



d'Amico

2019 Sustainability Report

Full ahead



Contents

5	Shipowners' letter	
6	Highlights	
9	Group overview	
10	Group profile	
10	Mission and vision	
12	Our values	
14	Over 80 years of history	
18	Presence around the world	
20	Group structure	
22	Business areas	
26	Corporate governance	
34	The integrated management system	
37	Sustainability for the d'Amico Group	
38	d'Amico Group sustainability route	
40	Our strategy	
44	d'Amico's stakeholders	
51	Social responsibility	
52	Highlights	
53	Our people	
54	Human resources management policy	
55	People who work for the company	
69	Recruitment and selection	
72	Training and development	
82	Remuneration and performance assessment systems	
85	Welfare system	
88	Human rights	
90	Clients	
92	Business areas and clients	
95	Service quality	
99	Community	
100	d'Amico Group's commitment	
102	Participation in leading associations and organisations	
104	d'Amico Group's commitment to community	
105	Training	
105	Solidarity	
107	Art and culture	
109	Environmental responsibility	
110	Highlights	
111	Environmental health and safety	
112	Environmental impact and regulatory framework	
114	Environmental policy	
117	Environmental performance	
122	A fleet at the forefront	
124	Profile of an "Eco-Ship"	
126	Fleet innovation and digitalisation: Smart Fleet	
130	Sea and marine environmental safety	
137	Workers' health and safety	
142	Environmental, health and safety management at facilities	
145	Economic responsibility	
146	Highlights	
148	Market trend and performance of the d'Amico Group	
150	Significant events since end of the period and business outlook	
152	Economic value generated and distributed	
155	The supply chain	
158	<i>Methodological note</i>	
161	<i>GRI Content Index</i>	

Shipowners' letter

Full Ahead. We're staying on course.

In such challenging times as these, the job of a shipowner is to set a precise course and lead his fleet away from troubled waters, ensuring that it continues its journey safely and sustainably.

Today, our shipping family, with over 80 years in the shipping business, continues to travel thanks to the contribution of around three thousand people: those in our offices and those onboard our ships. A widespread network that sees us operating in every corner of the globe, with twenty-five different nationalities, which over the years have developed a growing awareness of the importance of doing our best for the environment and the entire community.

This awareness led us to publish our first Sustainability Report in 2018, with the aim of showing our commitment over the years through investments in fleet modernisation and safety, and above all redesigning the sustainability path of our Group "together".

We can proudly say that the concept of social and environmental responsibility is today an integral part of our organization and our corporate culture, as confirmed by the various initiatives launched in the last twelve months, many of which are promoted directly by our people. In particular, focus has been centred on three aspects, which are also considered crucial by our stakeholders: the constant updating of the corporate governance system, investments in technological innovation, on our ships as well as in our offices, marked by energy efficiency and pollution reduction, as well as staff training.

All of this in an extraordinary year when the volatility of markets and commodity prices has been combined with

the disruptive effect of the introduction of the IMO 2020 regulation, which has significantly challenged a large segment of the industry from a technological and operational point of view. Our Group is starting from a privileged position, thanks to a fleet with an average age that is among the lowest in the world, 70% of ships complying with the highest energy efficiency standards, and the early adoption of the necessary measures to meet the new limits on sulphur emissions. On this basis, the Group has invested further in technology aimed at reducing consumption and improving energy efficiency throughout the value chain, from testing to inspections, from goods management to transportation, and will continue to do so.

Investments that have also helped our personnel grow, through the identification of special training aimed at developing the new areas of expertise required to keep ahead in a continuously evolving industry and at the same time the establishment of new functional areas where the experience and professionalism of our two main businesses are better integrated, i.e. the dry and tanker areas.

Because in an era when technology continues to gain ground and there is increasing globalisation and intermediation, the main course to be followed for the d'Amico Group is always to realise the full potential of its people.



Paolo d'Amico



Cesare d'Amico

Suva, Fiji
S 18° 8' 29.718"
E 178° 26' 31.798"

Highlights

In this second edition of the Sustainability Report d'Amico Group consolidates its commitment to social responsibility and sustainability. Through a continuous improvement. It pursues the path of accountability started in 2018, aimed at measuring and communicating to its stakeholder the social, environmental and economic value produced.

The objectives that guided the development of this second edition are:

- to strengthen organizational culture and internal governance on sustainability and accountability issues;
- to consolidate the reporting process and the social, environmental and economic KPI system;
- to tangibly integrate the Sustainable Development Goals of the UN 2030 Agenda not only in its reports but also in corporate strategies and policies.

The 2019 Sustainability Report is the result of a path characterized by a strong involvement of the various internal company areas, which actively contributed to the identification of areas for improvement compared to the previous report and to their implementation.

The document prepared according to the "GRI Sustainability Reporting Standards" of the Global Reporting Initiative, is structured in five sections: Group profile, Sustainability for the d'Amico Group, Social responsibility, Environmental, health, safety and quality responsibility, and Economic responsibility.

