleet compliant with EEDI phase II regardless of construction date

21%

of fleet compliant with EEDI phase III regardless of construction date

11%

of fleet compliant with EEDI phase I regardless of construction date

2%

of fleet compliant with EEDI phase 0

77%

of fleet compliant with EEXI – calculated at 83% of MCR limited

Digitalization of record books, big data analysis and CBM

allow the Group to monitor, analyse and perform operations efficiently

32%

of fleet applies a Condition-Based Maintenance approach

49%

of fleet applies an Electronic LOGBOOK onboard and there are plans to achieve 100% by the end of 2022

100%

of managed vessels are currently monitored by the Group to collect data

The d’Amico Group’s Eco-ships have an **extremely innovative and environmentally-friendly footprint thanks to their design, construction choices and the use of technologies that significantly reduce consumption and emissions**. This is possible thanks to the d’Amico Group’s long-term vision that anticipated the development of various projects aimed at achieving decarbonisation.

The parameters that allow to measure decarbonisation are monitored by applying the **ENERGY EFFICIENCY DESIGN INDEX (EEDI)** – the IMO reference index that expresses the ratio between “environmental impact” and “benefit for society” or between “carbon dioxide emitted” and “deadweight tonnes per miles travelled”. The IMO requires the technical efficiency improvement of ships, and therefore of EEDI, over three phases.

The phases envisage that the “EEDI required” by type of ship be subject to a gradual percentage reduction with respect to the reference value as follows:

- Phase I (2015-2019): 10% with respect to the reference value
- Phase II (2020-2024): 20% with respect to the reference value
- Phase III (2025 onwards): 30% with respect to the reference value

The value of the “EEDI obtained” for a ship under construction must therefore always be equal to or less than the “EEDI required” for the type of ship under consideration. The ECO fleet of the d’Amico Group includes around **77% of the total number of vessels** that **meets at least Phase II/III** given that the average EEDI obtained is roughly 25% lower than the reference values. This is due to the adoption of the most recent technologies which reduce consumption and emissions.

Among the additional measures that have been approved, expected to enter into force on 1st January 2023 and which will affect all existing cargo and cruise ships, there is a **mandatory Carbon Intensity Indicator** - grams of CO₂ per dwt (Deadweight tonnage) per mile - and a rating scheme where all cargo and cruise ships above 5,000 GT (Gross Tonnage) are given a rating of A to E every year.

The rating thresholds will become increasingly stringent towards 2030. For ships that achieve a D rating for three consecutive years or an E rating, a corrective action plan needs to be developed as part of the SEEMP and approved.

At the next MEPC 78 in June 2022, the correction factors will be approved which should be applied for the calculation of the Carbon Intensity Indicator (CII).

EU PLAN FOR DECARBONISATION

Moreover, in 2018, the UN International Maritime Organisation set a goal to cut the maritime shipping industry’s greenhouse gas emissions by at least half by 2050.

The European Union was the first major economy to submit its intended plan to reduce greenhouse gas emissions by at least 40% by 2030. In this respect, the EU issued Regulation 757 (2015) for the Monitoring, Reporting and Verification (MRV) of CO₂ emissions by vessels for voyages between European ports. To comply with this regulation, the d’Amico Group has prepared a specific Monitoring and Reporting Plan for each vessel – which began in 2018 – together with the procedure to provide all data needed for monitoring and reporting. At the end of each calendar year, all data must be verified and a report with the CO₂ emissions must be submitted to the EU Commission, which will issue a specific certificate for each vessel.

All d’Amico vessels involved in EU voyages have obtained the proper certificates. Currently, all vessel data collected for the year 2021 is under review by the Performance Monitoring Department and will be soon transmitted pursuant to the EU Regulation 2015/757.

Now – after Brexit – a very similar process has been implemented for all UK voyages as well, inasmuch as the UK has established its own monitoring, reporting and verification regime.

The d’Amico Group has prepared an addendum to each of its vessels’ Monitoring and Reporting Plan to include this new requirement and has submitted the plan for assessment by the suitable Recognised Organisation. Data collection started on January 2022 and in 2023 the report shall be submitted for verification and a Document of Compliance shall be issued.

IMO DATA COLLECTION SYSTEM

At the same time, the **International Maritime Organisation (IMO) has amended the MARPOL Annex VI for the prevention of air pollution from ships, introducing a data collection system for fuel oil consumption by ships**.

Under the amendments – from January 2019 – ships of 5,000 gross tonnage and above, are required to collect consumption data for each type of fuel oil used, as well as other, additional specified data including proxies for transport work. The aggregated data is reported to the ship’s flag state after the end of each calendar year and the flag state, having determined that the data has been reported in accordance with the requirements, issues a Statement of Compliance for the ship and subsequently transfers such data to an IMO Ship Fuel Oil Consumption Database.

The IMO will be required to present an annual report to the Marine Environment Protection Committee (MEPC) summarising the data collected and the methodology used to collect and report the data must be included in a new part of the existing Ship Energy Efficiency Management Plan (SEEMP).

During 2018, d’Amico updated all its vessels’ SEEMP, obtaining the Confirmation of Compliance (CoC) from the respective Flag States. Furthermore, starting from 2020 all of DIS’ vessels regularly receive the Statement of Compliance relating to the data submitted covering the operation of such ships in the previous calendar year. **Currently all vessel data collected for the year 2021 are under review by the Performance Monitoring Department and will be transmitted to the ships’ flag states.**

MRV CRITERIA

The d’Amico Group fleet was one of the first fleets in the world to be fully compliant with the MRV criteria and to be certified by RINA, as well as responding in advance to the verification performed for SEEMP Part II IMO Data Collection. **Today’s challenge** for a shipping company such as the d’Amico Group is **to have a system that is able to constantly monitor the data gathered from automation and navigation equipment**, both manually and through sophisticated software on board its vessels.

This allows the Group to fully monitor energy efficiency on board and to integrate data from different equipment and sources. **The fleet is therefore more efficient and can provide all emission compliance data required.** Since 2011, the Fleet Performance Monitoring Department has gained a significant competitive advantage since it systematically integrates the needs of all departments (technical, operational, commercial and environmental) and provides all the information needed for managing energy efficiency on board ships.

IMO data
collection
verification

MRV
emission
report
verification

Hull and
propeller
management

Energy
efficiency
audit 50001

TMSA audit
Oil majors



IN 2017 d'AMICO DRY D.A.C. AND d'AMICO TANKERS D.A.C. RECEIVED THE GREEN FLAG AWARD

The Green Flag programme is promoted by the port of Long Beach; it rewards operators for **slowing down the speed of ships to 12 knots or less within 40 nautical miles of Point Fermin, near the entrance to the port**. The programme has been highly successful in **improving air quality due to the reduction in emissions** from ships. The speed of every vessel in the speed reduction zone is measured and

recorded by the Marine Exchange of Southern California. **The programme prevents more than 1,000 tonnes a year of air pollution**. The d'Amico Group voluntarily committed to the Green Flag programme and obtained certification for d'Amico Tankers d.a.c. and d'Amico Dry d.a.c. This recognition also had a positive impact on operational management given the reduced docking fees.



Decarbonisation at d'Amico Group

Decarbonisation and digitalisation are the main challenges that shipping is facing and will continue to face in the near future. The d'Amico Group is facing these challenges through its environmental strategy and its commitment to decarbonise its fleet by making it even more efficient, digitalised and technologically advanced.

Therefore, the **d'Amico Group Eco fleet is among the youngest of the industry** with an average age of seven years for tankers, and five years for Dry Cargo. Compared to the industry average age (12.3 years), the tankers are five years younger, while with regard to Dry Cargo, d'Amico's vessels are six years younger with an average market age of 11 years.

This is possible thanks to an important and an **extensive fleet renewal programme** launched by the d'Amico Group between 2013 and 2019, which involved over 40 ships including bulk carriers and product tankers.

Thanks to these investments, all of d'Amico's vessels are equipped with highly **advanced technologies that strongly reduce their environmental impact** with significant increases in efficiency and energy savings and a reduction in consumption and emissions.

The d'Amico Group monitors and measures all the decarbonisation related KPIs - required by the IMO, EU, Poseidon Principles and all the other institutions – and also exceeds the standards, always studying and analysing new solutions aimed at achieving the decarbonisation of its fleet.

Moreover, in 2020 the d'Amico Group set up a “carbon war room” in order to:

- reduce the risk connected to the time scale for the implementation of short-term measures adopted by the IMO
- comply with the next Fuel EU Regulation - with kick - in 2025
- accelerate the adoption and exploitation of technical solution for ship efficiency and deratings - low and zero carbon.



On a monthly basis, the fleet management department discusses the opportunities offered by the industry, shipyards and OEM (Original Equipment Manufacturing) regarding new technologies – for example alternative fuels, transitional fuels, propulsion systems and energy-saving devices - allowing to speed up the implementation of short terms measures adopted by the IMO on the existing tonnage but also looking at long-term measures (alternative fuels).

The carbon war room has studied different leading solutions - in conjunction with the projects carried out according to the following **preliminary considerations**.

1. Reciprocating Engines

The diesel engine is currently the most widespread marine prime mover. It is a well-understood technology and a reliable form of marine propulsion systems and auxiliary engines, with engine manufacturers having well-established repair and spare parts networks.

2. Dual Fuel technology

Dual fuel technology will become progressively predominant, offering more flexibility in case of a short-coming in supply chain infrastructure of alternative fuels.

3. LNG Fuelled ships

LNG fuelled ships will be widely used and be a common trend for all possible emission pathways, due to the high maturity in the industry, for the next 1.5 decades; however, it will be a bridge technology towards the zero-carbon emission goal.

4. Ammonia and methanol fuelled ships

Green Ammonia, which offers a better energy by volume value than hydrogen and green methanol, will most likely be one of the fuels of the future.

5. Scale up and sustainability

The common problems for alternative fuels (green ammonia, green hydrogen, green methanol, biofuels) toward the decarbonisation of shipping are scale-up and their production from renewable energies.

6. Deep water vessels redesign

Deep water vessels need a holistic approach in redesign due to the very low-density energy of alternative fuel (ammonia, hydrogen) compared to conventional fuel.

7. Biofuel blends

Biofuel blends from renewable feed-stock can speed up decarbonisation in the short and medium terms with an immediate effect on the existing tonnage equipped with conventional engines for which the conversion to alternative fuels is not practicable. In fact, biofuel blends bring immediate benefit to the environment with very low investments.

8. Efficiency

Efficiency is another key dimension - in the short-term period - of decarbonisation. Well-known technologies and simple measures - instead of draconian ones - can give good results in terms of efficiency and savings, with a very fast return on investment.

9. Green Corridors

Green corridors would establish favourable conditions for decarbonisation, allowing policy makers to create an enabling ecosystem - with targeted regulatory measures, financial incentives, and safety regulations - and to encourage lowering the cost of green-fuel production, which could in turn help to mobilise demand for green shipping. Furthermore, green corridors could create a secondary effect, reducing shipping emissions on other routes.

Short term measures adopted by the IMO

EEXI – Energy Efficiency Existing Ship Index

Since the end of 2020, the d’Amico Group has **started to assess its fully owned fleet, anticipating regulations** in order to be prepared for the final calculation and verification of the Energy Efficiency Existing Shipping Index (EEXI) in 2023.

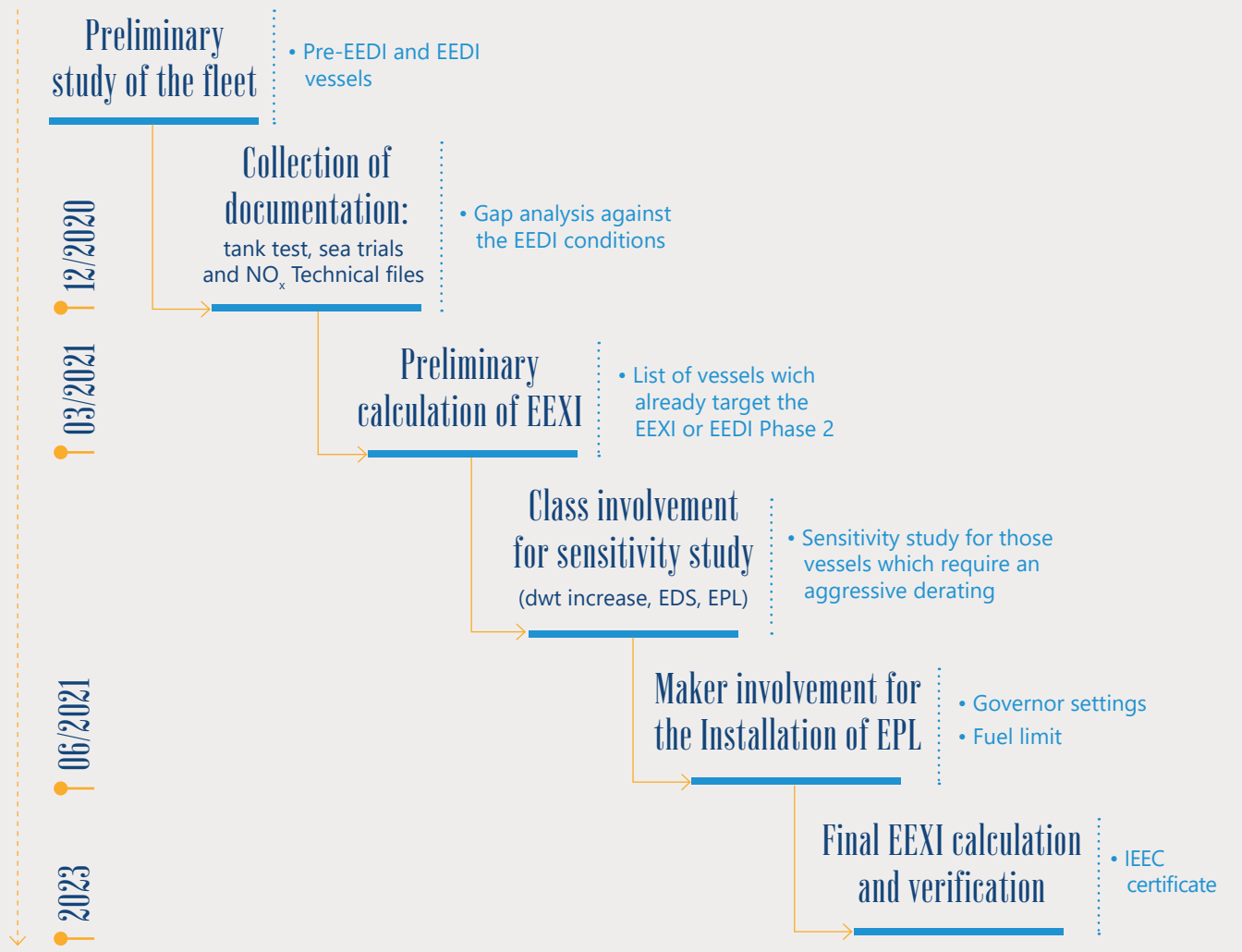
Throughout 2020 and 2021, the d’Amico Group started the preparation of its owned fleet to comply with the short-term measures for the GHG reduction adopted at the last IMO MEPC 76 that took place from 10 to 17 June 2021. **The revised Annex VI requires ships to calculate their Energy Efficiency Existing Ship Index (EEXI) and establish an annual operational Carbon Intensity Indicator (CII) and rating.**

The amendments to MARPOL Annex VI are expected to enter into force on 1 November 2022, with the requirements for EEXI and CII certification coming into effect from 1 January 2023.

The EEXI requires **existing ships to improve their technical efficiency** to the extent that they are comparable to that of an equivalent new ship of the same type and deadweight which would be required to comply with the applicable EEDI phase, which for the d’Amico fleet is phase II.

The primary method of compliance on the existing ships is to **reduce the power installed** rather than **fitting energy-saving devices**, and this mainly due to the timing of the two approaches, but also because the EDS (Energy-Saving Devices) are not so effective in reducing the attained EEXI. However, **to improve the efficiency as well as complying with the EEXI, the Group’s technical management decided to combine both methods**: OPL (overridable power limit) with EDS (energy-saving devices).

To understand the risk profile of the d’Amico fleet, the Group started the preparation for the compliance well in advance, as shown by the plan below.



As of today, the risk profile of d’Amico’s overall fleet is minimal, because only 23% - Phase I and Pre-EEDI ships - is required to comply with the EEXI by installing an OPL.

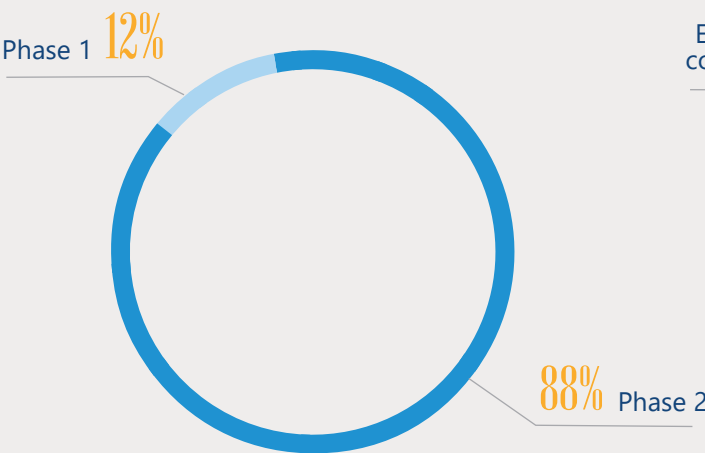
The graphs below show d’Amico vessels’ compliancy with the EEXI requirements, being already compliant with EEDI phase 2 and 3 split in Dry Cargo and Products Tanker fleet.

Dry Cargo

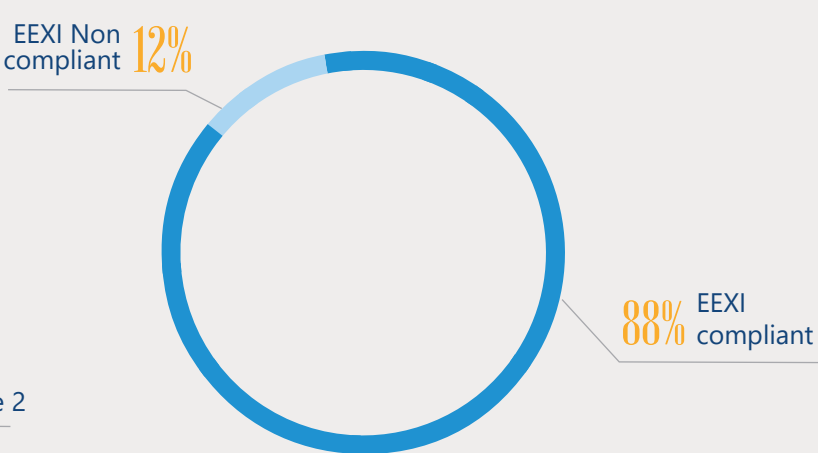
In 2021, **88% of d’Amico Dry Cargo ships is already compliant with EEDI Phase 2**, while only 12% (two ships) are still non-compliant, even if they still pass Phase 1.

As a result, even with regard to the EEXI, which includes ships that have passed Phases 2 and 3, there is an 88% compliance rate in the Dry Cargo sector.

POST AND PRE EEDI SHIPS



EEXI COMPLIANT SHIPS

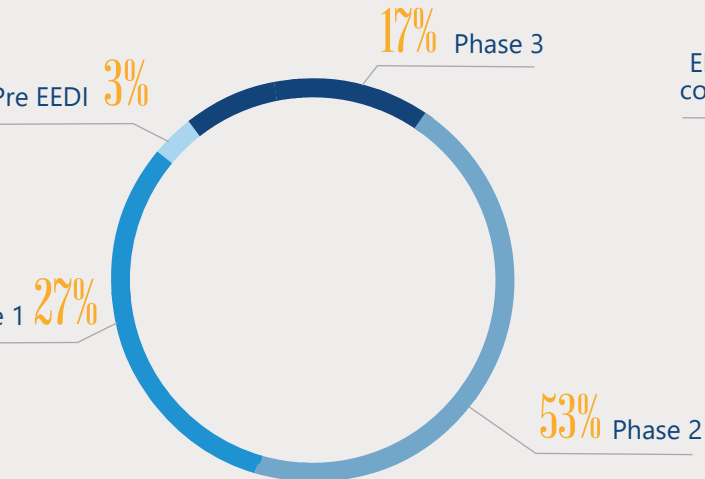


Product Tanker

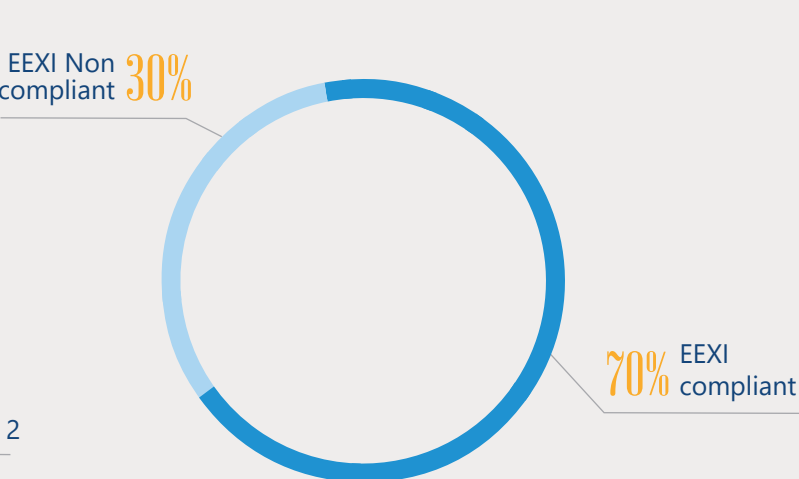
As instead regards the Product Tanker sector, **70% of the ships were already compliant with Phase 2 of the EEDI and 17% of them were also compliant with Phase 3 in 2021**. There are eight ships in line with Phase 1 (27%) as well as a pre-EEDI vessel.

The percentage of ships compliant with the “Energy Efficiency Design Index for Existing Ships” is therefore 70%, a value slightly lower compared with the EEXI recorded by the Dry Cargo vessels.