2019 Figures

Social responsibility

243
onshore personnel
3,010
seagoing personnel

3,740
total training hours
for onshore personnel

Euro
102.5
million
the economic value
distributed to employees

Retention rate
85.6%
for seagoing personnel
and **83.2%**
for onshore personnel

63,024
total training hours
for seagoing personnel

Active participation
with leading roles
in several international
organisations and associations

Environmental responsibility

70%
of owned fleet compliant
with EEDI phase II

ZERO
accidents, spills and injuries
in 2018 e 2019

-4.1%
reduction CO2 emissions
per nautical mile
(2019 vs. 2017)

Certifications
ISO 14001
BS OHSAS 18001
ISO 50001

ROBOTICS TECHNOLOGIES
for tanks inspection

DIGITALIZATION OF RECORD BOOKS AND F.R.I.D.A PROJECT
Fleet Reporting Intelligence
d'Amico

Economic responsibility

Euro
725.3
million
Economic Value generated

Euro
603.8
million
Economic Value distributed to stakeholders

SELECTION OF SUPPLIERS
ACCORDING TO QUALITY
AND ENVIRONMENTAL
CERTIFICATIONS

VESSELS COMPLIANT WITH REGULATIONS OF IMO/MARPOL

USD
1.2
billion invested
between 2013 and 2019
in 40 newbuildings Eco-ships

Group overview

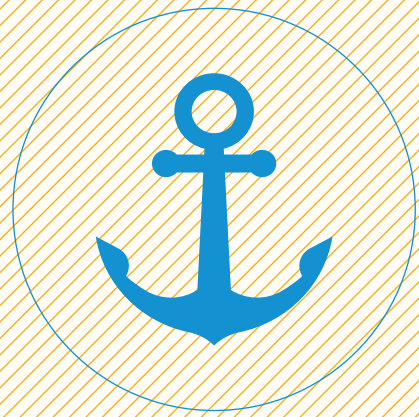


Kurashiki, Japan
N 34° 35' 6.285"
E 133° 46' 19.184"

Group profile

The d'Amico Group is a **leading global shipping company** focusing mainly in the Dry Cargo and Product Tankers sectors and auxiliary maritime services. Its offices are 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 and vision



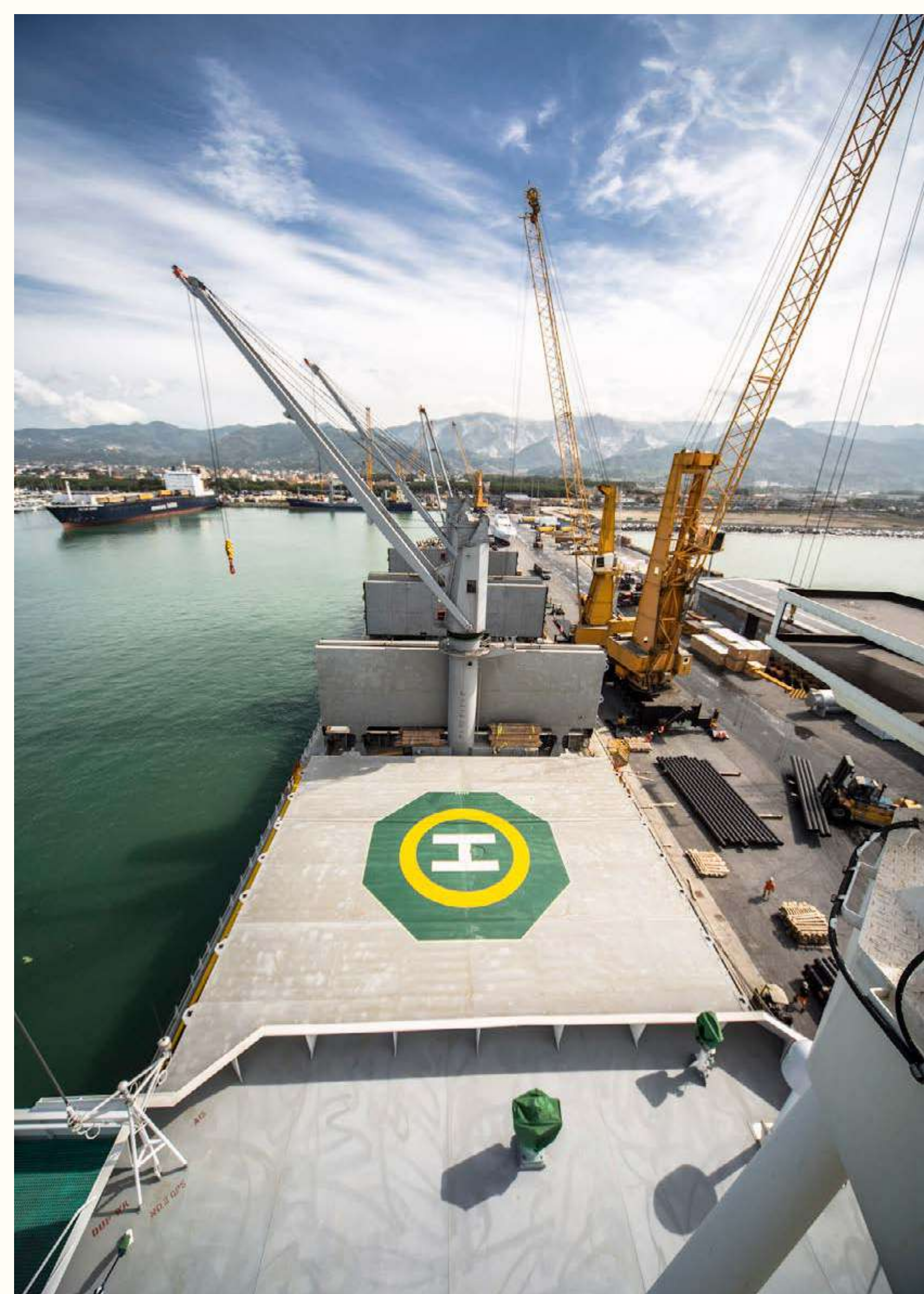
Innovation,
Trust, Care

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



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.