POST AND PRE EEDI SHIPS



EEXI COMPLIANT SHIPS

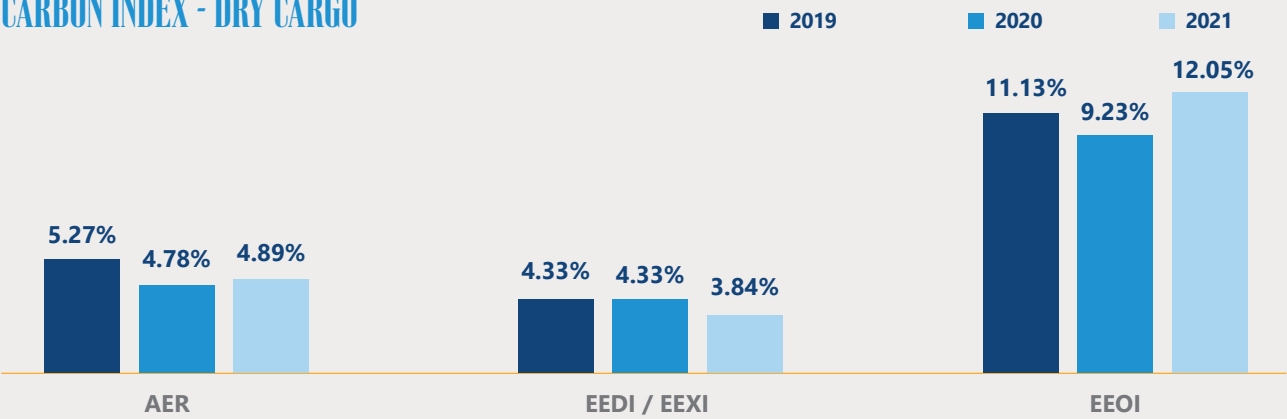


CII (Carbon Intensity Indicator) and EEOI (Energy Efficiency Operational Indicator)

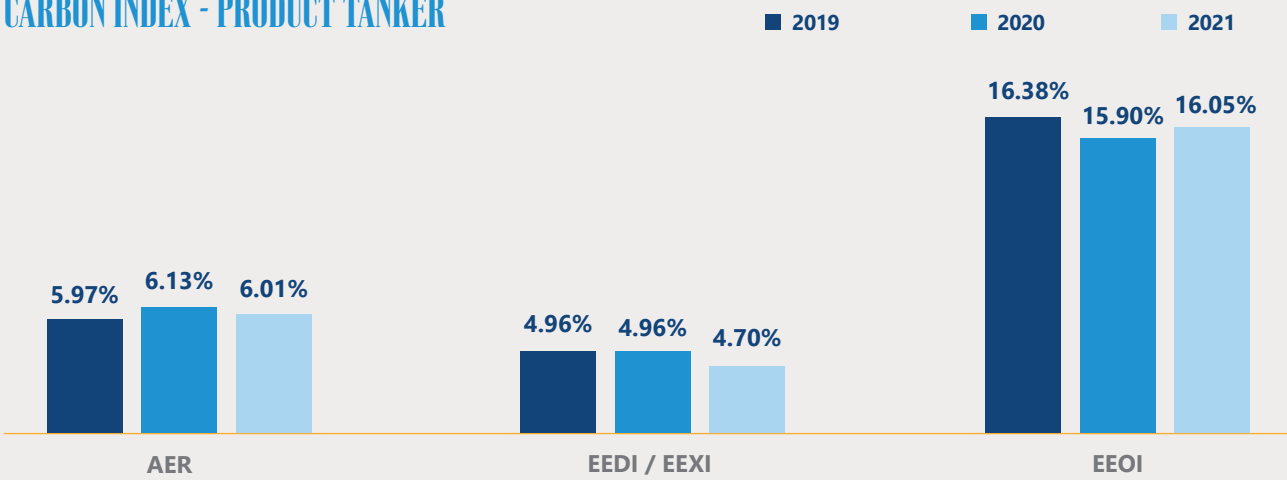
With reference to the CII (Carbon Intensity Indicator), another short-term measure, **d’Amico conducted an internal study on its fleet** using the metric adopted by the rule - the so-called AER (Annual Efficiency Ratio) - **to understand the risk profile related to: vessel size, type of cargo (heated or not), adverse weather conditions**, waiting time, short voyages.

At the same time, in 2021, the Group launched a project to calculate and monitor the attained CII in real time, with the aim of promptly undertaking the corrective actions deemed necessary to keep or to improve the CII.

CARBON INDEX - DRY CARGO



CARBON INDEX - PRODUCT TANKER



Having the cargo effectively carried out and the fuel oil actually consumed in the formula, the **EEOI is instead more representative of a good and efficient operational management rather than AER**, which also uses the fuel actually consumed in the formula, but then uses the vessel's DWT instead of the actual amount of cargo transported.

However, the AER has been adopted by the IMO as the metric for measuring the Carbon Intensity indicator starting from 2023, and generally due to such difference in the formula when the AER improves the EEOI declines or vice versa.

ANNUAL EFFICIENCY RATIO (AER) - d’AMICO FLEET



The pillars of d'Amico Group decarbonization strategy

d'Amico set **four pillars**, in order to guide, implement and develop its environmental strategy, focusing both on technical and managerial aspects and on the research of new frontiers where to lead its business towards:

FLEET EFFICIENCY



Improvement of propulsion, propeller, hull and electric load efficiency

MAIN ENGINE DERATING



Main Engine Derating and Efficiency by installing overridable power limit

ALTERNATIVE FUELS PROJECTS



Use of biofuels blends from renewable source, targeting permanent certification on owned vessels

DIGITALIZATION PROJECTS



Use of informatic and digital solution in order to improve vessels' performance, reduce energy consumption and real time monitoring of the CII



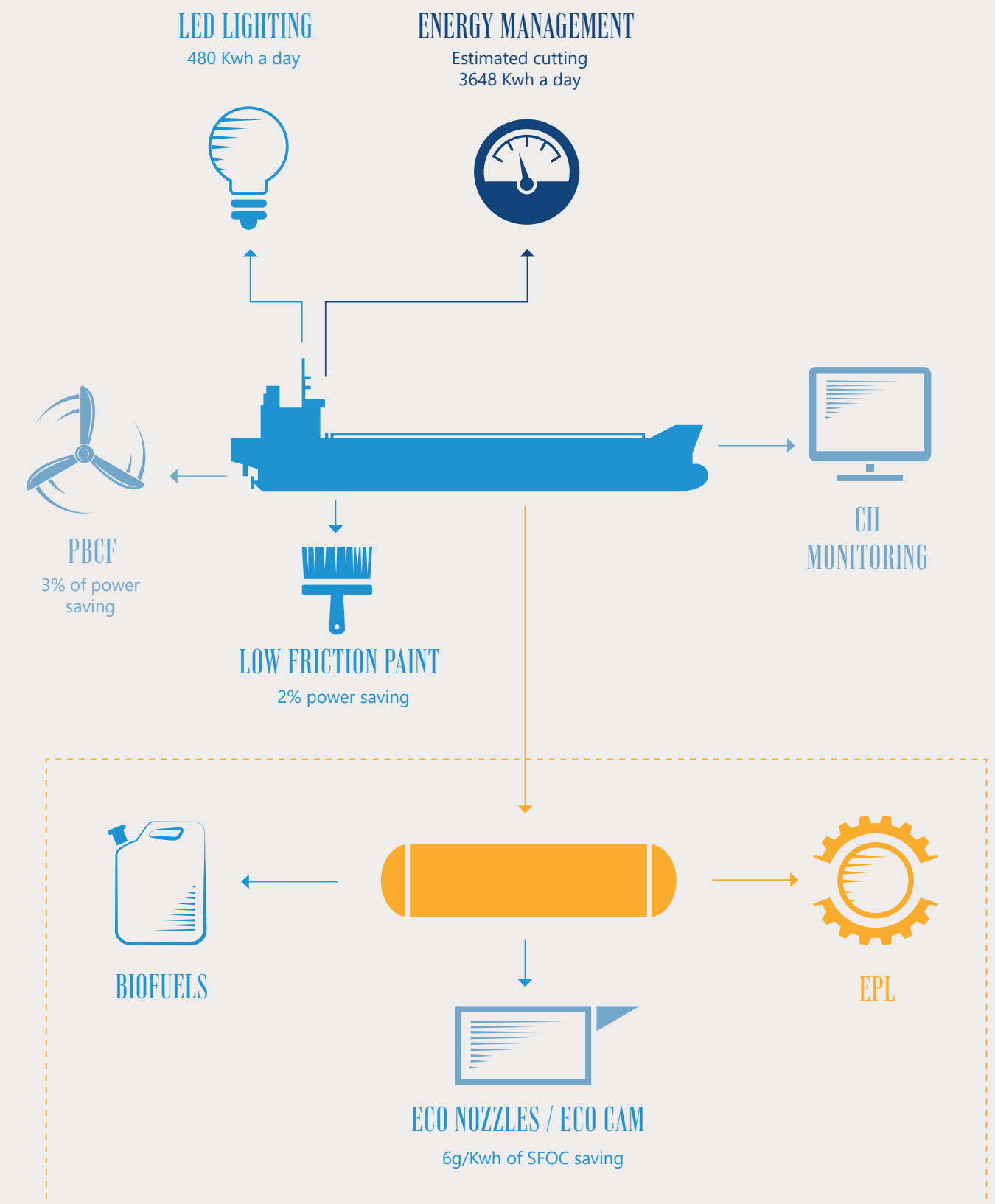
The Pillars: MAIN ENGINE AND EFFICIENCY

The d'Amico Group technical department, while studying the medium and long-term strategy for decarbonization, is committed in the deployment of short-term solutions. In particular, **d'Amico Group is working on two different aspects: efficiency of its vessels and derating activities.**

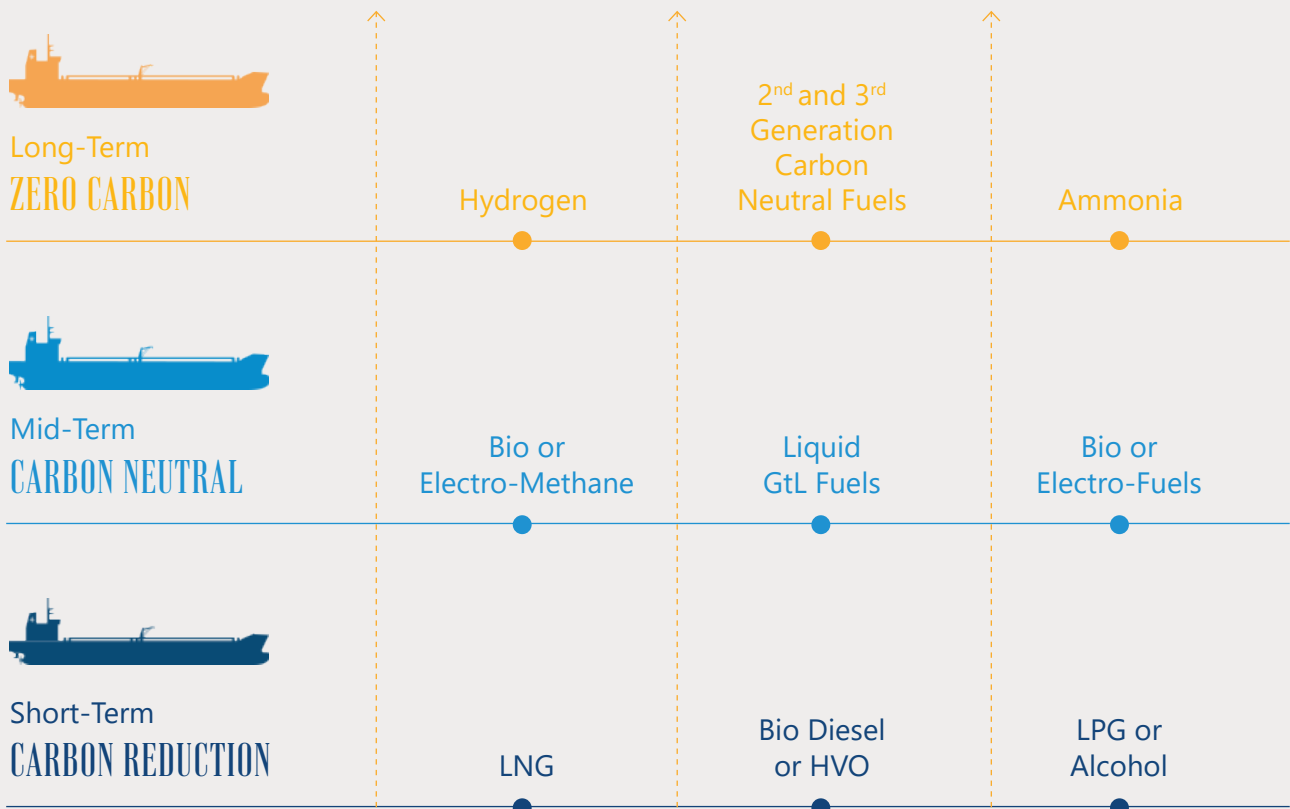
As regards the efficiency measures implemented by the Group, it should be mentioned:

- the installation of a Main Engine eco nozzle to boost the propulsion efficiency
- the installation of Propeller Boss Cap Fins (PBCF) to improve propeller efficiency
- the application of very low friction rate to improve the hull efficiency
- the soft cleaning of hull and propeller to keep the hull efficient
- the replacement of traditional neon with led light, in order to increase the electric load efficiency
- the cutting of non-essential consumption in the different operational profile to improve the electric load efficiency.

On the other hand, the Group is working on the **installation of an Overridable Power Limit on its vessels to derate the main engine.**



The Pillars: ALTERNATIVE FUELS

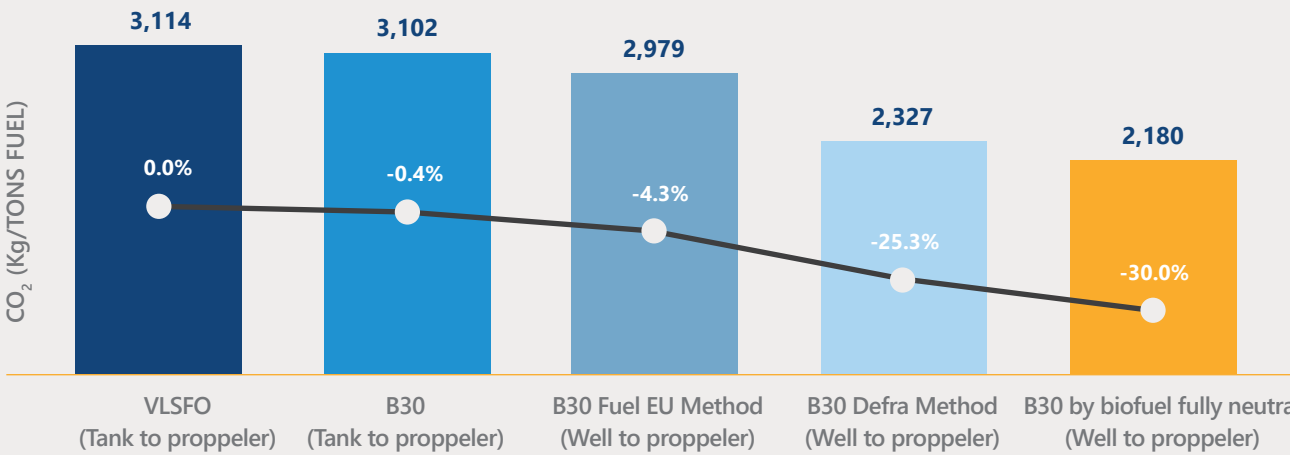


Source: American Bureau of Shipping – ABS

In line with the American Bureau Shipping (ABS) vision of the three possible pathways for shipping decarbonisation, the d’Amico Group has already **started working on the evolution of biodiesel and biofuel blends**, following the central pathway of biofuel from renewable feedstock as a potential low-carbon fuel of the future.

In fact, in June 2021 the Group launched a Joint Industry Project (JIP) to test the biofuel blends (B30) derived from advanced second-generation feedstock on board of one of its product tankers. The trials showed **very positive results on the reduction of CO₂ emissions** - using the LCA (lifecycle analysis) - **and on the NO_x emissions which remained stable and within the allowable limit**.

LIFE CYCLE ANALYSIS RESULTS



The results of the trials underline that the biofuel blend is a **viable solution to comply with the Fuel EU regulation** and, pending the availability of feedstock and scale up of production worldwide, a “Drop In” solution to speed up the decarbonisation of the existing tonnage, contributing to the level of ambitions set by the IMO - which currently call for international shipping to reduce its CO₂ emissions and halve them by 2050.

According to the results achieved on the M/T Cielo di Rotterdam, the **d’Amico Group has strategically certified all LR1 vessels to operate permanently with the B30 biofuel blend by the Flag administration**. The plan for 2022 is to **certify the entire fleet and to test B40 and B50 biofuel following the same methodology**.

The Pillar: DIGITALISATION PROJECTS

The fleet of the future will be “an ongoing digital conversation between its managers and the fleet operator centres”. **Fleet managers will be able to analyse engineered data**, enabling them to advise the captain and crew on navigation topics, weather routing, fuel consumption, smart maintenance, remote diagnostics, and structure stress analysis. **This will help to reduce the risks of human error leading to accidents, increase efficiency and reliability and improve environmental performance**. In this scenario, the d’Amico Group is working on several fleet innovation and digitalisation projects.

Since 2016, the technical management of the d’Amico Group has strengthened vessel performance monitoring through a dedicated team and the adoption of specific on-board tools - sensors and data platform - integrated with software systems. This will definitively enable **more accurate vessel performance analysis to optimise vessel efficiency, leading to bunker savings and GHG emission reduction**.



Robotics Technologies and remote surveys

The company's first Remotely Operated Aerial Vehicles (ROAV) - or drone - inspection of a cargo oil tank, took place on board the M/T High Valor, an MR tanker owned by d'Amico Tankers d.a.c. in Panama, followed by the MR tanker High Courage. **The company has specific requirements to visually inspect cargo tanks for integrity, damage assessment and specific assessment** requested both by class and oil majors for vessels that are more than 15 years old.

This type of inspection is usually conducted using either staging or by rope access technicians (RAT), who are suspended on ropes to inspect the tank structures, focusing on areas of high stress, corrugated bulkheads, upper stools and deck heads. **The inspection is conducted using close-up criteria and requires the thickness of the internal structures to be gauged according to specific guidelines and frequency.**

The first Ultrasonic Testing (UT) gauging using the ROV was carried out in the second quarter of 2021 on the MR tanker High Venture - in partnership with ABS class.

The drone used for this inspection was specifically assembled with a **UT-certified probe**, capable of ensuring a strong grip against the surface to be gauged, which was the innovative part of the project.

One of the company's main priorities was to **reduce the risk factors for humans related to rope access**, which includes working at heights for sustained periods of time as well as working in confined spaces. **Inspecting the tank with ROAV allowed the company to conduct a quick and safe inspection of the tanks**, thereby allowing them to identify and more efficiently plan for any possible contact-based inspections.

For this purpose, the Technical Office mobilised an experienced two-person **ROAV team**, consisting of an ROAV pilot and an ROV UT specialist, along with two class surveyors and one technical superintendent.

The inspection of the close-up areas of the tanks was completed within three days, in comparison with rope access which would usually take between six days for the same work and more than 12 days using staging with the vessels in service.

The successful completion of this project has demonstrated that now it is not only possible to conduct a visual inspection in a confined space, but also UT by drone. **ROAV inspection** has succeeded not only in removing **one of the most significant risks associated with tank inspection (working at heights)**, but also in producing **significant cost and time savings**.

Remote surveys are a consolidated practice today and often used for any reasons - including Covid 19 constraints - where physical attendance on board is not allowed.



Condition-Based Maintenance (CBM)

CBM is a maintenance approach that uses smart technologies to carry out maintenance when absolutely necessary. These technologies include:

- **Video-endoscopy** for internal inspection of machinery without opening it
- **Thermography of electrical equipment** for early detection of potential failures by analysing their thermal images
- **Vibration analysis of rotating machinery** to identify failure trigger points and causes by analysing their vibrational spectrograms
- **Digital measurement of main engine liners**, allowing the measurement of the relevant wear without having to open the main engine cylinder cover.

These technologies have all been integrated with more traditional techniques, such as tribology and machinery performance analysis, and are aimed at providing more flexibility in managing maintenance when there is a change in the operating conditions of the vessel and its machinery. This results in:

- **less invasive projects**
- **greater fleet flexibility**, in terms of stoppage for maintenance
- **better knowledge of machinery** and of its behaviour when operating conditions change
- **greater fleet reliability and availability**
- **higher efficiency** and thus better energy performance.

The use of these techniques has also enabled the company to achieve the highest level required by the TMSA 3 (Tanker Management and Self-Assessment programme) - in the field of maintenance management.

Almost all new constructions delivered since 2013 have been certified PMS-CM (PMS-Condition Monitoring) by **RIINA**. The certification was possible after a positive inspection conducted on board confirming that such a maintenance strategy is now accepted and approved by the Class. **This modus operandi was an effective tool during the pandemic, as it enabled to check the health status of machinery remotely without requiring physical presence on board.**

The growing trends in digitalisation and mobile applications have clearly highlighted the need to **move towards a change in the tools for fleet management in order to exploit the value of data and information as assets**. During 2020, the d'Amico Group selected ABS-Nautical System to drive the digital transformation of its managed fleet. The project started in September 2020, and presently **the new legacy system has gone live on the entire fleet**.



Digitalisation of record books - Electronic logbook

The digitalisation of the majority of record books - oil record book part 1 and part 2, garbage record book, cargo record book and ballast management record book - **allows the company to monitor the operations performed on board for the proper handling and disposal of bilge water, sludge and waste produced in real time**. It also provides technical management with an important dashboard on the production levels of bilge and sludge by geographical area, days of navigation and season.

It is not simply an electronic register, but **digitalisation closely associated with the on-board processes**. It is a tool that helps perform operations correctly, in compliance with current environmental and MARPOL regulations and with the company's instructions, also based on the ship's capabilities, according to its certificates and as-built drawings. It is also an important **verification tool that compares what has been disposed against the rated capacity of the machinery used for this purpose, such as the incinerator and bilge separator**.