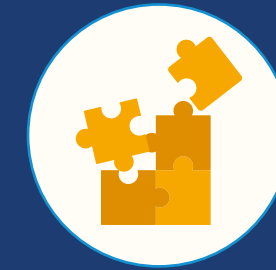
Reliability

We strive to maintain a positive relationship, an open dialogue and transparency in business practices with all our stakeholders. Our ethical values are essential to running our business and guide the behaviour of our employees.



Passion and commitment

We are passionate about shipping and the people who are part of our Company. Success is achieved by encouraging involvement and commitment.



Team building and multi-culturalism

As a global operator, at all levels of the organisation, we embrace the spirit of teamwork and multi-cultural integration, both in our offices and on board our vessels.



Focus on the environment and safety

We do not compromise when it comes to environmental matters. Care and attention, prudence and respect for the environment are priorities imbedded in our daily operations. We aspire to prevent any human injury, to avoid damage to the environment and pursue a policy of zero incidents and zero spills at sea.



Professional excellence

We reach excellence by encouraging our employees to be responsible, flexible and professional. For that reason, we support the development of their skills and their professional growth.



Social responsibility

Our strong sense of social responsibility towards cultural, environmental and solidarity-related issues is an added value for our business and is valued highly by our stakeholders.



Identification

Our daily work and our success are characterised by a strong sense of belonging between the company and its staff.

Over 80 years of history

1936
1959

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

The history of d'Amico begins in the 1930s. Massimo Ciro d'Amico transforms 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 S.p.A. is established in 1952, at the same time the Rome offices are opened.

1960
1969

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

After the initial phase, which involved the transport of crude oil, the company begins to specialise in shipping refined products. The opening of the Genoa office, one of Italy's major cargo ports, marks 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

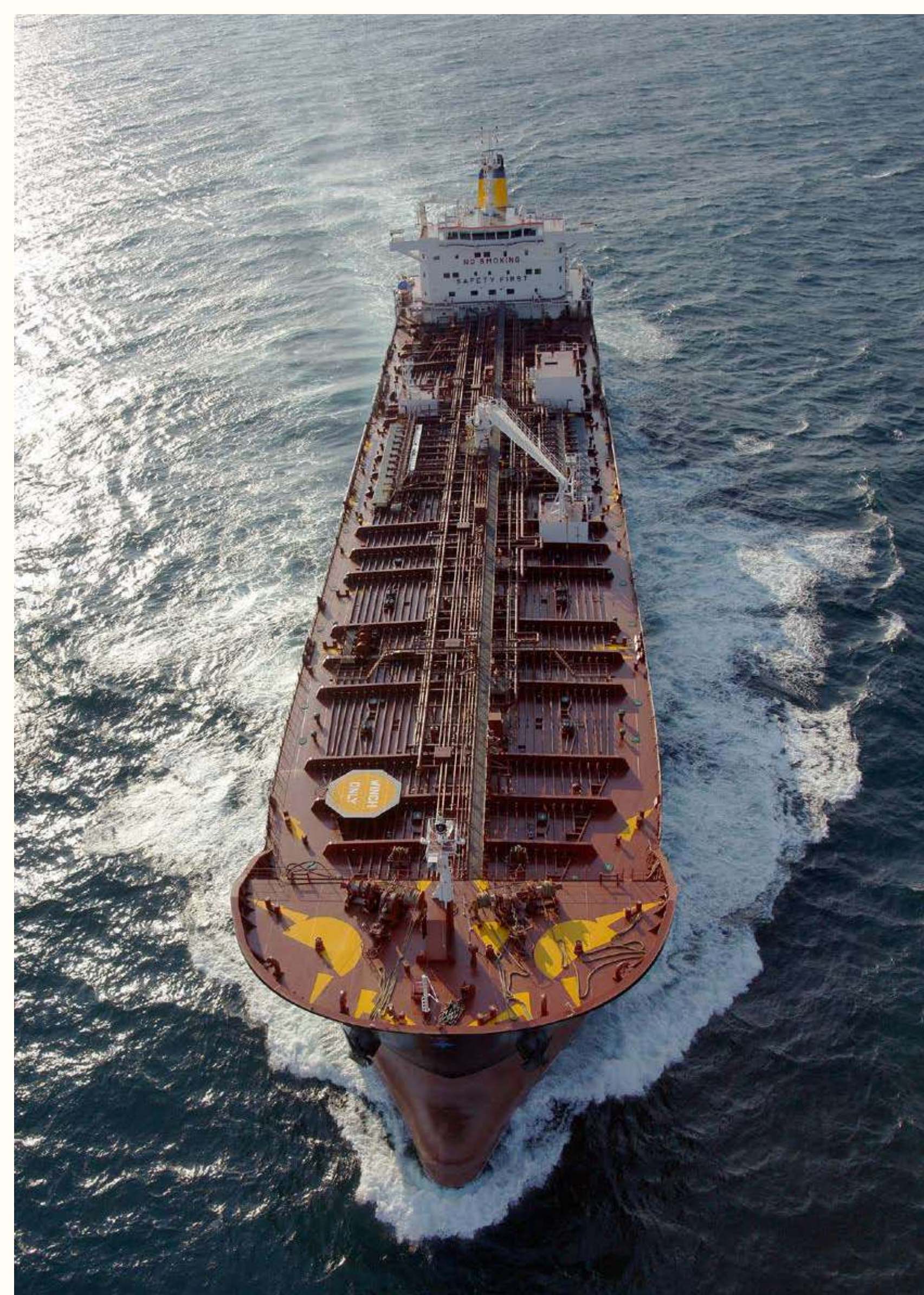
In order to consolidate the business and safeguard its competitive position, the 1970s sees d'Amico strengthening its fleet for both petroleum products and liner services. Offices are opened in Montecarlo. In this same period, a company with a liner service operating in Morocco was acquired.