The d'Amico Group started to digitalise its record books well in advance of their official approval in May 2019 during the MEPC 74. This confirms the Group's great attention to MARPOL issues and its focus on innovation.

During 2019, the Technical Office completed the development of the ORB part I and the garbage record book and began working on the oil record book part II. It was decided to develop three additional modules in the same period: ECS (environmental control system) log, Wilden Pump log and purifier de-slugging time log.

During 2020, the Technical and HSQE departments worked on the development of additional record books: **Ballast Water Record Book, Cargo Record Book, Oil Record Book Part II and Dashboards**.

After an effective use among a limited number of vessels, at the end of 2020 the d'Amico Group decided to extend the application to the whole owned fleet. The project started in 2021 with a go live planned at the end of the first half of 2022.

Big data analysis

The amount, variety and speed of information continues to grow rapidly, making data highly valuable. Data is acquired through very accurate and reliable real-time monitoring systems. It has allowed the maritime sector to **shift from a culture of generic data to one of accurate and reliable data**.

The d'Amico Group currently monitors the data of 100% of its ships, including owned vessels and those under Joint Ventures, time charter and pool agreements. At least one manual report is sent every day per ship and the average amount of data per report is one hundred. **Around 6.5 million manual data are managed per year**. Furthermore, the company uses specific software to manage 26 ships. The software receives signals for automation and navigation data every five minutes.

Big data analysis has therefore become an important decision-making support also for Group fleet management. Its application allows d'Amico to:

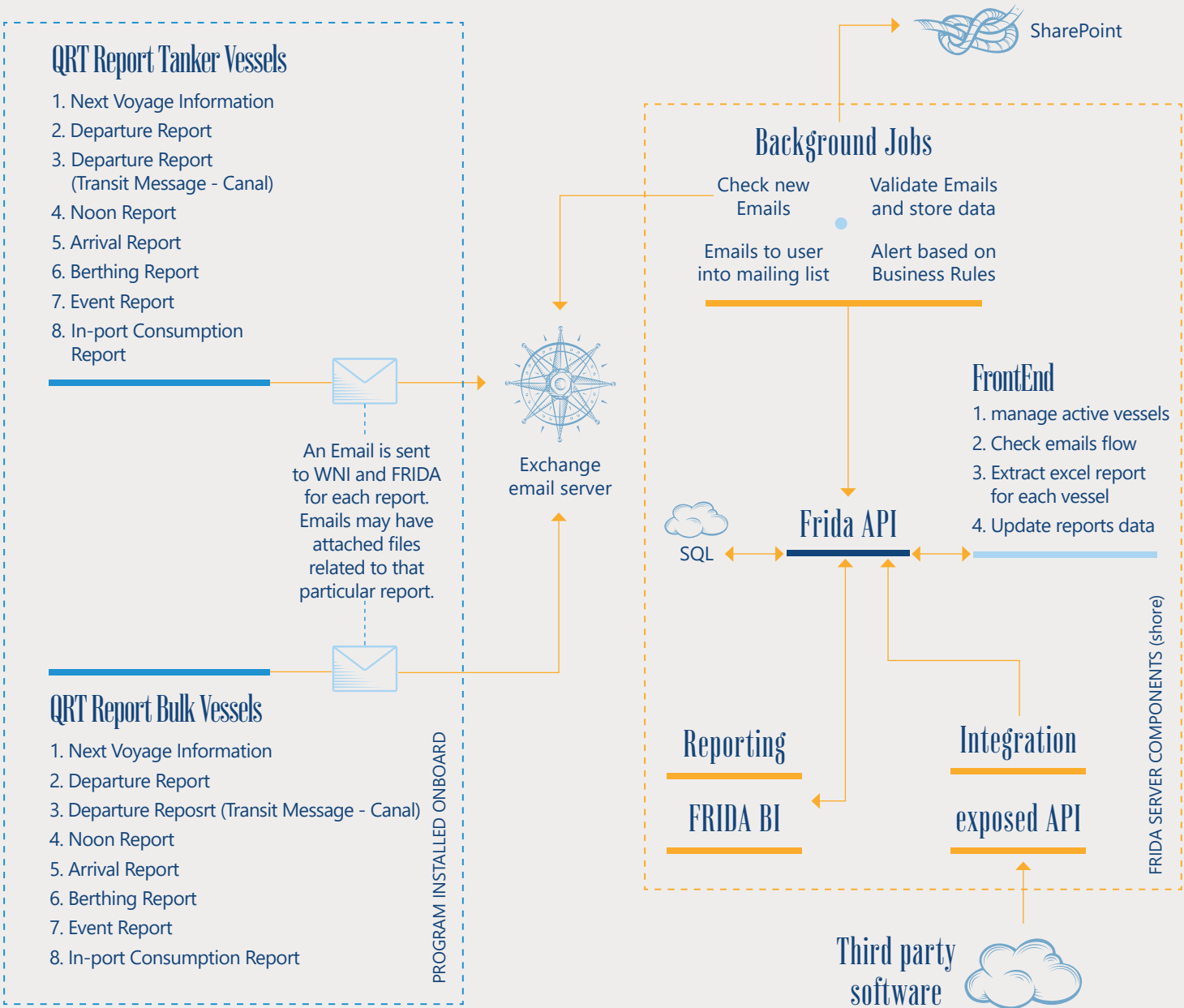
- determine when it is best to clean the hull/propeller (Hull & Propeller Management ISO 19030)
- evaluate the impact of CO₂-saving devices
- evaluate the condition of low-friction anti-fouling paint
- validate the ship's performance model by taking into account waves, wind, trim, draught and current
- assess hydrodynamic efficiency. Production levels of bilge and sludge by geographical area, days of navigation and season.



F.R.I.D.A. Fleet Reporting Intelligence d’Amico

d’Amico developed a new inhouse database, FRIDA, able to **receive data directly from vessels and share it both internally, with dedicated templates for each department, and also externally with third parties.**

FRIDA is able to check each data reporting received and also create an alert to validate each single data point. Current development also included a complete system able to automatically create and manage all the reports necessary to comply with emission regulations (IMO and EU directives) as well as internal requests and needs.



These projects are pioneering ideas because they show how the **shipping industry will switch from projects developed by the single operators to collaborative and shared projects** aimed at reaching decarbonisation goals.

In this way, with the support of the new generation software, d’Amico Group is able to use combined data. Indeed, this software **uses manual data and data collected from sensors installed onboard**. This target is even more important, as it represents a shared objective to be reached with charterers. In 2021, we implemented two different practical approaches for decarbonisation: route optimisation and speed optimisation.

Route Optimization

This project – developed together with a charterer – started at the end of 2020 and has been pursued in 2021. During the 2021, indeed, **101 voyages have been managed with the Route Optimisation procedure**. For 2021 (Jan-Dec) there was around 111 Mt worth of total fuel savings across all the voyages that we provided routing for which is equivalent to around 345 Mt of CO₂. This is an average of around 1.2 Mt of fuel per leg which is equivalent to around 3.7 Mt of CO₂. The voyage plan has been structured following five different ship priorities in order to save fuel and emissions and maintain the vessel in conditions of safety during the voyage:

- Charter party compliance
- Instructed speed
- Special Care Cargo/Vessel
- On-time arrival
- Minimum Voyage Cost (Hire+Fuel).

The route optimisation process is divided into three steps.

The **first step consists of taking the actual route sailed and re-simulating the route after removing the position reports**. The term “re-simulate” refers to running a computational analysis on the environmental factors - including wind speed and direction, wave height and direction and currents - and how they were encountered along the vessel’s path, ultimately estimating the effects of those factors on the vessel’s over-ground speed and fuel consumption.

The **second step consists of a re-simulating route, adjusting it to match the actual departure and arrival times**. Therefore, this simulation allows to demonstrate that the calculated Fuel Oil Consumption for the re-simulated route closely matches the actual Fuel Oil Consumption reported during the voyage. Thus, it can be asserted that the unbiased re-simulation accurately matches the actual voyage.

During the **third and last step**, there is another simulation using a similar procedure to the one detailed above. The result of this simulation, along with a comparison with the output from the actual route, provides a **good estimate for how much extra fuel the vessel would have consumed had it followed the intended route**. Moreover, several KPIs were identified during the project. These KPIs will be monitored as well as shared.





Speed optimization

The Speed optimisation project was entirely developed during 2021 in cooperation with one of our most important charterers, Total Energies. The project has the aim of identifying the most efficient speed profile over the entire voyage of a vessel and meeting the required arrival time or laycan at the lowest fuel consumption and maintaining the best level of carbon intensity indicator (CII).

It is important to underline that these projects are **very important for the path to decarbonisation in the shipping industry** and how **charterers' inclination to collaboration and sharing has increased with regard to ship-owners**.

The importance of applying Speed Optimisation has gained momentum following the global efforts to reduce Green House Gas (GHG) emissions and the strict targets set by the IMO (MEPC 74, 75, 76, 77 and 78), the Sea Cargo Charter, and other initiatives as mentioned by the IMO's (2018) initial strategy on the reduction of GHG emissions from ships. Operational measures have appeared as one of the prominent short-term measures to achieve them.

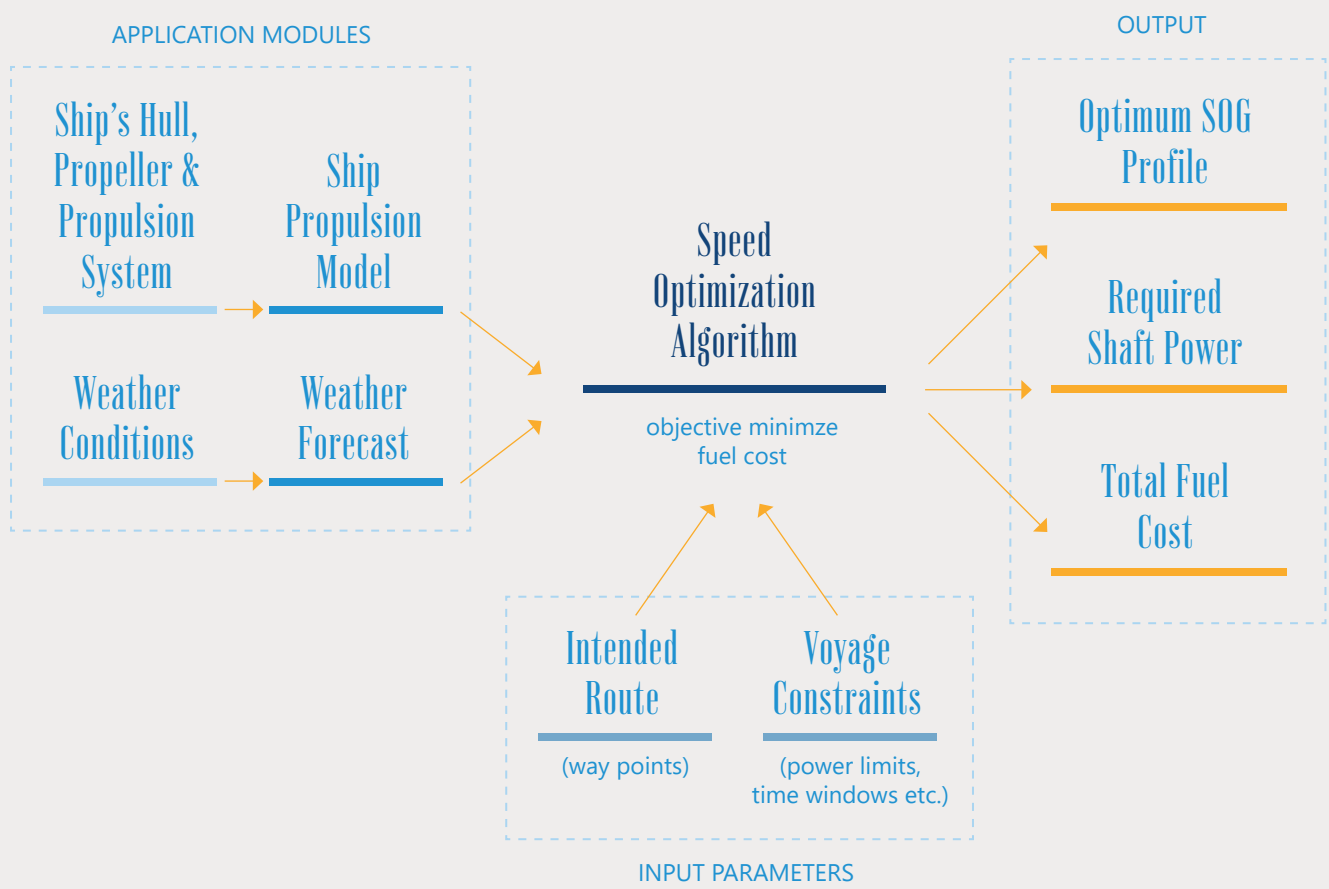
Nevertheless, the race to **reduce emissions is going to have many side effects on the competitiveness and commercial benchmark** of ships worldwide. Ship managers or owners that demonstrate lower CO₂ emissions will get higher ratings from the IMO according to the CII scheme. Inevitably, there will be **incentives for the charterers**

to transfer cargo with more efficient and less emitting ships to demonstrate eco-friendly operations and the increased sustainability of their business. In this context, the **speed optimisation of every voyage could be considered a competitive advantage** or even an **industry standard**.

The charterer's approach to data in order to lower emissions is no longer only technical but also operational. A four-week long trans-pacific voyage was optimised in cooperation between d'Amico, GreenSteam, and the charterer Total Energies. The scope of the voyage was to validate the effectiveness of the algorithm and the ship propulsion model behind it through a real-life trial. **The main result achieved was savings in terms of fuel and emission.**

The aforementioned method follows the steps outlined below:

1. Advise an **"optimal" Speed Over Ground (SOG)** profile
2. For each vessel, a **Speed – Fuel model** is required in order to **predict the expected consumption** and find its minima
3. The Speed – Fuel model should **consider the weather conditions** (forecast) **and provide an accurate prediction of Fuel Consumption.**

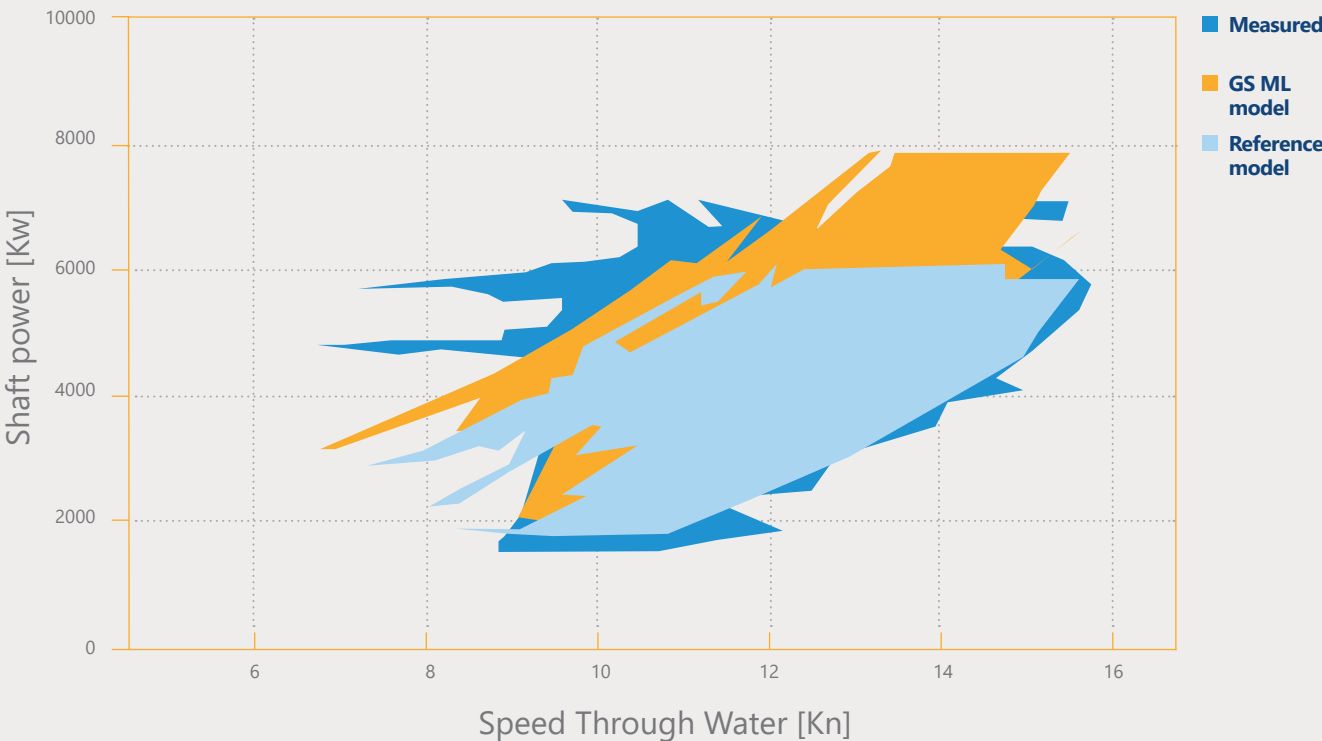


GreenSteam Speed Optimisation utilises a state-of-the-art, in-house developed **Hybrid model that harnesses Machine Learning and Operational Data (Big Data)** to achieve higher prediction accuracy by learning from the data.

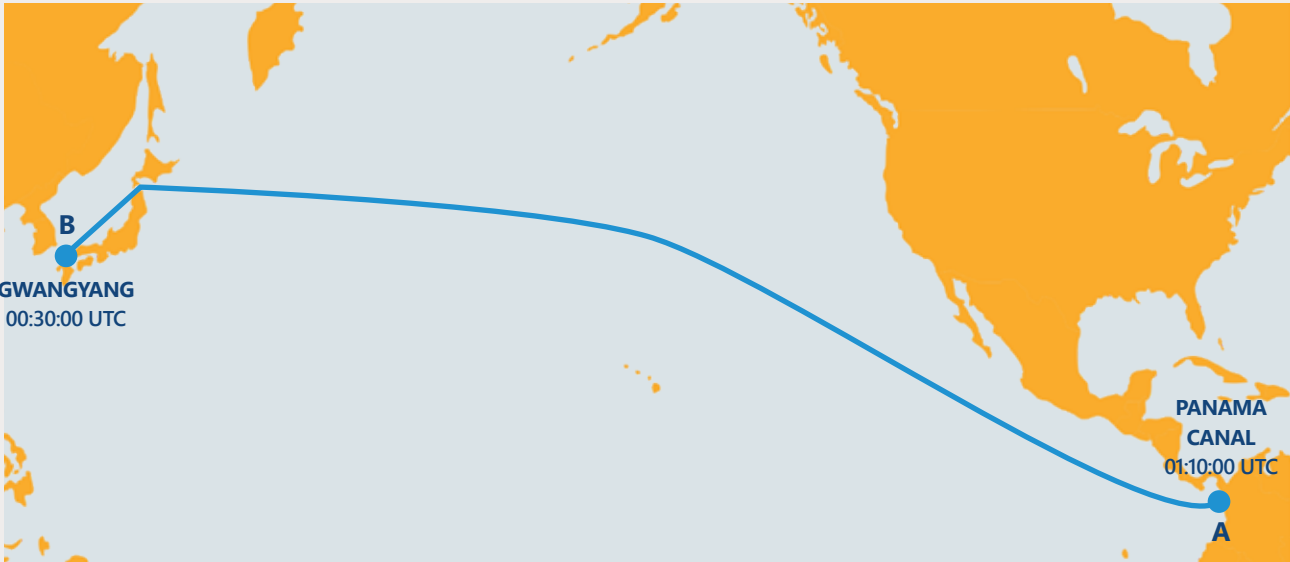
The reference model is the **DTU (Digital Twin for Vessels Performance) Simulation Workbench**, which utilises physical and empirical Naval Architecture formulas but does not consider hull fouling, in contrast to the GreenSteam Machine Learning model.

This image shows the **10-minute values of measured and predicted Shaft Power** as a function of the Speed Through Water.

The error of the GS ML model is 12.75%, while that of the reference model is 22.56%. The same gap between these two models is maintained in the rest aggregation intervals. The **reference model is under-predicting the required shaft power in most cases, since it is not compensating properly for the hull fouling**, in contrast with the GS ML model that explicitly models fouling as well.



The optimisation process is sensitive to the shaft power and fuel consumption prediction, and therefore different models may produce significantly different speed advice. The **voyage route** is shown in the second image.



The trial implementation was carried out through three continuous recommendations:

1. **GreenSteam runs the Speed Optimisation for Cielo Di Cagliari voyage from Panama to South Korea** before the beginning of the voyage and every six hours with the updated weather forecast and the vessel's actual position
2. The **crew received “power advice” from GreenSteam** in order to achieve the optimal Speed over ground more easily, as estimated by the algorithm
3. The **implementation is monitored by GreenSteam** on every step of the process.

The total fuel consumption and emissions of the actual voyage are compared to the predicted consumption and emissions for the voyage under constant speed - equal to the actual voyage average SOG.

SPEED OPTIMIZATION RESULTS	ACTUAL VOYAGE	CONSTANT SOG*	SAVINGS
Total Fuel Oil Consumption	643 MT	666.4 MT	24.7 MT (3.7%)
CO ₂ emissions	3.559 [g.CO ₂ /dwt.nm]	3.682 [g.CO ₂ /dwt.nm]	0.123 [g.CO ₂ /dwt.nm] (3.7%)
CII Rating	A	A	

*Estimated

The **fuel consumption savings** of the optimised voyage **are also translated into emissions reduction** for the particular voyage and into CII benchmark. An estimated reduction of 3.7% is found in the mass of CO₂ and a CII rating A is achieved.

Using a precise model that can adapt to operational data from the vessel and handle fouling can considerably **improve the Speed Optimisation application’s overall performance and metrics**. Not accounting for the fouling will lead the Speed Optimisation application to **assume that the vessel can complete the voyage with less fuel than needed**. The underpredicted required propulsion power will result in the ship constantly lagging behind, compromising the ETA and resulting in suboptimal speeds.

CII Real Time Monitoring

At the same time, in 2021, **the Group launched a project to calculate and monitor the attained CII in real time**, with the aim of promptly undertaking the corrective actions deemed necessary to keep or to improve the CII rating.

The results of these projects will be described and reported in the 2022 Report.



SEA AND MARINE ENVIRONMENTAL SAFETY

SDGs



UN TARGET

12.4

By 2020, achieve the environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to the air, water and soil in order to minimise their adverse impacts on human health and the environment

ACTIVITIES AND KPIs in 2021

Hazardous material inventories available

on all new constructions and on the entire existing fleet, providing a complete map of all materials on board



14.1

By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

95%

of the d'Amico Group vessels own a ballast water treatment system

0

oil spills from the Group's vessels

Use of latest technology for **hull treatment coating** with green patented biocides

14.2

By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans

Biofouling management through a consolidated **hull inspection and cleaning** programme

The d'Amico Group believes that **safety at sea, preventing accidents** or the loss of human life and **preventing environmental damage**, especially damage to the marine environment, **must always be its top priorities and must never be jeopardised**. Situations or conditions that compromise safety on board and that can be avoided using common sense and appropriate practices are not tolerated on d'Amico's fleet.

The effort of captains, officers and crew members **must be preventive rather than reactive**. Favouring a proactive approach limits risks and any related costs. Ship captains, officers and crew members comply with the following guidelines every day during navigation and operations:

- zero spills
- zero accidents
- all employees are responsible for their own safety and the safety of others
- there is no corporate goal important enough to sacrifice safety
- work is well done only if performed safely

QUALSHIP 21

Coast QUALSHIP 21 is an initiative implemented by the US Coast Guard to **identify high-quality ships and provide incentives to encourage quality operations**. Its name refers to quality shipping for the 21st century. A quality vessel is associated with a well-run company, is classed by an organisation with a quality track record, is registered with a flag administration with a superior Port State Control record and has an outstanding Port State Control history in U.S. waters in the last three years.

Beginning 1 July 2017, vessels enrolled in the QUALSHIP 21 programme may also seek the E-Zero designation if they

meet the requirements set forth below. **The E-Zero programme is a new addition to the existing QUALSHIP 21 programme**, and the goal of this programme is to recognise those exemplary vessels that have consistently been compliant with environmental regulations, while also demonstrating an intense commitment to environmental stewardship. These vessels will receive the E-Zero designation on their QUALSHIP 21 certificate.

In 2021, 18 vessels were enrolled in QUALSHIP 21, two of which with E-Zero designation.



Biodiversity protection Water ballast treatment system

In September 2017, the new IMO Convention on ballast water management came into effect. Ballast water contains various organisms, such as marine and coastal flora and fauna, from different areas around the world. If gathered in one place and released in another, some of these organisms could survive and prosper in the new environment; these “non-native species” could lead to a serious ecological and economic impact and an impact on the public health of the recipient environment. **To prevent the problem of releasing invasive species in ballast waters, the IMO adopted the first International Convention for the Control and Management of Ships’ Ballast Water and Sediments in 2004.**

The d’Amico Group has drawn up and is implementing plans, records and procedures not only to meet the Convention’s requirements, but above all, to **ensure the prevention of this type of pollution from its vessels**. In this respect, a dedicated **ballast water treatment system (WBTS) has already been installed in more than 95% of the ships owned**, and in the majority of the vessels - well in advance of the compliance date established by either the IMO or by the US federal code as an alternate mode.

All new vessels are provided with this equipment, while the installation on the remaining ships was planned in conjunction with the next dry docks. Furthermore, **specific contingency measures are in place to prevent and respond to any failure and improper operation of these systems with clear reporting and communication requirements**. In 2021, almost all of the remaining existing ships have been fitted with the WBTS type approved by the USCG, and the previously installed ones were retrofitted to operate also in fresh water mode and to obtain compliance with the USCG type approval certificate. The remaining two ships in the fleet are planned to be completed in the first quarter of 2022.

The d’Amico Group is now focused on how to improve the systems fitted in particular challenging water for turbidity and the presence of mud.



THE d'AMICO GROUP ADHERES TO THE VOLUNTARY SLOW ZONES

The d'Amico Group has always adhered to any measures put in place to protect marine biodiversity.

Most recently and among others, in July 2021 it adhered to **vessel speed reduction to protect the Right Whale in the**

North Atlantic.

The Right Whale Slow Zones is a programme that notifies vessel operators of areas in which maintaining speeds of 10 knots or less can help protect right whales from vessel collisions.



Ship maintenance

The d'Amico Group's ships and their machinery and equipment are maintained in order to always **ensure full reliability and extremely high efficiency** and to ensure that commercial operations in port and navigation are performed in compliance with the highest safety criteria, in accordance with applicable rules and regulations. All maintenance plans are approved by classification societies and are therefore supported by a computerised system that exchanges data in real time with the Group's technical management.

Preventive maintenance is not only based on the recommendations and instructions provided by the manufacturers or on recognised standards, but also on the **continuous monitoring of equipment conditions**, allowing the full integration of the traditional running hours-based or time-based maintenance with condition-based maintenance (CBM).

The maintenance approach uses a mix of maintenance policies, and the best combination is chosen through a **risk-analysis approach**. Thus, a risk-based maintenance strategy is employed.

This strategy makes it possible to:

- **select critical machinery which, if suddenly damaged**, could put the ship or its crew in a situation of danger or could seriously affect safety and the protection of the environment.
- **identify all critical spare parts that can immediately restore machinery to working order**, should there be any failure. The Group has also defined optimal spare parts that are implemented on the basis of considerations relating to ship trade, material delivery times and the load of machinery in particular trades.
- **dynamically set the structural inspection frequency based on the quality of construction, trade pattern of the vessel, number of loading and unloading operations and age of the vessel**. This approach is a best practise and in line with the requirements of the shipping industry (TMSA).

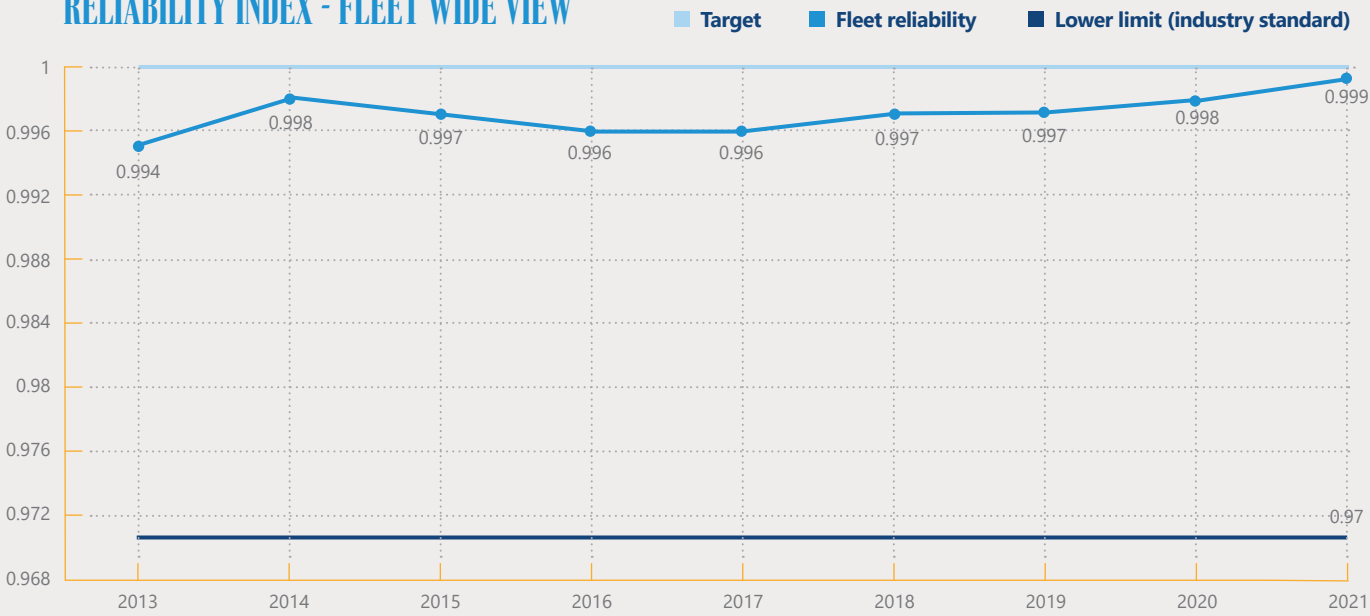
The maintenance model has **process-based management** which defines inputs, outputs and performance indicators for each process, among which the most important are:

- fleet reliability
- fleet availability
- outstanding maintenance tasks on non-critical machinery
- outstanding maintenance tasks on critical machinery
- number of failures on critical machinery as a percentage of total failures
- number of unplanned maintenance tasks as a percentage of total maintenance tasks
- drydock planning performance
- number of sailing inspections/total number of inspections.

Increasing fleet reliability, which has been well above industry standards since 2011, **confirms the excellence of the Group's maintenance strategies**. The reduction in outstanding maintenance tasks of non-critical equipment since 2011 confirms the growing attention of management to on-board equipment regardless of its criticality. Furthermore, in 2020 d'Amico introduced a more challenging target for the management of critical equipment – "0%" percentage of outstanding – with the aim of boosting the attention of on-board criticality management.



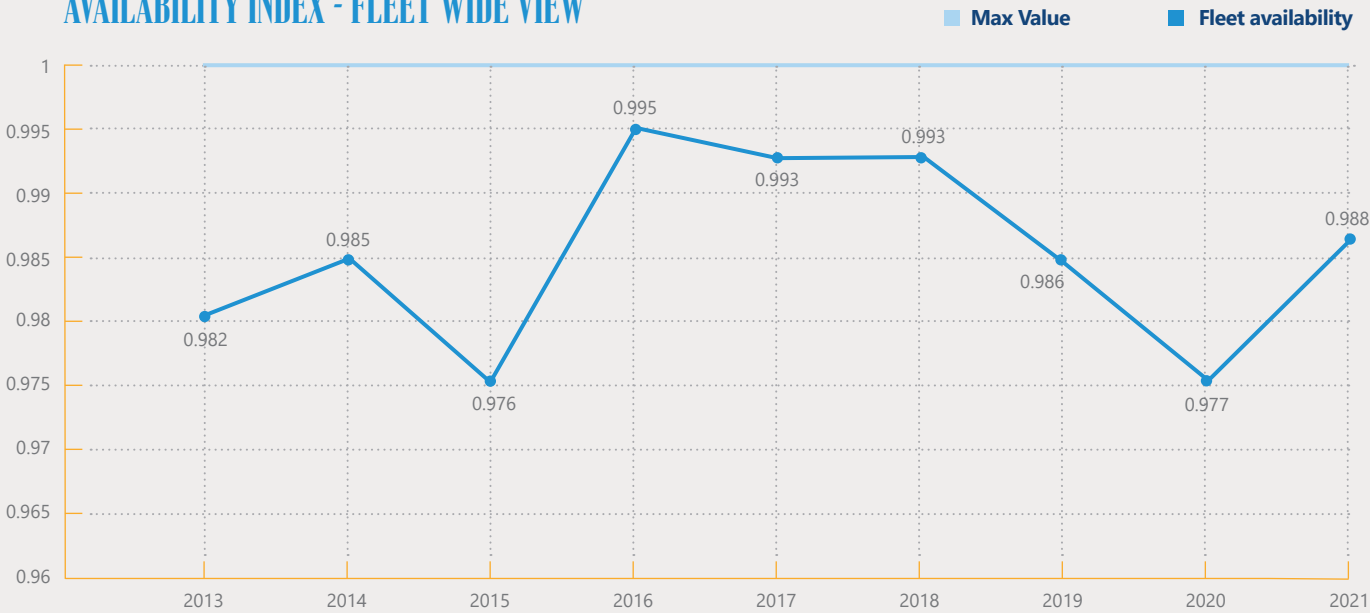
RELIABILITY INDEX - FLEET WIDE VIEW



This indicator measures the reliability of the fleet and there is a constant fluctuating trend over the years, but always close to the set maximum target and much higher than the limit set by the Industry Standard.

In particular, **in 2021 d’Amico reached the best result in the last nine years**, confirming the effectiveness of the maintenance policy to reduce the unplanned off hire.

AVAILABILITY INDEX - FLEET WIDE VIEW



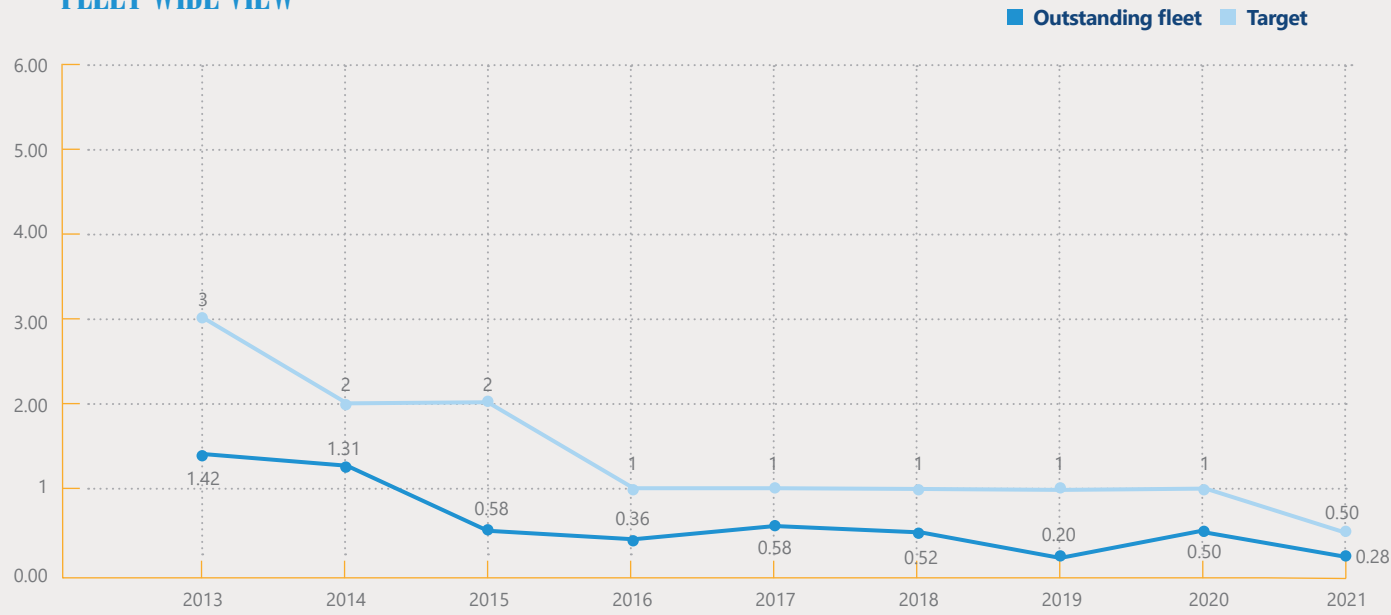
Compared to the previous indicator (fleet reliability), fleet availability is affected not only by failures but also by the ship’s days off for scheduled drydocks.

After the drop in 2020 basically due to the number of drydocks (19) that were executed in the year, compared to eight in 2019 and one in 2018, **in 2021 the index registered a sensitive improvement**. According to the company Policy and class rules, in fact, the Drydock is performed every five years and the next peak will likely be in 2025.

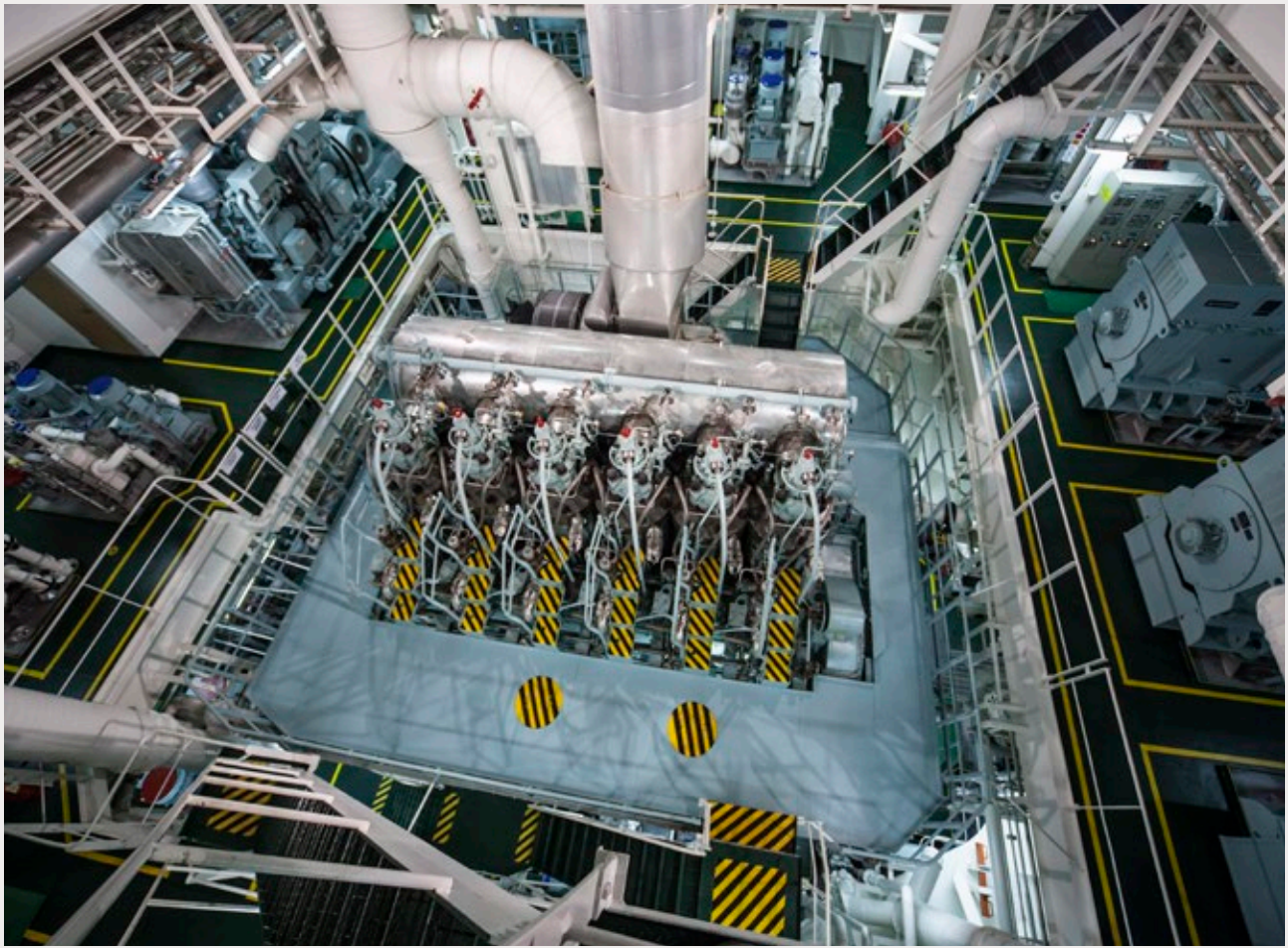
The figures for off hire due to technical problems improved, the number of scheduled drydocks (11) noticeably lowered compared to 2020 and most of them were for the first special survey which requires less days of off hires.

Both of these two elements, together with the phase out of the oldest vessels, contributed to the improvement of the indicator in 2021.

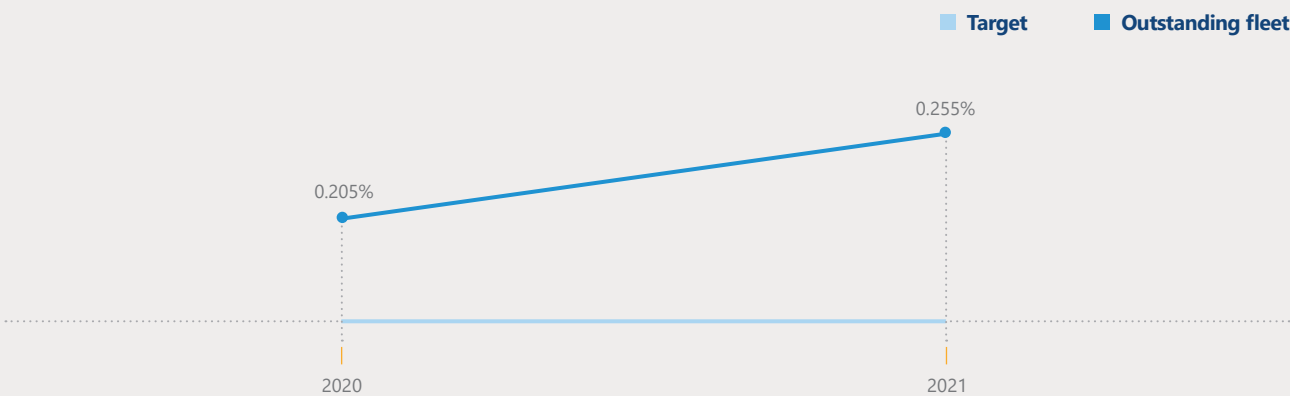
OUTSTANDING MAINTENANCE TASKS OF NON-CRITICAL EQUIPMENT - FLEET WIDE VIEW



The trend of the indicator may also be due to the timing of the measurements, and the fluctuation may depend on various reasons. In this case, the very important aspect is therefore to **remain below the target set by the Industry Standard and in 2021** - due to the constant reduction over the past years – **d’Amico set a new target of “less than 0.5%”, which has been achieved.**



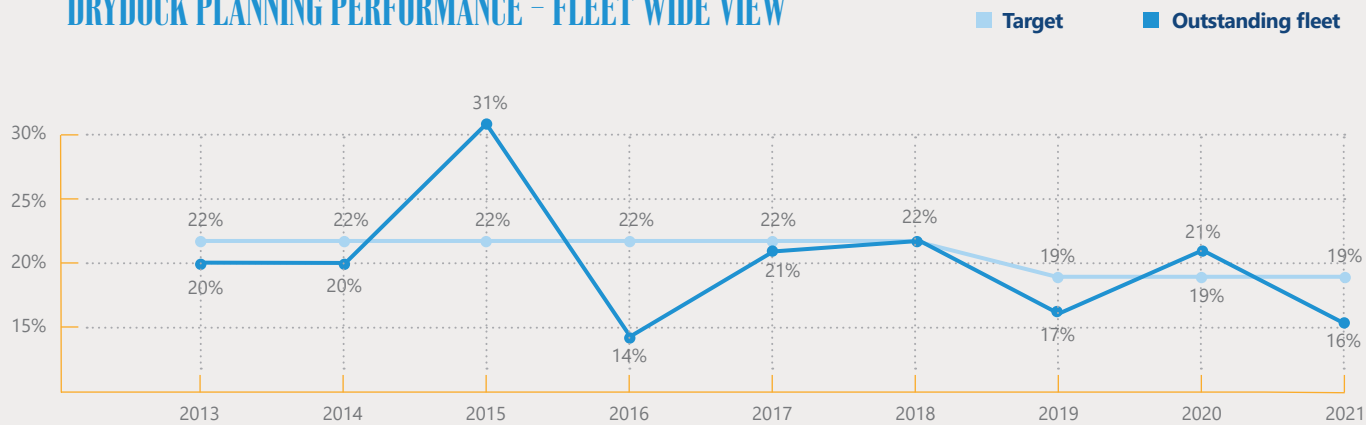
OUTSTANDING MAINTENANCE TASKS OF CRITICAL EQUIPMENT – FLEET WIDE VIEW



The indicator was introduced in 2020, with the aim of boosting attention to critical equipment, fixing the target at 0%. As for the outstanding maintenance tasks on non-critical equipment, the fluctuation may depend on various reasons. The aim is to improve the planning performance considering trade patterns, commercial and operational needs.