1980
1989

Debut in new business areas

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





1990
1999

Specialisation and growth via external lines

Italia di Navigazione S.p.A. is acquired in 1998. This acquisition allows d'Amico to penetrate the container ship market. Subsequent plans for rationalisation will lead to its sale, allowing the Group to focus more on strategies and investments. This is also a period in which d'Amico specialises in dry cargo shipping, through the purchase of box-shaped vessels.

2000
2009

Focus on the core business

d'Amico International Shipping S.A. (DIS), which manages the Product Tankers segment, is listed on the Italian Stock Exchange in 2007. A decade of international development and growth: offices in London, Singapore, Dublin and Mumbai are opened. Partnerships and joint ventures expand the range of d'Amico's commercial solutions and increase fleet management flexibility and route coverage.

2010
2012

International expansion and strengthening of the CSR strategy

The d'Amico Group celebrates 60 years in 2012. During these years, the Stamford, Manila and Casablanca offices are opened and a new Corporate Social Responsibility strategy is 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 launches an extensive fleet renewal programme involving over 40 ships both bulk carriers and product tankers. Thanks to this investment plan, the d'Amico Group now owns a young, modern and "Eco" fleet. All d'Amico's ships are equipped with highly advanced technologies and 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 has prepared its fleet for IMO 2020: ready-to-use fuels with a maximum sulphur content of 0.50%.

Presence around the world

Vancouver
Shipping Agency/Forest products line

Stamford, Connecticut
Chartering/Operations

Santiago de Chile
Shipping Agency/Chartering/Operations

Dublin
Finance/Operations

London
Chartering/Operations

Luxembourg
Finance/Holding

Monaco
Chartering/Operations/Finance

Genoa
Crew Management

Rome
Holding HQ Technical Management/SQE/Legal & Insurance/HR/ICT

Casablanca
Liner Service

Mumbai
Crew Management

Singapore
Chartering/Operation/Shipping Agency/Ship Management

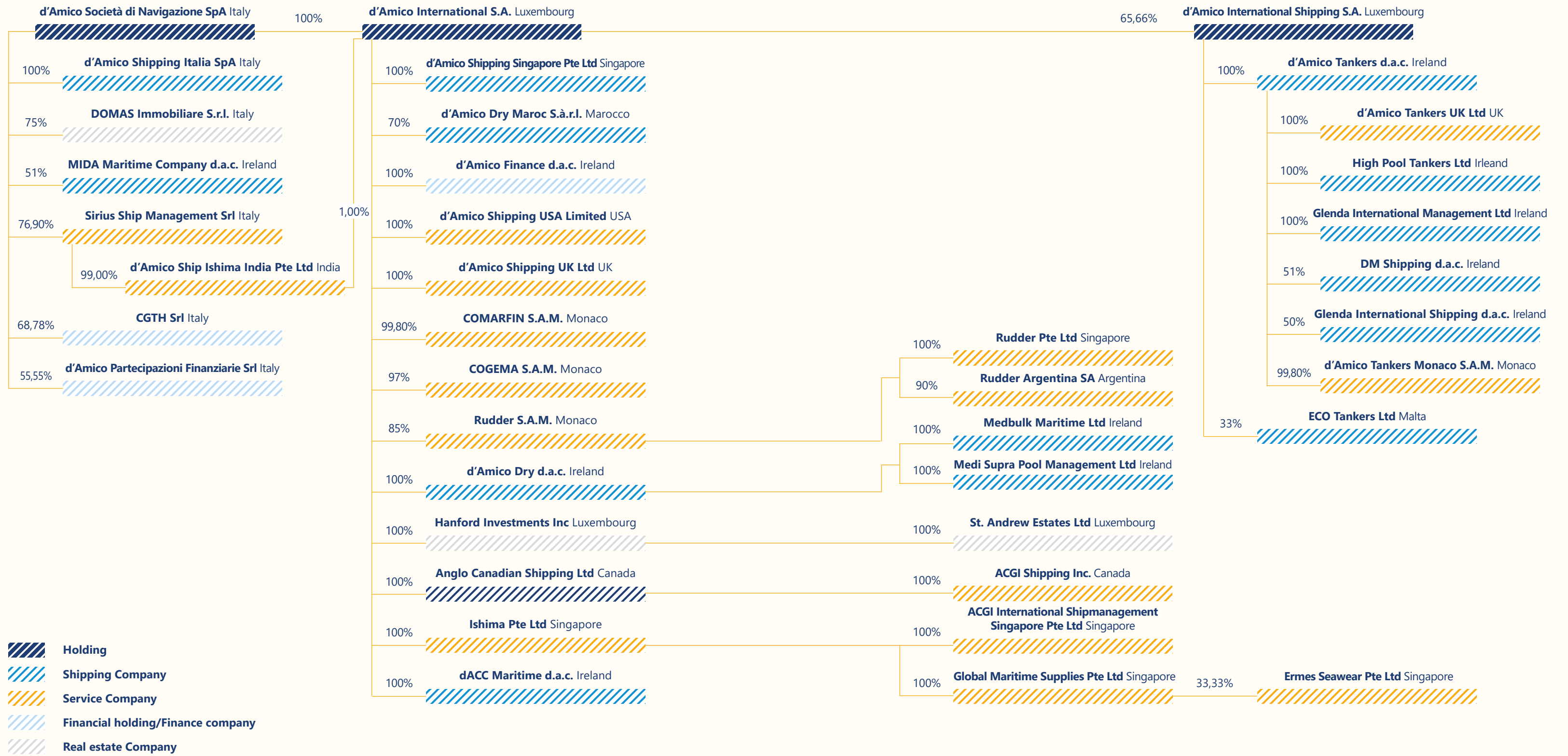
Manila
Crew Management



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



Group structure as at 31 December 2019

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 that have double hulls and 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 46.5 product tankers and 3 additional vessels in commercial management¹ with an average age of 6.6 years, one of the youngest in the world** considering that the industry average for Medium Range vessels (25,000-54,999 DWT) is 11.5 years and for Long Range 1 vessels (55,000-84,999 DWT) is 11.1 years².