The results given by the first two years of monitoring confirm good planning capability since the figures are **very close to the target** and almost **stable over the years**.

DRYDOCK PLANNING PERFORMANCE – FLEET WIDE VIEW



The indicator - built to express the d’Amico Group’s ability to plan dry-docking operations as predictable costs, budgeting and scheduling - expresses costs and duration deviation during drydocking with respect to those planned.

The KPI highlights any gap, whether it is positive or negative. During the last 10 years of monitoring, the **target has been reduced from 22% to 19%** and the fluctuation narrowing the target since 2017 confirms a **very good planning capability**.

Inspection process

Recently, the company has integrated the CBM with field data from ship automation, moving from **condition monitoring to process monitoring: propulsion, navigation, loading and unloading**. The development of a Fleet Operating Centre (FOC) is under study, with the aim of aggregating a set of key parameters and information selected from different applications available within a common platform. The main objectives of the FOC are:

- defining a risk **profile** for each vessel
- understanding **how the ships are operated**
- facilitating the **analysis of any triggered alarm**
- monitoring **compliance with company instructions and policies**.

The d’Amico Group has recently added an additional feature to the FOC, which is the **monitoring of policies developed by the Group** for cutting non-essential consumption during the different operational profiles (normal sailing time, anchorage, loading, unloading and cargo handling), with the aim of **improving the energy management on board** as a key activity in achieving fleet decarbonisation. The module is presently under study.

Furthermore, any non-conformity detected following an inspection or test is documented, reported, reviewed, investigated and analysed to implement the necessary corrective actions. **Any defect, malfunction or failure of ship machinery, systems or structure which may have an impact on the safety of personnel or of the ship or on pollution prevention, and which cannot be resolved by the personnel on board, shall be promptly reported to the company through an electronic reporting system.**

Fault analysis and related implementation of preventive actions or “barriers” make the system efficient and live. In order to check that maintenance is carried out in accordance with mandatory provisions and regulations and with corporate policies, the defect correction plan is actually carried out and the maintenance standard levels are high. In order to verify any need for maintenance of machinery, equipment, structures and technical systems essential for safety and environmental protection, **the Group has implemented a system of planned visits and periodic inspections which are conducted during navigation by onshore personnel**. After the recent implementation of the new legacy software ABS NS, all inspection forms are now digitalised.

Recently, structural inspections have been carried out using robotic technologies (drones), allowing safer and faster close-up inspections and thickness measurements of cargo tanks and cargo holds.

The meticulous attention to environmental aspects has driven the company to review the MARPOL inspection, which was completely redesigned as detailed check-lists with specific reference to the business policies, procedures, circular letters, international standards, business tools - electronic logbook - and engineering requirements -as oil-to-sea interface, ECS and critical spare parts. Key focus on the **“CODE 6”** equipment in terms of functional and performance tests witnessed by superintendents was also addressed in the new regime of MARPOL inspections and specifically applied to: **incinerator, OWS, ODME, sewage system, ballast water treatment system, and IBTS**.

Thanks to the adoption of the new Electronic Logbook (ELB) technologies, **the Technical Office is now able to perform part of the inspection remotely**, with specific reference to the spot verification of the daily sounding log, the oil record book part I, the seals log and the production and disposal data for bilge, sludge and garbage.

The environmental audit is now part of routine vessel inspection with the aim of ensuring the highest environmental compliance at each level, surpassing industry standards.

Furthermore, thanks to the implementation of the new legacy system ASB-NS during 2021, d’Amico is now able to manage the fleet with specific gadgets and dashboards, which push the key information deemed necessary for technical management, allowing a drill down to the details and improving the decisional aspects and corrective action to be taken.

VESSEL AWARD PROGRAMME

To encourage good practices and appropriate behaviour related to safety, respect for the environment, reputation and good ship operations, **each year the d'Amico Group rewards the vessel that has had the highest level of compliance with the following criteria.**

The Best Vessel of the Year award goes to the vessel that has followed the best practices throughout the year, becoming an example for all other vessels.

Safety Culture:

- Best Practices
- Lost Time Injuries on board
- Near-misses safety

Reputation Management:

- Vessel rejected during Vetting Inspection
- Remarks per Vetting Inspection
- Vessel Detained in Port State Control (PSC)

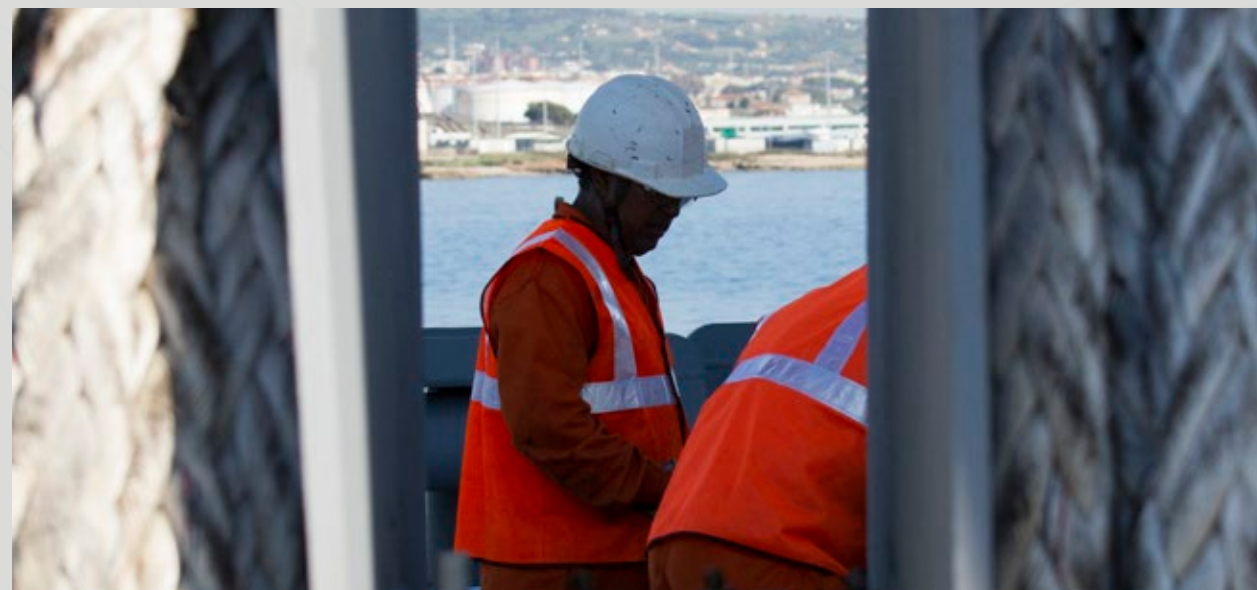
- Remarks per PSC Inspection
- Non-Conformities per vessel
- Accidents on Board

Environmental Performance:

- Pollution
- Contained Spills
- Ballast Water Management Violation
- MARPOL Violation

Technical:

- Reliability
- Availability
- Vessel Inspection Performance
- Outstanding Maintenance Task of Non - Critical Equipment
- Outstanding Maintenance Task of Critical Equipment



WASTE MANAGEMENT

SDGs

UN TARGET

ACTIVITIES AND KPIs IN 2021



12.4

By 2020, achieve the environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment

12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

+0.8 percentage points

the amount of waste discharged at sea, since 2019

-0.5 percentage points

the amount of waste disposed ashore, since 2019

6,475 mc

of total waste onboard in 2021, -3.4% since 2019

137.8

the total waste per vessel (mc/vessel) in 2021

The d’Amico Group is committed to **reducing the production of waste through specific processes and a corporate policy** that focuses on environmental pollution. Waste management on the fleet’s vessels is carried out according to a detailed procedure in compliance with IMO/MARPOL 73/78³⁸.

This procedure is part of d’Amico’s environmental policy, which uses a combination of complementary techniques to achieve and manage more environmentally-friendly results, such as:

- **reduction of waste generation** at the source
- **reuse or recycling**
- **waste treatment on board**
- **discharge at the port facility.**

Procedures have been defined for the waste generated on board which allow the crew to order material that can be reused or recycled in appropriate port facilities.

Waste production by type and disposal method is shown in the table below³⁹.

³⁸ Resolution IMO MEPC.71 (38) for implementation of Annex V.
³⁹ Estimated figure

WASTE ⁴⁰	2019	2020	2021
DISCHARGED AT SEA (mc)	4,420.38	2,884.83	4,322.88
CAT ³⁹ B - Food	234.66	239.52	221.37
CAT F - Operational	0.00	376.00	4.19
CAT J - Cargo residues (Non-HME ⁴¹) ⁴²	4185.72	2269.31	4,097.32
INCINERATED (mc)	94.06	77.09	73.68
CAT E - Incinerator ashes	94.06	77.09	73.68
DISPOSED ASHORE (mc)	2,186.42	2,306.64	2,078.30
CAT A - Plastics	954.17	906.90	828.27
CAT C - Domestic	758.14	715.89	678.98
CAT F - Operational	394.97	650.73	479.65
CAT I - Electronic	45.14	31.12	91.40
CAT K - Cargo residues (HME) ⁴⁰	34.00	2.00	0.00
TOTAL	6,700.86	5,268.56	6,474.86

The total amount of waste produced in 2021 is **6,474.86 mc**, with a growth of 22.9% in the last year, after the drop caused by the pandemic period.

Incinerator ashes are the ashes produced by the incineration of what is allowed by Marpol, generally paper and oily rags. These wastes are discharged to the ground, and use an incinerator, obviously reducing the amount of waste for each ship. After 2020, the **total amount of incinerated waste decreased even more in 2021 to 73.68 mc**.

The percentage of waste discharged at sea has risen, mainly due to an increase in Cargo residues (Category J), which had declined in 2020 because it couldn’t be unloaded during normal operations and, as they are not considered dangerous for the marine environment, they can be unloaded into the sea - e.g., cereals and cellulose.

The increase in Cargo residues, which grew significantly in 2021, lining up with 2019 values, is partly due to the greater number of ship washes due to load changes and partly due to the types of cargo transported.

The ships that most influenced this figure in 2021 were the M/V Medi Serapo, which often changed the cargo transported from coal to cereals, and M/V Medi Geneva, which transported mostly coal.

In fact, following each voyage, the ships of the Group are thoroughly washed with great care to ensure a careful cleaning and to minimise contamination, especially when switching from coal to food products.

Category K waste are also cargo residues but they refer to **residues considered dangerous for the marine environment** – such as heavy metals - and cannot be discharged into the sea. After decreasing by 94.1% in 2020, this kind of waste has totally vanished. Both of these categories (J and K) apply only to Dry Cargo vessels.

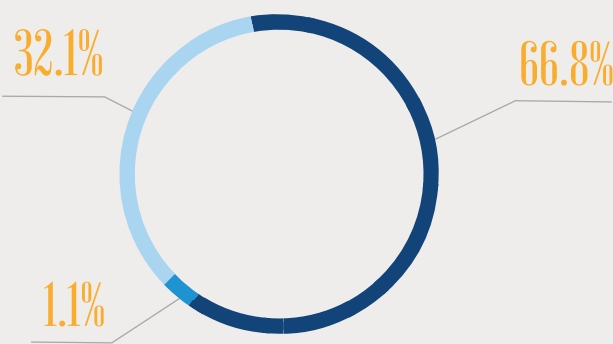
Operational (Category F), which contains external surface wash water, expired pyrotechnics, oily rags and any other oily materials, paint and chemical drums, cleaning agents and additives contained in deck – **decreased in 2021**. Operational waste discharged at sea fell to only 4.19 mc in 2021, from 376.00 mc in the previous year. As a consequence, 99.1% of operational waste was disposed ashore in 2021.

Electronic waste (Category I) is the only one which has increased, doubling its amount since 2019.

⁴⁰ CAT is the abbreviation for Category
⁴¹ Non-Hazardous for Environmental
⁴² Only from Dry Cargo Vessels

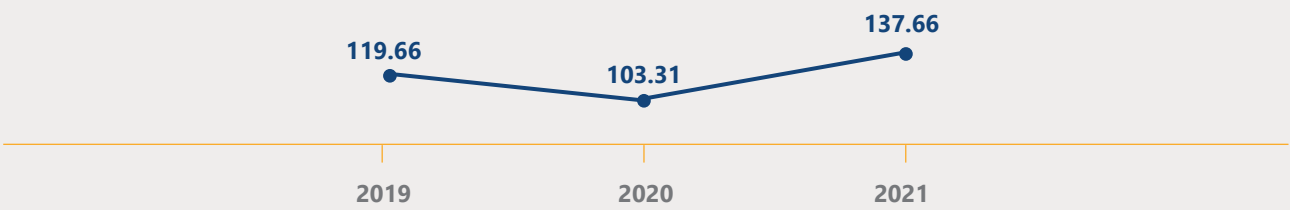
WASTE 2021 (mc)

- Discharged at Sea
- Incinerated
- Disposed Ashore



WASTE INTENSITY	2019	2020	2021	Var. 19-21
Total Waste [mc]	6,700.86	5,268.56	6,474.86	-3.4%
Waste per vessels ⁴³ [mc/vessels]	119.66	103.31	137.76	+15.1%

WASTE PER VESSELS [mc/vessels]



As can be seen from the previous graph, in 2021, the value of the waste intensity indicators increased, both since 2019 (+15.1%) and since 2020 (+33.4%).

This increase can be explained both by the **reduction in the number of owned vessels** over the three-year period, and by the **increase in waste produced**, due, as already reported, to greater cleaning of the vessels following load changes.

⁴³ The number of ships used to calculate the indicator (56 in 2019, 51 in 2020, and 47 in 2021), includes only the owned ships, excluding those in time charter and in JV

CARE FOR ENVIRONMENT, 3R CAMPAIGN ONBOARD d'AMICO FLEET

The shipping industry is evolving faster than ever towards betterment, saving the environment, and sustainability. All our efforts to save the environment are significant when accrued over time.

Therefore, the d'Amico Group launched a so-called **3R Campaign** in 2021 which is focused on Waste management by concentrating on **reducing, reusing and recycling**.

The campaign aims to:

- educate, teach and reinforce basic operational measures to reduce, reuse and recycle.
- rekindle Master and crew dormant conscientiousness and gain traction.
- define and monitor additional KPIs.
- do our part in reversing the destruction of the ecosystem.

The KPIs chosen to measure the set targets are:

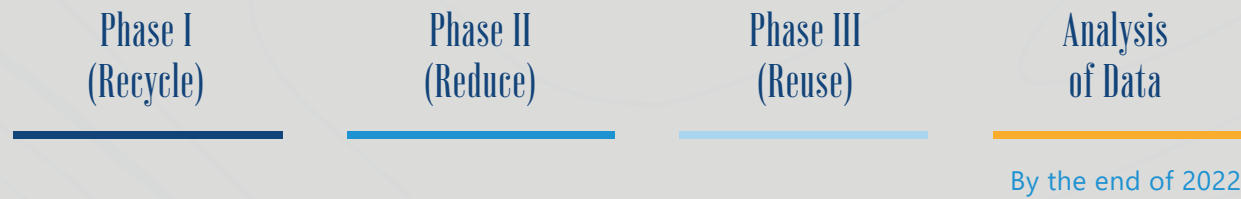
- Reduce waste generation.
- Reuse of waste.
- Waste recycling.

Why Practise the 3Rs?

- Protect the environment
- Conserve limited resources
- Save energy
- Reduce space needed for waste
- Disposal facilities



The campaign will be performed in three phases:



Ship recycling

To prevent damaging practices when dismantling and recycling end-of-life ships, **the International Maritime Organisation (IMO)**, in agreement with the International Labour Organisation (ILO), **has established**, through the Hong Kong Convention (HKC), **a number of protocols, criteria and procedures to be adopted for the construction, demolition and eco-friendly recycling of ships and particularly for treating any hazardous waste on board ships.**

On 22 October 2013, the European Parliament issued the EU Ship Recycling Regulation (EU SRR) to facilitate faster implementation of the Hong Kong Convention, through surveys of ships and land-based facilities.

The new regulation **requires that new ships belonging to EU countries have a verified Inventory of Hazardous Materials (IHM) and a Statement of Compliance on board, and that existing ships belonging to EU countries and ships belonging to non-EU countries that call at EU ports have the IHM and the Statement of Compliance on board** by 31 December 2020.

The d'Amico Group has completed hazardous material inventories on all new constructions and on board its entire existing fleet, providing a complete map of all materials on board, their location and the risk levels for the health and safety of people and the environment.

A dedicated procedure to maintain the inventories, with a Responsible person and a cooperation team has been prepared and named in order to assure that the Group's Ship Recycling Process is continually updated during material purchase phases and during replacement and repair activities in the dock.

d'Amico ships are usually sold before recycling time and the end of their life cycle, in order to always have and maintain a basically **young fleet**.



ENVIRONMENTAL MANAGEMENT AT FACILITIES

SDGs	UN TARGET	ACTIVITIES AND KPIs IN 2021
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	1,923 mc The water supplied from the public mains in Rome and Singapore offices, -12.8% since 2019
	7.3 By 2020, double the global rate of improvement in energy efficiency	2,390 KWh per employee = the consumption of electricity in the Group sites in 2021
	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the internet in least developed countries by 2020	Implemented a travel management application to reduce travel between different facilities and replace it with new video and call conference systems 62.3% the sustainable mobility rate for going to work among all the d'Amico offices +2.3 percentage point since 2020
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	1,483 Kg the consumption of paper in 2021, -58.4% from 2019

The d'Amico Group's commitment to the management of environmental and energy saving issues is also applied in its offices across the world.

The Group obtained the following certifications: **ISO 14001** related to the environment and the **50001** for energy management.

Best practices have also been implemented at Group level, such as:

- **plastic-free project** - plastic bottles are no longer used and have been replaced by water filtered from the tap or from water containers. All Group employees have been given 750 ml aluminium bottles.
- **employee travel reduction** - over the last four years, a travel management application has been implemented at a global level, which is accessed via the intranet portal. The application has allowed better control of travel. Travel regulations were updated in January 2017 to reduce travel between different facilities and replace it with new video and call conference systems. As a result, d’Amico has reduced the direct and indirect environmental impact of flights.
- **waste** - all d’Amico Group offices collect waste separately. More specifically, with regard to the Rome offices, an agreement was signed with Ecof Italia for the collection of separate waste.

The d’Amico Group has also started to collect environmental, health and safety data in relation to their offices in order to define improvement objectives and monitor its performance. The data concern: energy, materials and water consumption, waste production and people mobility.

ENERGY CONSUMPTION DATA	2019	2020	2021	Var. 19-21
Consumption of electricity [kWh]	634,820*	497,749	509,057	-19.8%
KPI – KWh per employee	2,713	2,359*	2,390	-11.9%
Consumption of Natural Gas [mc] **	8,764	10,018	9,877	+12.7%
KPI – mc per employee	110.9	135.4	121.9	+9.9%

* The value has been adjusted with respect to that published in the 2020 sustainability report
** Consumption of natural gas data is available only for the Rome office. The consumption per employee figure is therefore calculated taking into account only the employees of that office

After a sharp reduction in 2020, the consumption of electricity in the offices has risen to 509,057 kWh, showing a **slow increment also in the electricity consumption per employee, due to the reopening of offices that were closed because of the Covid pandemic in 2020**. However, since 2019 the consumption has decreased by 19.8%. This can also be seen in the consumption of electricity per employee, which fell by 11.9% in the last three years.

On the other hand, the consumption of natural gas reached 9,877 mc in 2021, showing a rise of **12.7% in the three-year period, even though the consumption decreased slightly by 1.4% in the last year**. This data is significantly different if we look at the gas consumption per employee, which indeed has fallen by 10%, after a growth of 22.1% between 2019 and 2020.

WATER CONSUMPTION DATA*	2019	2020	2021	Var. 19-21
Water supplied from public mains [mc]	2,206.5	1,327.8	1,923.1	-12.8%
KPI – mc per employee	18.4	11.3	16.3	-11.4%

* The water supplied from public mains is available only for the Rome and the Singapore (ISHIMA) office. The figure of water supplied per employee is therefore calculated taking into account only the employees of said offices

Water consumption returns to rise in 2021 (+44.8%) after a drastic fall due to the offices being closed in 2020. Nevertheless, the consumption has not yet returned to pre-pandemic levels and shows an overall decrease of 12.8%.

MATERIAL CONSUMPTION DATA	2019	2020	2021	Var. 19-21
Consumption of paper* [Kg]	3,562.4	1,715.9	1,483.0	-58.4%
KPI – Kg of paper per employee	15.2	8.1**	7.0	-54.3%

* Consumption of paper for the Rome office has been estimated by the Group, while paper consumption for the Munich office is calculated on the basis of its cost, using a price of € 37.79 for 5,000 sheets of paper
** The value has been adjusted with respect to that published in the 2020 sustainability report

The same can’t be said of **consumption of paper**, which instead **continues to drop after the pandemic by a further -13.6%**. More specifically, the consumption of paper per employee has decreased from 15.2 to 7.0 Kg since 2019.

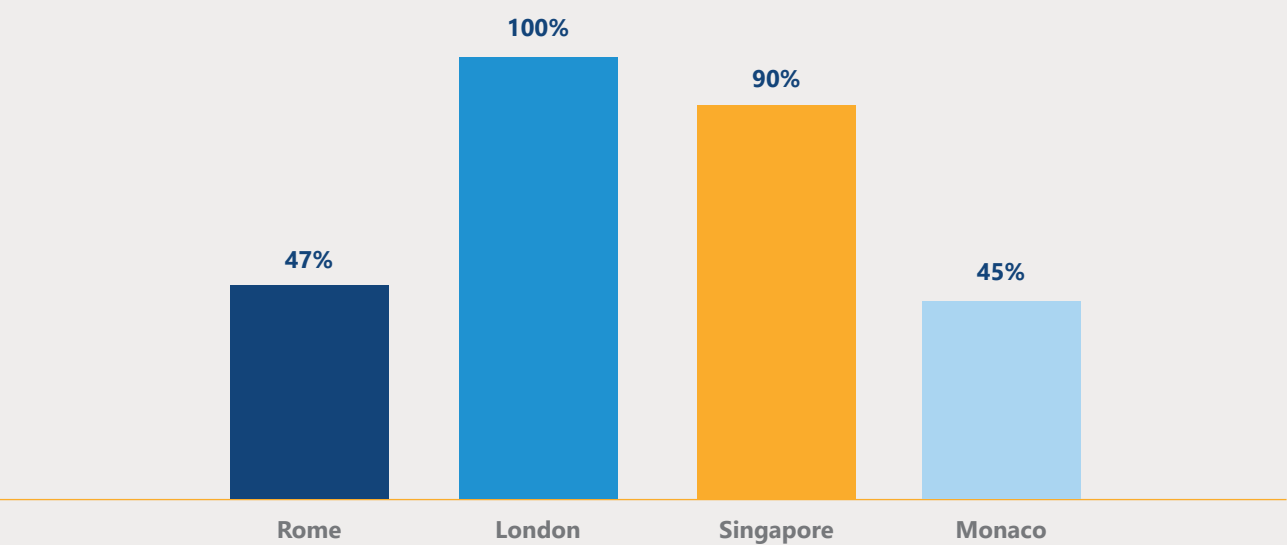
Sustainable Mobility in the d’Amico offices

The Group monitors the transport modality used by its employees to reach their offices and **encourages the use of shared mobility, public transport, walking and cycling**.

In 2021, the percentage of **sustainable mobility in three out of six of d’Amico’s offices reached at least 90%**, with a share, as well as last year, of 100% in London and 90% in the Singapore office.

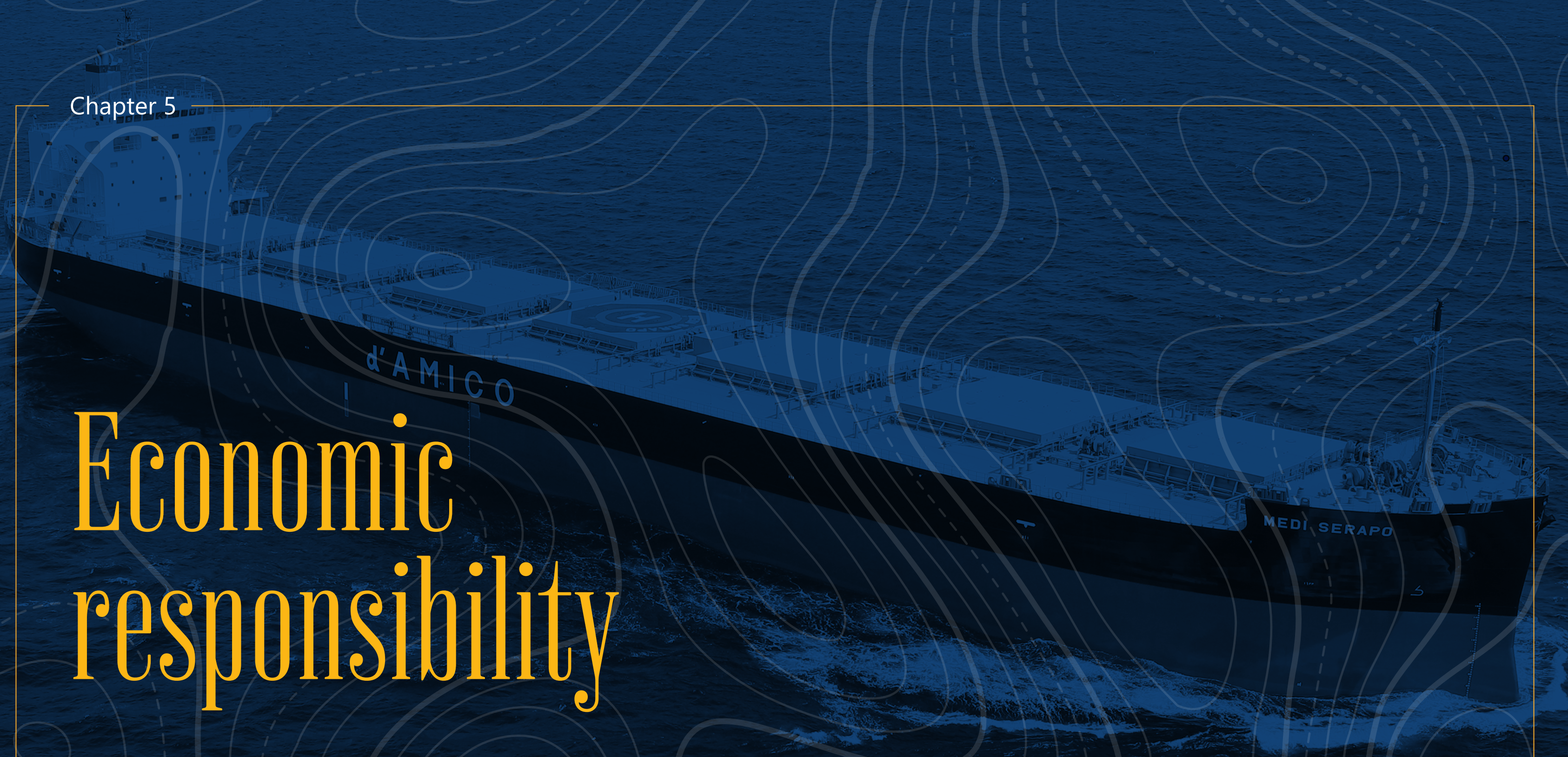
On the contrary, data from the offices in Rome and Monaco show that only 47% and 45% among the employees used at least one between sustainable vehicles, while offices in Dublin were closed due to Covid-19 and thus data were not recorded for 2021 (80% in 2020).

SUSTAINABLE MOBILITY (PUBLIC TRANSPORT, FOOT AND BIKE) AMONG EMPLOYEES IN 2021



Chapter 5

Economic responsibility



2021 HIGHLIGHTS

Euro
763.3 million
 Economic Value generated

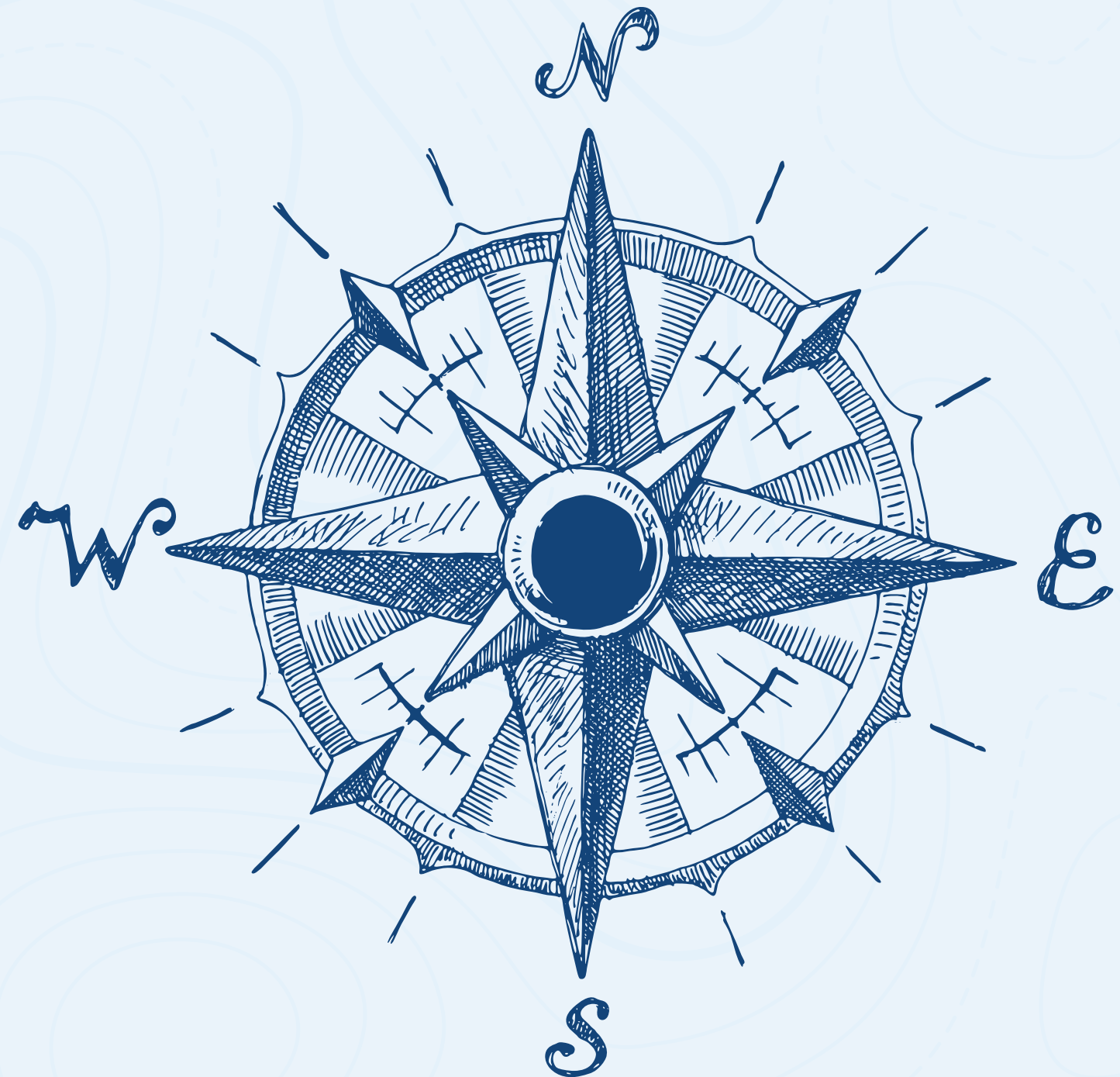
Euro
539.4 million
 Economic Value distributed to stakeholders

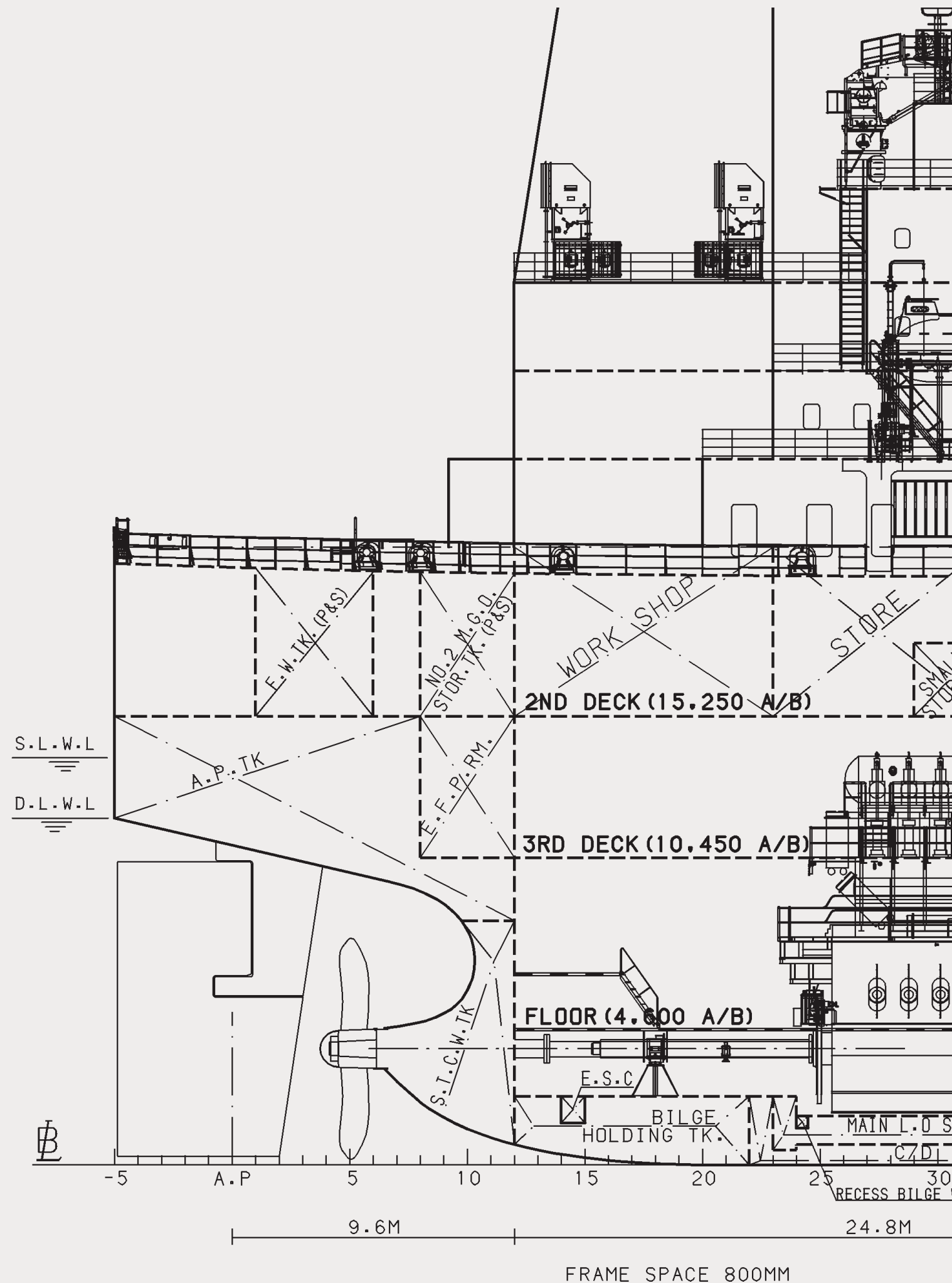
70.7%
 Economic Value distributed to Suppliers

USD
1.2 billions
 invested between 2013 and 2019 in 40 newbuildings Eco-ships

Euro
464.6 million
 the total amount of supplies in 2020

Selection of suppliers according to quality and environmental certifications



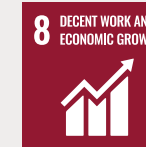


Economic Responsibility

SDGs

Sections of the Sustainability Report

Activities



Economic value generated and distributed The supply chain

- The d'Amico Group recognizes the importance of a balanced distribution of the value generated by its activities to its stakeholders



The supply chain

- Accurate supplier assessment and selection, also based on energy performance and including possible performance of inspections and controls
- Collection of full and clear details on purchase orders and on responsibilities



Economic value generated and distributed

- d'Amico is accountable and transparent with all institutions at all levels

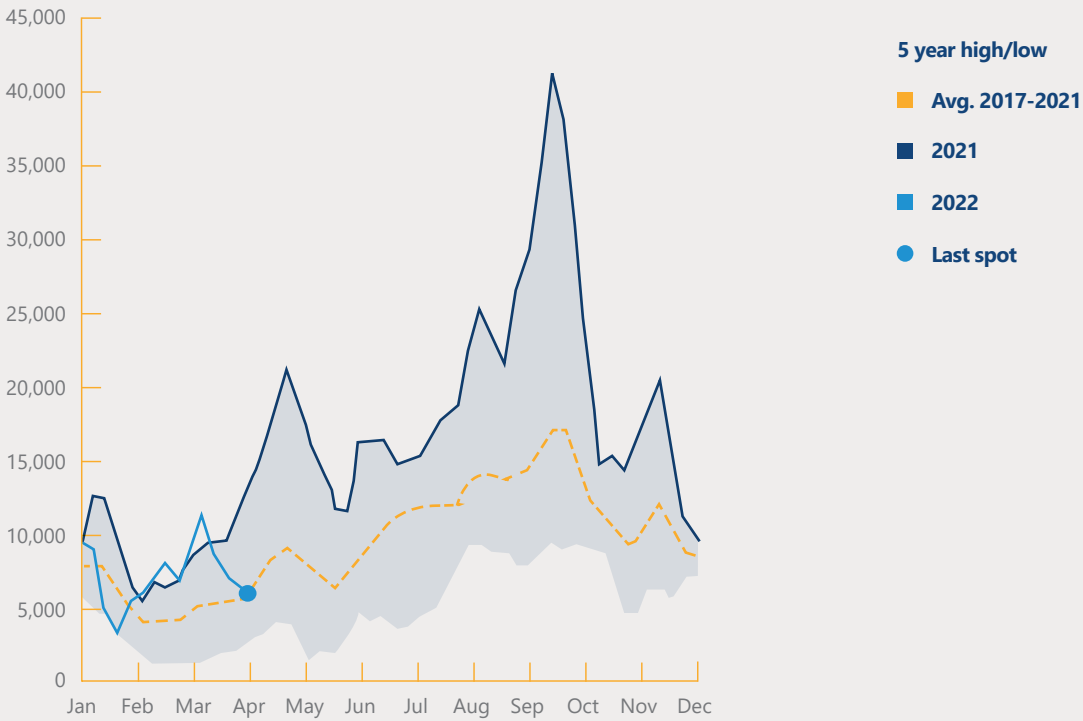
MARKET TREND AND PERFORMANCE OF THE d'AMICO GROUP

Dry Cargo⁴⁴

In 2021, the dry-cargo market recorded a **generalised recovery in all segments**, reaching levels not seen since 2008 for Supramax and Handysize vessels.

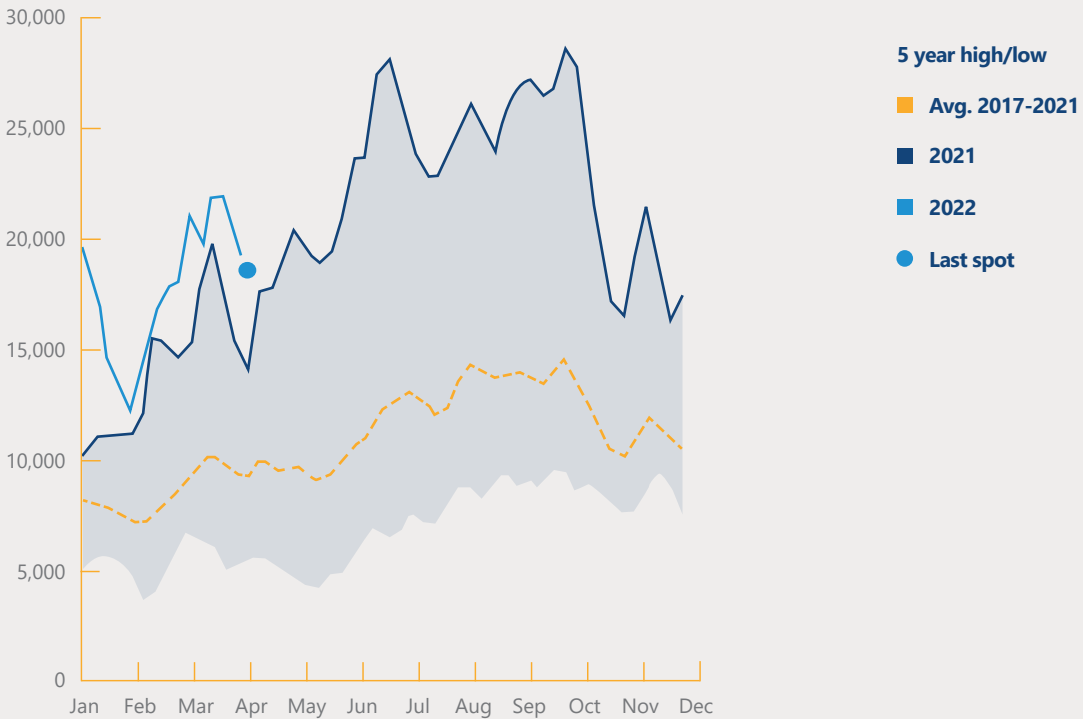
The reference indexes for the sectors where the Group operates reached their highest levels in more than a decade with an increase in 2021 of respectively 171% for Panamax, 227% for Supramax and 221% for Handysize market - compared to 2020.