Type of vessels and tonnage [DWT³]

Characteristics

Handysize
36,000 - 40,000 dwt

Length 183 m; Beam 27.4 m; Draft 17.60 m
Ships suitable for short-route trading with many ports of call. Given their small size, they allow savings and consumption optimisation.

MR/Medium Range
45,000 - 51,000 dwt

Length 183 m; Beam 32.2 m; Draft 19.40 m
The Medium Range segment is the largest in the Product Tankers sector. It is made up of ships that are more flexible in size, as well as representing the standard for commercial cargoes.

LR1/Long Range 1
55,000 - 79,999 dwt

Length 228 m; Beam 36 m; Draft 20 m
Ships for long-range transport.

At the end of December 2019, 74.2% of the DIS fleet was IMO classified - compared to a market average of 45% - and 65% of the DIS fleet (owned and bare-boat) was 'Eco' compared to average sector values⁴ of 13% for Handy, 40% for MR and 23% for LR1. The size of the fleet, made up of vessels of different sizes and having the characteristics described above, allows for greater efficiency both in terms of energy and commercial management, providing greater stowage flexibility and operation in almost all ports.

A portion of the fleet is operated through joint ventures⁵:

- **Glenda International Shipping d.a.c.** is a joint venture between d'Amico Tankers d.a.c. and the Glencore group, in which d'Amico Tankers has a 50% interest

¹ Fleet as at 31 December 2019 in the 2019 d'Amico International Shipping S.A. Annual Report.

² Source: Clarksons Research Services, January 2020.

³ Dead Weight Tonnage: the carrying capacity of a ship in metric tonnes.

⁴ Source: Clarksons Research Services, January 2020.

⁵ Glenda International Management and Eco Tankers Limited are undergoing a voluntary strike-off process; DMS will be placed in voluntary liquidation.



- **DM Shipping d.a.c.** (DMS) is a joint venture between d'Amico Tankers d.a.c. and the Mitsubishi Group, in which d'Amico Tankers has a 51% interest
- **Eco Tankers Limited** is a joint venture with Venice Shipping Logistics S.p.A., in which DIS holds an equity interest of 33%. The commercial and operational departments that handle both business areas are in the main global maritime centres: Casablanca (Morocco), Dublin (Ireland), London (United Kingdom), Montecarlo (Monaco), Singapore, Stamford (CT - USA), Vancouver (Canada).





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Dry Cargo

The Dry Cargo business area operates **51 vessels**⁶. It provides **shipping services on a global scale transporting bulk grain, coal, ores, 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 32,000 DWT to 39,000 DWT), Handymax/Supramax (from 52,000 DWT to 64,000 DWT), Panamax/Kamsarmax/Post-Panamax (from 74,000 DWT to 89,000 DWT) and Minicape with two ships (117,000 DWT). In addition to the core fleet in the Dry Cargo segment, the Group manages 20-25 additional vessels to perform its Contracts of Affreightment (COA) and forward cargoes.

Type of vessels and tonnage (DWT⁷)

Characteristics

 OHBS 32,000 - 39,000 dwt	Length 177-183 m; Beam 27.8-30 m; Draft 10-10.9 m d'Amico's Open Hatch division currently operates a fleet of modern Handysize ("OHBS") ships with environmentally friendly design, specifically built for the efficient handling and transport of the entire range of bulk and finished products.
 Supramax 52,000 - 64,000 dwt	Length 189.9-199.9 m; Beam 32.3 m; Draft 12.3-13.4 m Supramax and Ultramax vessels are equipped with systems that allow total flexibility during loading and unloading operations, even in ports lacking mechanical lifting and moving equipment.
 Panamax and Kamsarmax 74,000 - 83,900 dwt	Length 225-229 m; Beam 32.3 m; Draft 13.1-14.6 m The Gearless section manages ships in the Panamax, Kamsarmax, Post-Panamax and Mini-cape segments. In addition to an important modern and environmentally friendly fleet, d'Amico also has a large portfolio of cargo and COA customers and operates in the spot charter market.
 PostPanamax/Mini Cape 84,000 - 117,000 dwt	Length 229 m - 245 m; Beam 32.3 - 43 m; Draft 13.5-15.6 m. Large, modern and environmentally friendly ships built in Japan. Extremely popular with customers, especially those specialising in the trade of minerals.

The average age of the d'Amico Dry Cargo fleet is **4.8 years**, considerably lower than the average age within the sector of **10.2 years**, according to AXS Marine. In greater detail, the Dry Cargo business unit exceeds the industry benchmark in the Mini Cape segment (4.5 years compared to 7.1), Panamax (3.9 compared to 9.5), Supramax (4.8 compared to 9.5) and Handysize (5.1

⁶ Figure as at 31 December 2019.