CAPE SIZE SPOT EARNINGS (USD/DAY)

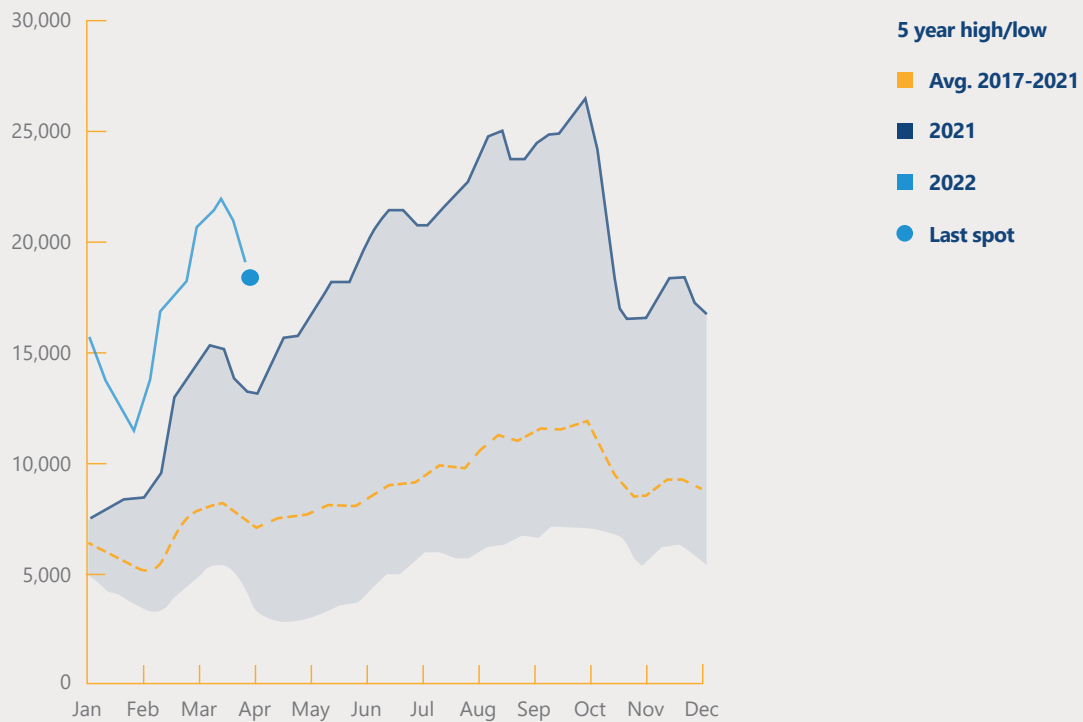


Source: Clarkson Research Services Ltd.. Clarksons Platou Securities AS

PANAMAX SPOT EARNINGS (USD/DAY)



SUPRAMAX EARNINGS (USD/DAY)



Source: Clarkson Research Services Ltd.. Clarksons Platou Securities AS

The dry bulk market - as observable from the previous chart - was characterised by a **steady upward trend** – from the first quarter of the year until October 2021, when there was a slight correction due to different factors such as lower industrial production in China, reduced production of steel and uncertainty from the Chinese real estate crisis, further to the traditional seasonality of the business in the fourth quarter.

⁴⁴ Those comments refer to the d'Amico Società di Navigazione 2021 Annual Report
⁴⁵ Time Charter Equivalent (TCE) rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types

Nevertheless, the **annual averages reached** in the different segments in which the d'Amico Group operates - Kamsarmax, Supramax and Handysize - **have exceeded 25,000 \$ per day**, levels well above the averages of the last ten years.

Thanks to the quality of the d'Amico Group fleet - in terms of design, performance, flexibility achieved through arbitrage policies and a consolidated commercial network - the **Dry Cargo Business Unit was able to maximise performance, achieving a further improvement in the average TCE⁴⁵ figures compared to sector rates**, equal to 3%-4%.

Global demand for bulk raw materials increased by 4% with respect to 2020, supported by a wide range of commodities:

- **Iron ore:** demand increased by only 1.6% due to the reduced availability of cargo from South America and Australia, and China's control of steel production in the second half of 2021
- **Coal:** demand increased by 7.1% with respect to 2020, when coal exports were sharply down due to the lockdowns introduced in most of the world's major economies
- **Grains:** demand for grains increased only by 0.9% on 2020, although the latter was a year with extraordinarily strong demand. In 2021, after increasing in the first half of the year, grain exports from the United States decreased in the third quarter due to Hurricane Ida, which caused their postponement to the fourth quarter
- **Minor bulk commodities:** demand increased by 5.6% on average, supported by construction materials such as cement, clinker, steel and forest products.

In addition, in 2021, prices for the transport of containers reached levels justifying the use of dry bulk vessels of the Handy-size and Supramax segments, creating additional pressure on available tonnage.

In 2021, the **bulk carrier fleet increased by 3.6%** (3.8% in 2020) due to the containment of deliveries of newly built vessels even if only 0.6% of vessels in service were scrapped - with the strong market discouraging even owners of older vessels. **From the second half of the year, the world fleet operated, on average, at almost maximum utilisation capacity to meet the growing demand for transport**, with a significant increase in speed despite the increase in fuel prices.

In addition, the COVID protocols implemented in ports, particularly in China, generated significant congestion. This further reduced available tonnage, resulting in market volatility and demand peaks with a positive effect on rates.



⁴⁵ Time Charter Equivalent (TCE) rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types

Product Tankers⁴⁶

In the fourth quarter of the year, **the tanker market continued to face challenges amid weak demand**, especially in the crude sector. Competition for the transportation of clean cargoes from new building crude tankers in their maiden voyages had a negative effect on product tanker freight rates. Furthermore, the sharp drawdown in oil stocks throughout last year dampened trading activity but will eventually create a pent-up demand for transportation as inventories have to be replenished.

Nonetheless, **the clean tanker market improved during 2021 as volumes traded steadily recovered since their mid-2020 low point**. The muted fleet growth because of **declining newbuilding deliveries and a surge in scrapping also supported the markets**. In detail, scrapping of product tankers in 2021 rose to 3.7 million dwt, up from 1.0 million dwt the previous year.

Despite the surge in the number of Omicron cases in the last months of 2021, oil demand defied expectations rising by 1.5 million b/d in Q4, to reach 100.2 million b/d. In their February 2022 report, the IEA has raised their global demand estimates by 200,000 b/d for 2021 – resulting in a 5.6 million b/d annual growth.

The global refining industry ended 2021 on a high note, with both runs and margins improving. Refinery throughputs averaged 79.9 million b/d in Q4 2021, up 4.3 million b/d relative to the same quarter the previous year. In 2021, global refining capacity fell for the first time in 30 years, by 730,000 b/d, as new capacity was outweighed by closures.

OECD industry oil stocks declined by a steep 60 million barrels in December, led by large draws in middle distillates across all regions. **As at the end of 2021, oil inventories stood at 2,680 million barrels, 355 million barrels lower than a year ago and at their lowest level in seven years**. Stocks covered 59.6 days of forward demand, a decrease of 0.9 days from a month earlier and 3.2 days below the historical average. Refined product stocks were instead of 1,378 million barrels as at the end of 2021, having declined by 131 million barrels since their pre-COVID levels at the end of 2019.

The IEA estimate that **during Q4 2021 higher natural gas prices increased demand for oil** compared to normal seasonal trends in Europe by between 250,000 b/d and 300,000 b/d (roughly 200,000 b/d gasoil, 30,000 b/d fuel oil and 50,000 b/d in other products). In OECD Asia, fuel switching led to an increase in oil demand of 50-100,000 b/d. In other countries, such as Brazil, China and India, low precipitations and tensions in the coal market provided some support to gasoil demand.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of December 2021 was assessed at around US\$ 13,500 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US\$ 2,000 / 2,500 per day.

Maritime services

The **activities of the companies that provide “maritime services”** within the Group and to third parties continued in the current year, with the **slowdown** due to the global health situation **continuing in 2021**.

Ishima, which provides technical support on vessels owned by the Group and by third parties, closed the year with a profit of 243,000 €. **Profit and revenues decreased compared to the previous year** for the reasons just mentioned and for the effects of the exchange rate.

Same thing could be said for the intermediation activity regarding bunker fuel purchases carried out by Rudden and by its Singapore subsidiary, which broke even in 2021.

Sirius, instead, continued its crew management and training activities and ended the year with a profit of approximately 370,000 €.

⁴⁶ Those comments refer to the d'Amico Società di Navigazione 2021 Annual Report

ICT strategy

In 2021, the organisation and infrastructure underlying the Group's ICT services underwent significant changes.

The most significant activity concerned the **replacement of the Fleet management IT system**. After a long selection process, d'Amico selected the Nautical Systems from American Bureau of Shipping - one of the main global players offering services to its business sector – and the system went live at the end of 2021, with an inevitable follow-up in 2022.

This change makes it possible to **increase the management quality level** and **provide a basis for the technical and functional changes** that the evolution of the business will make necessary.

In the second part of the year, a **project to make staff activity more efficient and fluid** was also launched. The project is expected to become operational in the first months of 2022, to virtualise the telephone connectivity service, by adopting a cloud platform provided by Cisco, therefore eliminating in practice the last real link between operators and physical stations.

Moreover, in 2021, - to complete the **modernisation of the application infrastructure** - a new administrative-accounting management software was selected, and the implementation of this project will take the whole of 2022.

Cybercrime protection infrastructures have been enhanced with the adoption of additional services, such as two-factor authentication and sandboxing of e-mail attachments, to allow all the operators to work anywhere. Regarding the **IT security**, what-if analysis and crisis simulations have also been carried out together with the area directors.

Furthermore, onboard systems have to meet increasing standards of functionality and performance as well as of protection from cyberattacks, so **a systemic plan to modernise the onboard IT systems was implemented**, with the adoption of new servers and new network architectures. The process is necessarily slow, and at **the end of 2021 only about 15% of the fleet had been updated**: completion will take at least one more year.

Fleet renewal and growth

In 2013, the d'Amico Group launched an **extensive fleet renewal programme investing a total of USD 1.2 billion** in more than 40 state-of-the-art Eco-ships, both dry-cargo vessels and product tankers. Thanks to this investment plan, the **d'Amico Group now owns and manages a young, modern and environmentally friendly fleet**. All d'Amico ships are equipped with the most advanced technologies that minimise environmental impact. This is achieved thanks to a **significant increase in efficiency, made possible by energy saving and a significant reduction in consumption and emissions**.

Following the conclusion of the fleet renewal program, d'Amico Group has been pursuing its strategy of **dismissing older vessels** concentrating on a fleet of 'Eco' vessels. By end of 2021 **78% of the d'Amico Group fleet was composed by 'Eco' vessels**. **The d'Amico Group Eco fleet is among the newest in the industry** with an average age of 7 years for the tankers, and 5 years for the Dry Cargo. Therefore, considering the industry average age of 12.3 years for tankers and 11 for Dry Cargo, the d'Amico Group vessels are 5 years and 6 years newer respectively, on average.

BUSINESS OUTLOOK

The beginning of 2022 was unfortunately characterized by the **outbreak of the Ukrainian war**, and the exact impacts on the d'Amico Group's core business is still difficult to evaluate as the scenario is evolving rapidly.

With reference to the Group's dry cargo business unit, a contraction in transported volumes is expected. However, this could be partly offset by a change in supply sources in favour of longer routes. Therefore, **expectations for the dry bulk market remain positive for 2022**, with supply and demand substantially in balance (**1.9% growth in tonne-mile demand and 2.2% growth in available tonnage**) and severe congestions and disruptions on ports and, more broadly, on the entire logistics chain still likely to persist.

With reference to the **Group's product tankers business unit**, on the one hand the potential for a reduction in the supply of oil is a source of concern, on the other hand, this could generate an increase in ton-mile demand for the seaborne transportation of both crude and refined products, as imports of these commodities by Europe might need to be sourced from further away.

As at the end of February 2022, the d'Amico Group employed several Ukrainian and Russian seafarers. In some cases, we had even Ukrainian and Russian nationals working together on the same vessel. These seafarers have in most cases known one another for some time and have good relationships. Our crew members have nonetheless been trained to resolve conflicts, if these were to arise, and all our seafarers benefit from a mental care service if required.



Dry Cargo⁴⁷

At the start of 2022, the dry bulk market was stronger than at the start of 2021 - excluding Capesize, a segment in which the Group does not operate - due to inefficiencies resulting from COVID-19 and the persisting of the high levels of demand for containers seen in 2021.

The main risk factors are related to the ongoing geopolitical tensions, on the one hand the one between China and Australia and on the other the one triggered by the Russia-Ukraine conflict in February 2022, described above.

The orderbook for dry vessels was equal to 6.7% of the fleet - the lowest value in the last thirty years - and despite the strong recovery of the market in 2021, is expected to remain subdued due to the following disincentives:

- **uncertainty about the technologies** that will become dominant in the pursuit of the decarbonisation goals
- **inflation and raw material costs** and their impact on the price of newly built vessels.

In particular, it is currently estimated that the **fleet will grow, in terms of tonnage, by 2.2% in 2022 and 0.4% in 2023**. From 2024 onwards, EU and IMO decarbonisation regulations might lead to a forced reduction in average speeds, further affecting the availability of tonnage in the dry cargo market.

In the medium term a favourable balancing of supply and demand is expected, due to three key factors:

- limited growth of the dry cargo fleet
- slowdown in orders for new vessels
- potential increase in scrapping.

In conclusion, in the market context described, the expectation is that the **d'Amico fleet** - almost entirely composed of modern and eco-friendly vessels - **is well positioned to offer flexible and high-quality business services** and will be able to capture the market opportunities by carefully managing risk and volatility through medium-term hedges and short-term arbitrage.

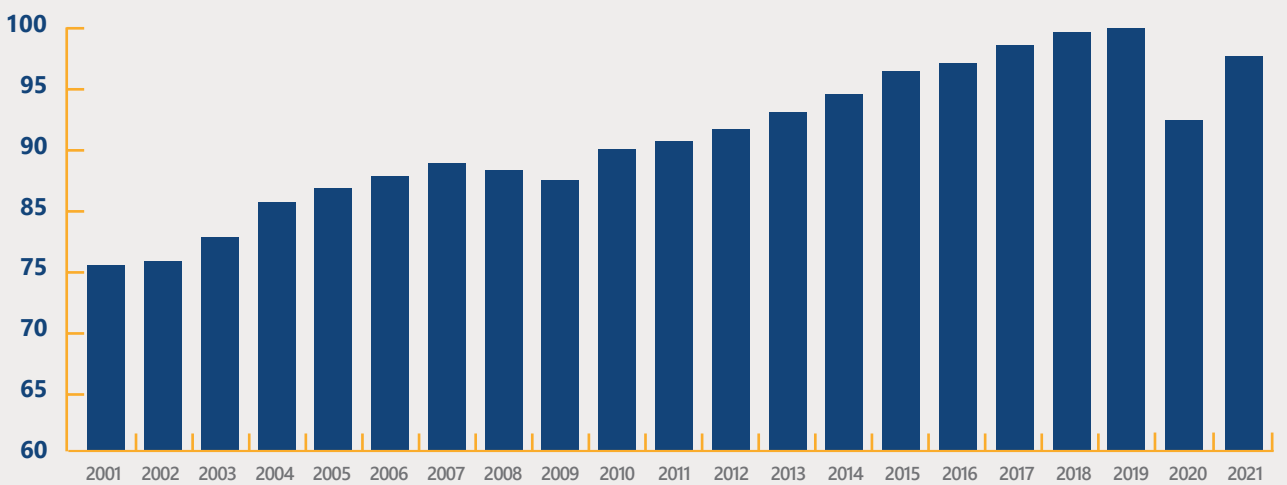


⁴⁷ Those comments refer to the d'Amico Società di Navigazione 2021 Annual Report

Product Tankers⁴⁸

The key drivers that should affect the **product tankers, freight markets and d'Amico International Shipping's performance** are (I) the growth in global oil supply, (II) refinery margins and throughput, (III) demand for refined products, (IV) the structure of forward prices for both crude oil and refined petroleum products, (V) the product tankers' fleet growth rate, (VI) the efficiency of the fleet due to factors such as congestion and average sailing speeds and (VII) average sailing distances. Some of the factors that could drive a recovery in the product tankers market in the medium-term are detailed below:

WORLD CRUDE OIL DEMAND (MILLION BARRELS PER DAY) SINCE 2001



Source: IEA Annual Statistical Supplement for 2020 and Oil Market Report Feb 2022

Product Tanker Demand

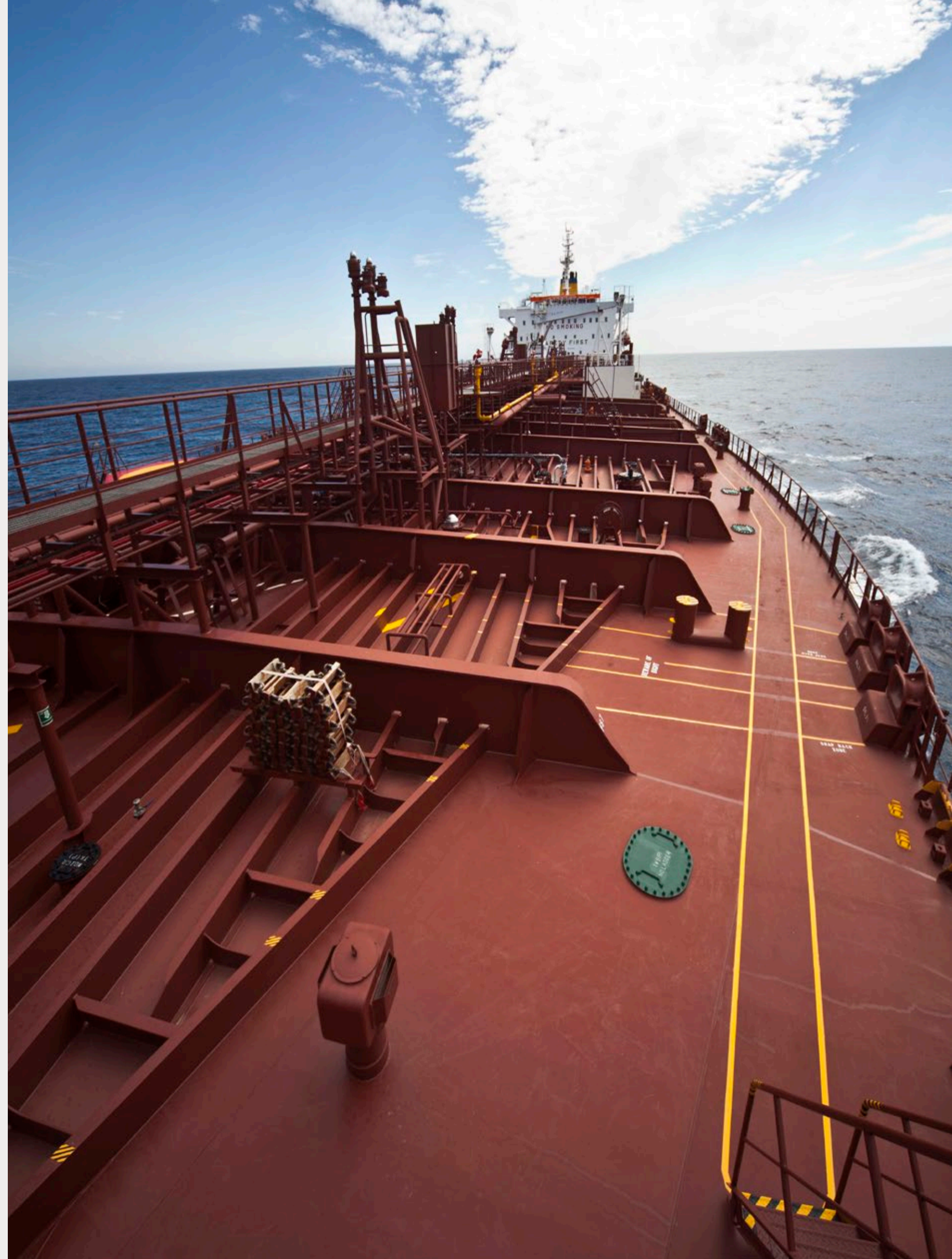
- Economic damage from the war in Ukraine will contribute to a significant slowdown in global growth in 2022 and add to inflation. **Fuel and food prices have increased rapidly**, hitting vulnerable populations in low-income countries hardest. In their April '22 report, the IMF forecasted a slowdown in global growth from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than they had projected in January '22. Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. **War-induced commodity price increases** and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging markets and developing economies 1.8 and 2.8 percentage points higher than projected last January.
- According to the IEA's April '22 report, surging energy and other commodity prices, along with sanctions against Russia, and COVID related lockdowns in China **are expected to depress world oil demand**. While the outlook remains highly uncertain, they have reduced their global oil demand forecast, which is now projected to average 99.4 million b/d in 2022, an increase of 1.9 million b/d from 2021.
- According to IEA's April '22 report, OECD oil product inventories declined by 42.6 million barrels in February '22 to 1,359 mb. Preliminary data indicate further declines in product stocks occurred in March '22. Product stocks are now well below the 5-year average.

⁴⁸ Those comments refer to the d'Amico Società di Navigazione 2021 Annual Report and to the d'Amico International Shipping S.A. Q1 2022 Financial results.

- **Russian oil supply and exports continue to fall.** So far in April, roughly 700 kb/d of production has reportedly been shut in. From May the IEA estimates close to 3 mb/d of Russian production could be offline due to international sanctions and as the impact of a widening customer-driven embargo comes into full force.
- In April '22 IEA member countries announced 120 million barrels of oil releases from their strategic reserves, after having announced releases of around 63 million barrels in March. The US announced in April further releases from its strategic reserves. **In total 240 million barrels should be released between May and October '22** (around 1.3 million bpd), alleviating the likely drop in supply from Russia and providing more time for the market to ramp-up supply.
- Excluding Russia, oil output from the rest of the world is set to rise by 3.9 mb/d from March through December '22. For the whole year, oil production is forecast to rise by 5.5 mb/d excluding Russia, with OPEC+ accounting for 3.5 mb/d (mostly Saudi Arabia, Iraq, Kuwait and UAE) and non-OPEC+ contributing 2 mb/d (mostly the US, with important increases also from Brazil, Canada and Guyana).
- Beijing had initially called on domestic refiners to cut or halt April '22 exports to increase domestic supplies. Following the COVID-19 restrictions in more than 30 cities, significantly curtailing domestic demand for oil, Argus now forecasts China will export 170,000 b/d and 50,000 b/d of gasoline and diesel respectively in April.
- In their April 2022 outlook, Clarksons estimates that **in 2022 product tanker demand will grow by 10.4%, well above the expected increase in fleet supply** (see below). Expectations for products exports from the US, MEG and Asia to Europe have increased, with potential for refiners in these regions to supply additional volumes, partly replacing lost volumes from Russia. Indeed, there have already been reports of Asian refiners raising runs to increase exports to Europe amid supportive arbitrage dynamics. Shifts in trade patterns appear likely to have a positive impact on products' tonne-mile seaborne trade.
- **More than 70% of new refining capacity in the next four years will be located east of Suez.** The EIA estimates that around 800,000 b/d of refining capacity has been closed in North America since the pandemic began. Engen have announced the conversion of their 120,000 b/d refinery in Durban (responsible for approximately 17% of the country's fuel production) into a terminal/storage facility. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

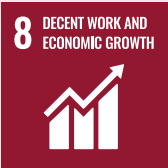
Product Tanker Supply

- At the beginning of the year, Clarksons estimated 67 MRs and LR1s would have been delivered in 2022; in the first quarter of the year only 16 such vessels were delivered versus an estimated 26.
- In their March 2022 outlook, Clarksons estimate the product tanker fleet will grow by only 1.5% in 2022.
- A large number of demolition yards were temporarily shut during the pandemic. However, **the rebound in steel prices has improved demand for tonnage recycling**. 11 vessels in the MR and LR1 sector have already been scrapped this year.
- According to Clarksons, as at the end of March '22, 6.4% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the current order book in these segments represented only 3.5% of the current trading fleet (in dwt). As at the same date, 29.7% of the MR and LR1 fleet (in dwt) was more than 15 years old, and this percentage should continue rising fast over the coming years.
- **The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda.** Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme. Furthermore, important cargo charterers including oil majors such as Shell and Total, as well as leading trading houses such as Trafigura, have recently signed **the Sea Cargo Charter with the aim of disclosing the CO2 emissions of the vessels they operate and reducing these in line with the IMO targets**. During the Marine Environmental Committee's (MEPC) last meeting (MEPC 76) in June 2021, measures were adopted which will be enforceable from 1 November 2022, requiring operators to measure their vessels' energy efficiency existing ship index (EEXI), reflecting their technical efficiency and their carbon intensity indicator (CII), assessing how efficiently they are managed. Both measures aim to cut emissions progressively from 2023 to 2030. The expected technological change required to meet the increasingly demanding environmental regulation is reducing appetite for new building orders, since such vessels could be obsolete soon after delivery. Furthermore, the increase in new building costs and decrease in yard availability is also negatively affecting the appetite for new orders.