⁷ Dead Weight Tonnage: the carrying capacity of a ship in metric tonnes.

compared to 12.9). Besides operating among d'Amico Dry d.a.c., d'Amico Shipping Italia SpA, and d'Amico Shipping Singapore Pte Ltd, the dry cargo business unit has also a J/V with Mitsui called Mida Maritime d.a.c. owning 2 Kamsarmax built in 2018.

In 2010, after more than forty years' experience in the containership sector, d'Amico Dry Maroc S.à.r.l. was founded. It performs mainly 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).

Maritime services

The Group also provides (through sister companies) ship management services, insurance brokerage and bunkering services.

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 lines of business of the Parent Company, d'Amico Società di Navigazione S.p.A., which, in part through other Group companies, and particularly through the indirect subsidiary Ishima Pte Limited, offers services to Group companies and third parties. **Bunkering operations** are conducted by Rudder SAM, also through its subsidiaries in Argentina and Singapore for Group companies and for third parties.

Since 2017, the crew management process has been handled by a Crew Director assisted 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. Sirius Ship Management also has offices in Mumbai (India) and an agency in Manila (Philippines).

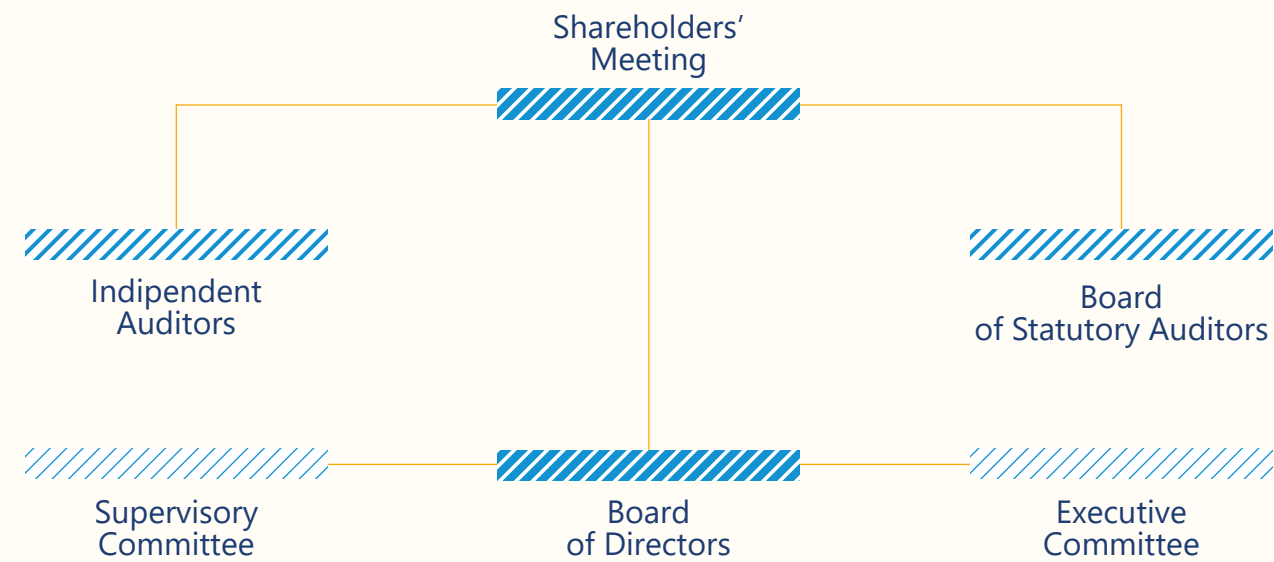
Sirius' services, as Manning Agent, also include the **implementation of the training and development plans of the seagoing personnel** according to the Owner's instructions and in compliance with both national and international regulatory standards and rules.

The activities carried out by Sirius and the sub-agencies is periodically checked by the Group's crewing department.



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 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., an indirect subsidiary incorporated in Luxembourg law⁸.



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 29 May 2018 for the three-year period 2018-2020** 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 2020.

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 which are the exclusive competence of the Shareholders' Meeting as established by the law. **In 2019, the percentage of attendance at Board of Directors meetings was approximately 93%** with reference to all Directors in office.

The Executive Committee

The meeting of the Board of Directors of 5 June 2018 confirmed the establishment of the Executive Committee ("EC"). The Executive Committee **is made up of the Chairman of the Board of Directors and the CEO, has a three-year term, from 2018 to 2020, and all the powers permitted by the Articles of Association are conferred on this body**.

The Executive Committee, as the body appointed pursuant to art. 2381 of the Italian Civil Code, 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 29 May 2018**, in compliance with the current regulations of the Italian Civil Code, **for the three-year period 2018-2020**. 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 2020. 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 2019, the percentage of attendance of the BoSA at the meetings of the Board of Directors was close to 100% regarding all members in office, improving the percentage of 2018, equal to 80%.

Independent Auditors⁹

Pursuant to art. 13 of Italian Leg. Decree 39/2010, the Ordinary Shareholders' Meeting of 21 June 2017 appointed Axis S.r.l. of Reggio Emilia, being part of the Moore Global Network, whose mandate has now expired, to audit the Company's ordinary and consolidated financial statements for the three-year period 2017-2019, and therefore up until the approval of the Financial Statements for the year ending 31 December 2019.

⁸ For information about d'Amico International Shipping S.A.'s corporate governance <https://en.damicointernationalshipping.com/corporate-governance/>.

⁹ The Ordinary Shareholders' Meeting of 23 June 2020 confirmed the appointment of Axis S.r.l. for a further three-years period 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 d'Amico Group's companies offers, promises, receives or provides undue rewards, either directly or indirectly (including through third parties), which are likely to improperly influence the actions of another party for personal benefit, for the benefit of the Group's companies or of third parties.