ECONOMIC VALUE GENERATED AND DISTRIBUTED

SDGs



8 DECENT WORK AND ECONOMIC GROWTH

UN TARGETS

8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in developing countries

8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

ACTIONS AND KPIs IN 2021

Euro

763.3 million

the total value generated by d'Amico Group

Euro

90.9 million

the economic value distributed to employees in 2021

Euro

2.4 million

the economic value distributed to Public Administration in 2021

The d'Amico Group recognizes the importance of a **balanced distribution of the value generated by its activities to its stakeholders**, since it is a value that they have contributed to producing, either directly or indirectly. By analysing the value generated and distributed, the d'Amico Group highlights the flow of economic resources to its employees, its suppliers of goods, services and capital, the Public Administration, and the communities in which it operates.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (THOUSANDS OF EUROS)	2019	2020	2021
ECONOMIC VALUE GENERATED	725,331	608,533 ⁴⁹	763,290
Revenue from sales (shipping and services)	696,880	613,407	707,550
Other revenue (disposal of fixed assets)	4,443	2,888	2,734
Financial Income	24,008	-11,340	53,006
ECONOMIC VALUE DISTRIBUTED	603,844	509,298	539,351
Suppliers	424,556	350,391	373,445
Employees	102,537	95,239	90,897
Lenders	74,999	61,972	52,347
Shareholders (dividends distributed during the year)	0	0	20,000
Public Administration	1,387	1,377	2,396
Community (donations, sponsorships and trade associations)	365	319	266
ECONOMIC VALUE INVESTED IN THE COMPANY	121,487	99,236	223,939

The **Economic Value generated** by the Group as at 31 December 2021 amounted to **EUR 763.3 million** (+25.4% since 2020) and consisted mainly of revenue from sales resulting from shipping and services, as well as other revenue from real property sales and financial income (interest, foreign exchange gains/losses and results of Group companies valued with the equity method).

This value is approaching the levels recorded before the COVID-19 pandemic emergency. In fact, 2020 saw a significant reduction in both the value created by the Group and the value subsequently distributed.

The **Economic Value distributed** by the Group as at 31 December 2021 amounted to **EUR 539.4 million (+5.9% since 2020)**, divided among the following stakeholders as detailed below:

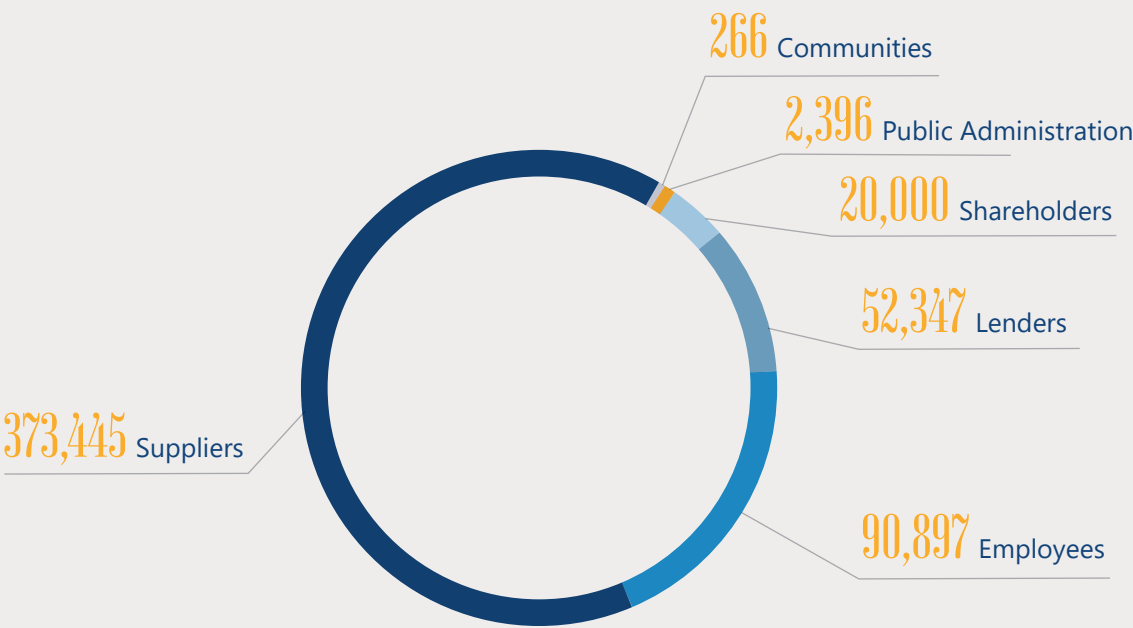
- **to suppliers, approximately EUR 373 million (+6.6%)**, comprising typical maritime operating costs related to the use of fleet vessels, which mainly include fuel purchases, port expenses, fee and commission expenses and charters. The following expenses should also be added: technical management and quality control expenses, other ship operating costs, insurance, lubricants as well as general and administrative expenses
- **to employees, seafarers, and administrative staff, approximately EUR 91 million (-4.6%)**, consisting of wages, salaries, social security and welfare charges and defined-contribution plans
- **to lenders, approximately EUR 52 million (-15.5%)**, as bank interest on short and medium/long-term loans
- **to shareholders, EUR 20 million** of dividends were distributed during 2021, after two years in which it was decided not to pay out any dividends
- **to the Public Administration, approximately EUR 2.4 million (+74.0%)** for direct and indirect taxes and duties
- **to communities, EUR 266 thousand (-16.6%)** in the form of donations, gratuities, sponsorships and registration fees to trade associations.

⁴⁹ The data of the economic value generated in 2020 have been adjusted as compared to that included in the 2020 Sustainability Report

224

225

2021 - ECONOMIC VALUE DISTRIBUTED [in million]



Lastly, the **Economic Value invested by the Group** amounted to **EUR 223.9 million** as at 31 December 2021 (+126%) and consisted of amortisation and depreciation, write-downs, and provisions to ensure business continuity and sustainability.



THE SUPPLY CHAIN

SDGs	UN TARGETS	ACTIONS AND KPIs IN 2021
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in developing countries	Euro 373.4 million the economic value distributed to suppliers in 2021
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Obligation for all suppliers of goods and services to review and comply with the company's policies in the area of ethics, integrity and environmental regulations

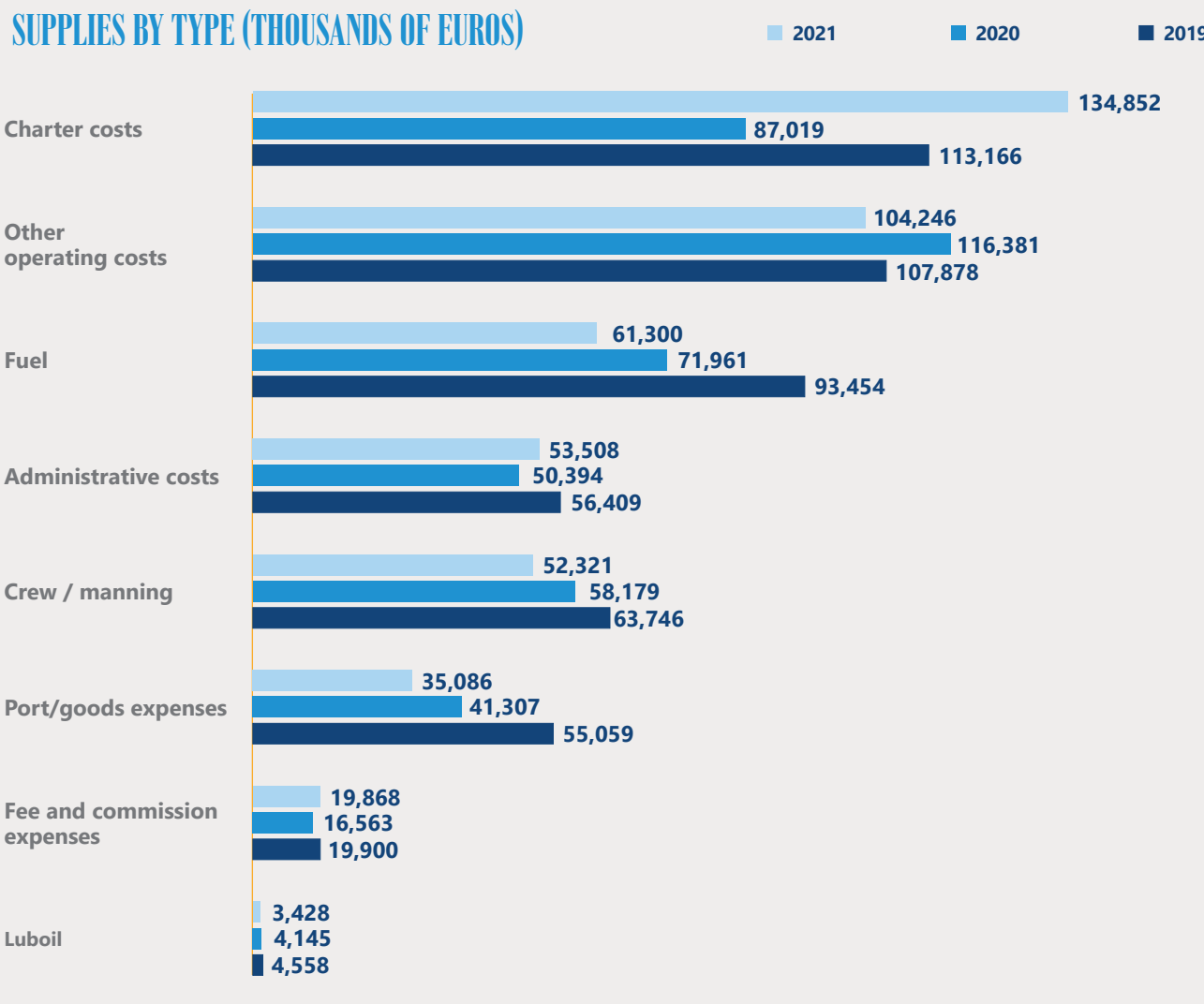
In managing the supply chain - thanks to its Integrated Management System (IMS) - the d'Amico Group has taken measures to **ensure that the products and services it purchases comply with quality, safety and respect for the environment**. More specifically, these measures apply to the products and services that have or could have a **significant impact on energy consumption**, those required to ensure optimal supply of the Group's shipping activities (e.g., dry-dock interventions, ship maintenance and repair activities, and the supply of fuels) and the services that d'Amico outsources.

The measures include:

- **Accurate supplier assessment and selection**
- Full and clear **details on purchase orders** and on responsibilities
- Performance of **inspections and controls** as necessary
- Assessments based on **energy performance**
- **Requests for information from suppliers**, if services are outsourced, regarding potential impacts on processes, products and services offered.

The following table describes orders by type.

SUPPLIES BY TYPE (THOUSANDS OF EUROS) ⁵⁰	2019	2020	2021
SUPPLIES FOR OPERATING COSTS (OF WHICH)	457,761	395,555	411,101
fuel	93,454	71,961	61,300
port/goods expenses	55,059	41,307	35,086
fee and commission expenses	19,900	16,563	19,868
charter costs	113,166	87,019	134,852
manning	63,746	58,179	52,321
lubeoil	4,558	4,145	3,428
other operating costs (such as technical expenses, ship management, insurance)	107,878	116,381	104,246
SUPPLIES FOR ADMINISTRATIVE COSTS	56,409	50,394	53,508
TOTAL	514,170	445,949	464,609



⁵⁰ The values of previous years have been adjusted, making explicit the categories “manning” and “lubeoil”.

Supplier selection

The d’Amico Group has a **register of suppliers selected based on their reliability, quality, price, delivery times, and history**. The suppliers included in this list must meet the following criteria:

- **Proven ability to comply with d’Amico Group’s** current requirements applicable to the products or services to be purchased
- **Possession of certifications of compliance** with ISO 9001 and ISO 14001 standards, obtained from a recognized third party, for products and services that have an impact on the environment
- **References from other recognized companies or organizations**
- **Compliance with d’Amico Group’s requirements regarding consumption and energy efficiency.**

Supplier assessment

The products and services purchased are checked by type, quantity, and quality as contractually defined; any defects are also inspected. The checks are normally carried out upon receipt on board by ship’s personnel and on shore by the purchase department. The results of the inspection are recorded and submitted to the Technical Office for possible supplier performance updating. Furthermore, at least once a year, the relevant department assesses strategic suppliers through a scoring system that gives a final ranking.

For suppliers belonging to the Environment and Safety category, the evaluation is more stringent because the final ranking includes assessments on suppliers’ level of awareness and resulting ability to control the environmental impacts of the activities they carry out.

In the contracts or letters of appointment, suppliers declare that they have read and understood the content of the Code of Ethics and the Organization, Management and Control Model (pursuant to Italian Leg. Decree 231/01) adopted by d’Amico Società di Navigazione S.p.A. **The suppliers commit to accept and comply with the rules, procedures and ethical and behavioural principles adopted by the Company.** They also commit to ensuring that their senior staff and the employees reporting to them will comply. **Failure to do so will result in a serious breach of contractual obligations and will entitle d’Amico Società di Navigazione S.p.A. to terminate the contract immediately,** without prejudice to the right to claim compensation for the damages caused to the Company, such as, for example, damages arising from application of the sanctions set out in above Italian Leg. Decree no. 231/2001, as subsequently amended or supplemented.

METHODOLOGICAL NOTE

The d'Amico Group's Sustainability Report for the year ended 31 December 2021 was prepared in accordance with the GRI Standards of the Global Reporting Initiative, using the reporting option "In accordance - core".

To ensure a quality report, d'Amico complied with the principles for defining the content and quality of the report as set out in the GRI Standards, which provide a set of criteria for selecting the information to be included in the report and relevant presentation methods.

Principles for defining report content

- **Stakeholder Inclusiveness** - The application of this principle has allowed d'Amico to map its stakeholders, identifying their needs, expectations and the strategies required to meet them. For each stakeholder category, the Company has also described the main methods for conducting relations with them, distinguishing between informative moments, opportunities for dialogue and partnerships. The details are described in the paragraph *"d'Amico's stakeholders" in the chapter Sustainability for the d'Amico Group*.
- **Sustainability Context** - In the chapter *Environmental Responsibility* - specifically in the paragraphs *"Environmental impact and regulatory framework", "Environmental policy and strategy"* and *"Decarbonization and digitalization strategy"* - d'Amico has provided a clear description of its approach, which seeks to anticipate the goals regarding ship energy efficiency and the reduction of emissions defined by the IMO and the EU.
- **Materiality** - The d'Amico Group has carried out a materiality analysis and identified topics that reflect the organization's significant economic, environmental and social impacts and substantially influence stakeholder assessments and decisions. The method used and the results obtained are described in the paragraph *"d'Amico Group Sustainability Path" in the chapter Sustainability for the d'Amico Group*.
- **Completeness** - The report has been designed to give stakeholders a complete picture of the activities carried out by d'Amico. The reporting boundary refers to the Group, as indicated in the Consolidated Financial Statements as at 31 December 2021. The paragraph *"Business outlook"* – contained in the chapter *"Economic Responsibility"* - also anticipates some information that underline market trends and development for 2022, in particular in relation to the evolution of the Covid-19 pandemic and the global geopolitical situation, exasperated by the war between Russia and Ukraine.

The following table, the material topics, the aspects defined by the GRI Standards and the relevant boundaries were cross-referenced, highlighting any limitations in reporting for the latter.

MATERIAL TOPICS FOR d'AMICO	MATERIAL ASPECT GRI STANDARDS	ASPECT BOUNDARY		REPORTING LIMITATIONS ON BOUNDARY	
		Internal	External	Internal	External
Vessel energy efficiency	Energy; Emissions	Group		-	Reporting partially extended to suppliers
Innovation: fleet safety and digitisation	Energy	Group	-	-	-
High quality of services	Stakeholder engagement	Group	-	-	-
Business ethics	Ethics and integrity; Anti-corruption	Group	-	-	-
Protection of marine biodiversity	Biodiversity	Group	-	-	-
Atmospheric emissions and climate change	Emissions	Group	Suppliers	-	Reporting not extended to suppliers
Integrated management system	Environmental compliance; Social and economic compliance	Group	-	-	-

MATERIAL TOPICS FOR d'AMICO	MATERIAL ASPECT GRI STANDARDS	ASPECT BOUNDARY		REPORTING LIMITATIONS ON BOUNDARY	
		Internal	External	Internal	External
Occupational health and safety	Occupational health and safety	Group	Suppliers	-	Reporting not extended to suppliers
Well-being of individuals	Employment	Group	-	-	-
Value generated and distributed	Economic performance	Group	-	-	-
Personnel training and development	Education and training	Group	-	-	-
Sustainable supply chain	Supplier environmental assessment; Supplier social assessment	Group	Suppliers	-	Reporting partially extended to suppliers
Ship recycling	Effluents and waste	Group	Suppliers	-	Reporting not extended to suppliers
Stakeholder engagement	Stakeholder engagement	Group	-	-	-
Waste reduction and material recycling	Energy; Effluents and waste	Group	Suppliers	-	Reporting not extended to suppliers
Multi-cultural approach	Diversity and equal opportunities	Group	-	-	-
Promotion of social, cultural and environmental topics	Local communities	Group	-	-	-
Consumption of water and energy in offices	Energy	Group	Suppliers	-	Reporting not extended to suppliers

Principles for report quality

- **Accuracy** - The economic, qualitative and quantitative data refer directly to the 2021 Consolidated Financial Statements, while the accuracy of the environmental, health & safety and quality data are the result of certified management systems, particularly ISO 9001, ISO 14001 and ISO 50001 and of the Fleet Performance Monitoring Department. Corporate data are mainly drawn from the Company's operating systems.

To calculate the CO₂ emissions, have been used the following Carbon Factors related to the different type of Fuel.

FUEL OIL TYPE	cf (tons-CO ₂ /MT)
Heavy Fuel Oil (Reference: ISO 8217 Grades RME through RMK)	3,114
Light Fuel Oil (Reference: ISO 8217 Grades RMA through RMD)	3,151
Diesel/Gas Oil (Reference: ISO 8217 Grades DMX through DBM)	3,206
Very Low Sulphur Fuel Oil (0,5% Sulpur)	3,114
Liquefied Petroleum Gas (Propane)	3,000
Liquefied Petroleum Gas (Butane)	3,030
Liquefied Natural Gas	2,750
Methanol	1,375
Ethanol	1,913

To calculate the SO_x emissions, the following percentages of sulphur currently contained in the fuel burned has been used: HSFO High Sulphur Fuel Oil = 3.5% S; LSFO Low Sulphur Fuel Oil = 1% S; VLSFO Very Low Sulphur Fuel Oil = 0.5% S; HSDO High Sulphur Diesel Oil = 0.5% S; LSDO Low Sulphur Diesel Oil = 0.1% S.

On the other hand, for the calculation of NO_x emissions, no distinction was made between low-speed engines (main engine) and generators (medium speed), using an average emission factor equal to 57 kg NO_x/ton of fuel.

- **Balance** - In describing the results of the activities performed, both positive and negative aspects were considered to allow a balanced assessment of the Company's performance.
- **Comparability** - To enable stakeholders to analyse changes in performance, the Sustainability Report presents triennial data. The reporting boundary is indicated in this methodological note.
- **Timeliness** - The Sustainability Report is prepared annually. In order to better meet stakeholders' information needs, events that occurred after the end of 2021 were reported, where significant, in the chapter "Economic Responsibility".
- **Clarity** - The structure of the report was defined to make it easy for stakeholders to find relevant information. The level of detail of the information was chosen to make the report comprehensible, accessible and easy to use by the different stakeholders. The meaning of the acronyms used was also explained in special notes.
- **Reliability** - The 2021 Sustainability Report was approved by the Board of Directors at its meeting of 03/05/2022. The document also contains contact details to receive further explanation and clarification of the information contained therein.

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102-7	Scale of the organization	pp. 8-9; 60; 142; 210	
102-8	Information on employees and other workers	pp. 72-75	
102-9	Supply chain	pp. 227-228	
102-10	Significant changes to the organization and its supply chain	In 2021 there were no significant organizational changes	
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103-1	Explanation of the material topic and its Boundary	pp. 42; 49; 230-232	
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205-3	Confirmed incidents of corruption and actions taken	No corruption episode in 2021	
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103-3	Evaluation of the management approach	pp. 154-187	
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307-1	Non-compliance with environmental laws and regulations	No non-compliance with environmental laws and regulations	
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Credits

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Havas Pr Milan

Project advisor:

Refe - Sustainable Development Strategies

Photo:

Photographic archive of d'Amico Group

For more info about d'Amico Group sustainability:
<https://en.damicoship.com/> | esg@damicoship.com |  | 



damicoship.com