The anti-corruption policy (the “Policy”) **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 who holds business and professional relations with it** (the “Recipients of the Policy”). All Recipients of the Policy are responsible for preventing, identifying and reporting any acts of corruption and 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**, whether they are confirmed or not 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.

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

Code of Ethics

With the voluntary adoption of Organisational Model 231, 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 with. On the Supervisory Committee's (OdV) initiative, on 11 April 2014 the Board of Directors approved a new version of the Company's Code of Ethics, also recommending it 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 for the protection of those that have reported crimes or irregularities which came to light during a public or private employment relationship”.

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 data protection 	<ul style="list-style-type: none"> treatment of confidential information conflicts of interest relations with competitors responsibility to the community 	<ul style="list-style-type: none"> 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"> Internal Control and Risk Management System 	<ul style="list-style-type: none"> corporate bodies/social bodies
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 health and working conditions 	
Ethical principles in relations with customers, partners, suppliers, the 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 the public administration and other public institutions



Zhoushan, China
N 29° 59' 14.404"
E 122° 12' 10.93"

Organisation, Management and Control model (pursuant to Legislative Decree 231/2001)

In voluntarily applying Italian Leg. Decree no. 231/2001, d'Amico Società di Navigazione S.p.A. has adopted the Organisation, Management and Control Model ("Organisation Model 231") **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 being committed**. In this sense the Company has decided to update the Integrated Management System with a reference to the controls required by Organisation Model 231 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 Model. **The Company's Organisation Model 231 is constantly updated in accordance with the organisational and legislative changes** made over time regarding the scope of application of Italian Leg. Decree 231/2001.

On 17 April 2019, the Board of Directors approved the update to the Organisation, Management and Control model adopted pursuant to Italian Leg. Decree no. 231/2001 - in particular the General Part, the Disciplinary System and Special Parts 0 (Explicated list of the predicate offences), II (Corporate crimes), IX (Offences against individuals), X (Offences related to the employment of foreigners without a residence permit) and XII (Racism and Xenophobia) - following the regulatory updates made by the regulator in 2017 with the introduction, among the crimes included in Leg. Decree no. 231/2001, of:

- an article (25-*duodecies*) on **"procuring the illegal entry of foreigners and aiding and abetting illegal immigration" and on "aiding and abetting the illegal stay of foreigners on the State territory"**;
- an article (25-*terdecies*) on **"Racism and xenophobia"** as well as on the regulation of "Whistleblowing", **with the aim of adopting an internal system for reporting violations**, for which the Company has also pledged to guarantee the report mechanism for ground staff by introducing a specific procedure clearly defining how it works, which is complementary and consistent with the one already adopted by the Company with regard to the flow of information towards the Supervisory Committee (OdV).

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, at the end of the 2019 the Company decided to proceed with **a new update of the Risk Plan and a general review of Organisation Model 231** considering the most recent crimes introduced by Leg. Decree no. 231/2001, particularly tax offences, as well as several significant company reorganisations.

The Company also launched and successfully concluded, through the Group's Human Resources function and with the support of the Supervisory Committee, **a new training programme** aimed at the d'Amico Group's employees and top management which took account of all the amendments that have been made to Organisation Model 231 over the years.

Supervisory Committee (OdV)¹⁰

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

- supervise the effectiveness of the Organisation Model 231 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 update;
- ensure necessary information flows with other company functions, also by promoting appropriate initiatives for raising awareness and understanding of the Organisation Model 231 within the company.

¹⁰ Reappointed by decision of the Board of Directors on 18 May 2020 for a further three-years period ending on 2022.



McInnis Terminal in The Bronx, in New York, USA
N 40° 48' 22.53"
O 73° 51' 18.249"

The Company's Supervisory Committee was established in 2008. It is collegial in form and currently consists of **three members appointed by decision of the Board of Directors on 3 May 2017 for the three-year period** 2017-2019 and selected following a thorough evolution of the requirements established for such function by Decree 231. autonomous initiative, independence, professionalism, continuity of action, absence of conflicts of interest and integrity.

It should be noted that **during 2019 no reports of violations of the Organisation Model 231 or of the Code of Ethics were received by the Supervisory Committee of the Group companies that adopted it.**

Data Protection

In 2018 d'Amico Società di Navigazione S.p.A., as Data Controller, **adopted a Data Protection model at Group level ensuring lawfulness fairness and transparency of personal data processing**, in compliance with the regulatory provisions of European Regulation no. 679/2016 as amended and supplemented.

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

Throughout 2019 following the recommendation of the Data Protection Authority a multilateral contract was also signed between the Parent Company and all companies covered by the Data Protection model in order to strengthen the requirement of binding effectiveness of the Rules within the Group and additionally to define the liability regime regarding the protection of personal data among the different Group companies, as described in the Privacy Regulation.

The data protection structure, present at its headquarters, also launched in 2019 **e-learning training sessions dedicated to the data protection** for all subjects authorized to the processing of personal data operating within the scope of companies in the scope of the Privacy model Group adopted.

Environmental compliance

In line with the d'Amico Group's commitment to open communication, **an environmental reporting procedure was adopted to provide staff with a tool to report incidents of environmental non-compliance without fear of retaliation.** According also to the Group Code of Ethics, no responsibility or prejudice will be expressed towards personnel in the event of reports of environmental non-compliance. The purpose of these procedures is to maintain an open environmental reporting system. Information on this reporting system is available on all fleet vessels.

Through this Open Reporting System, **both ashore and seagoing personnel can anonymously report**, via a free web portal, an independent email account or freephone telephone numbers, **any cases of non-compliance** with the Company's environmental management system, marine environmental protection requirements and the environmental compliance plan implemented by the Company, according to the Company Whistleblowing policy.

Whistleblowing

In accordance with Italian Law no. 179 of 30 November 2017 and in line with international best practices, the Company, always particularly attentive to preventing risks that could compromise the responsible and sustainable management of the d'Amico Group's functions, **has adopted a series of guidelines for the management of all reports by whistle-blowers.**

The d'Amico Group has therefore developed **a website that**, guarantees the confidentiality of the identity of whistle-blowers who may also include third parties outside the Group, **making it possible to report any irregularity and/or illegal conduct,**

act or omission that could constitute a violation or attempted violation, also suspected, of the legislative provisions referred to in Legislative Decree 231/2001 (i.e. suspected commission or suspected attempted commission of the offenses as listed in Legislative Decree no. 231/2001), of the principles outlined in the Group Code of Ethics and the Organisation and Management Models pursuant to Leg. Decree 231/2001 of the d'Amico Group companies that have adopted the them (d'Amico Società di Navigazione S.p.A., d'Amico Shipping Italia S.p.A. e d'Amico International Shipping S.A.), of the Group's procedures, policies and rules in general (the so called "Integrated Management System") and, in particular of the Group Anti-Corruption Policy (CP-PMO-01) 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. The report may also refer to cases even suspected or attempted of, workplace bullying and/or sexual harassment.

This website is joined by the pre-existing Open Reporting System used exclusively for reporting incidents on board ships and/or reports by crew members.



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), BS OHSAS 18001 (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 the prestigious RINA Best 4 Plus certification, which recognises compliance with main standards in force.

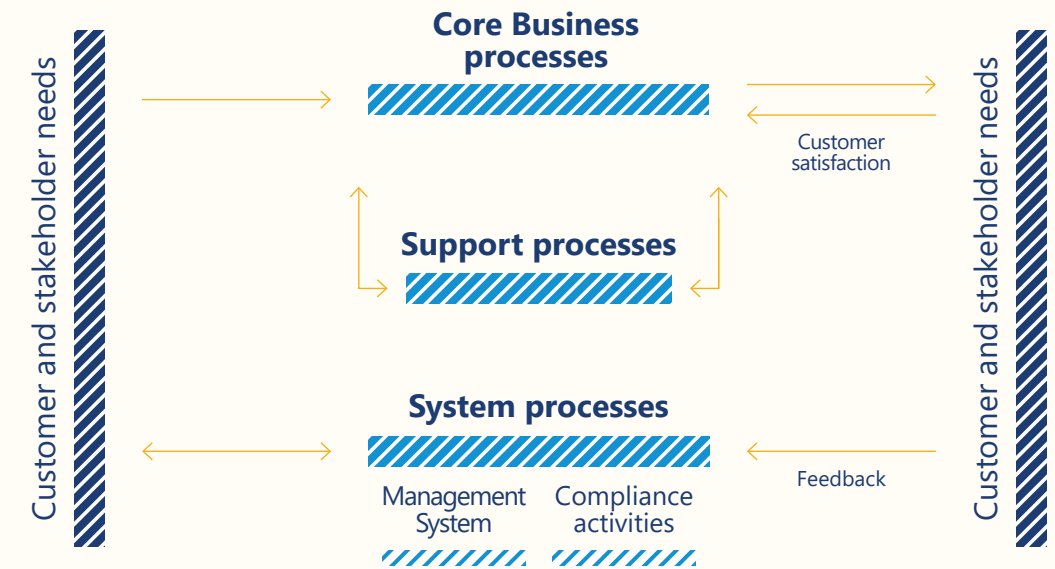
The d'Amico Group also received ISO 26000 certification for the application of guidelines on correct integration of corporate social responsibility into its activities, policies, strategies, procedures and goals.

COMPANY	TYPE OF COMPANY			LOCATION	CERTIFICATION				
	HOLDING	¹¹ SERVICE	¹² SHIPPING		ISM	BS OHSAS 18001	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	●	●	●	●	●

¹¹ 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.
¹² 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 activities and processes of the d'Amico Group have been classified into three main groups: core business processes, processes supporting main business activities and system processes, which includes the management system and 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 captains 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, ensuring quality activities that comply with the contractual requirements laid down by law.

An aerial photograph of a large cargo ship docked at a pier. The ship is oriented vertically, with its bow at the top. The deck is visible, showing various structures and equipment. A helipad with a large 'H' logo is located on the deck towards the stern. The pier is a long, narrow structure with multiple lanes, and several vehicles, including cars and trucks, are visible on it. The water is dark blue. The overall scene is captured from a high angle, looking down at the ship and pier.

Sustainability for the d'Amico Group

NY USA
N 40° 42' 45.821"
O 74° 0' 21.654"

d'Amico Group sustainability route

In drawing up the 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 economic, social and environmental value over time. The topics were chosen based on the reference standard - GRI Sustainability Reporting Standards (2016) - but above all taking into consideration the Group's distinctive features, such as: mission and values, quality, safety and environmental management systems, and climate change strategies.

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 external stakeholders - **external analysis**. 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**, considering the related risks. External analysis was performed by involving different categories of stakeholders: 11 associations and foundations, 3 banks, 2 partners, 4 customers, 4 insurance companies, 2 media companies, 2 public administration and 13 suppliers, for a total of 41 stakeholders. They were asked to assign a priority level to the different topics, considering the activities carried out by d'Amico Group.

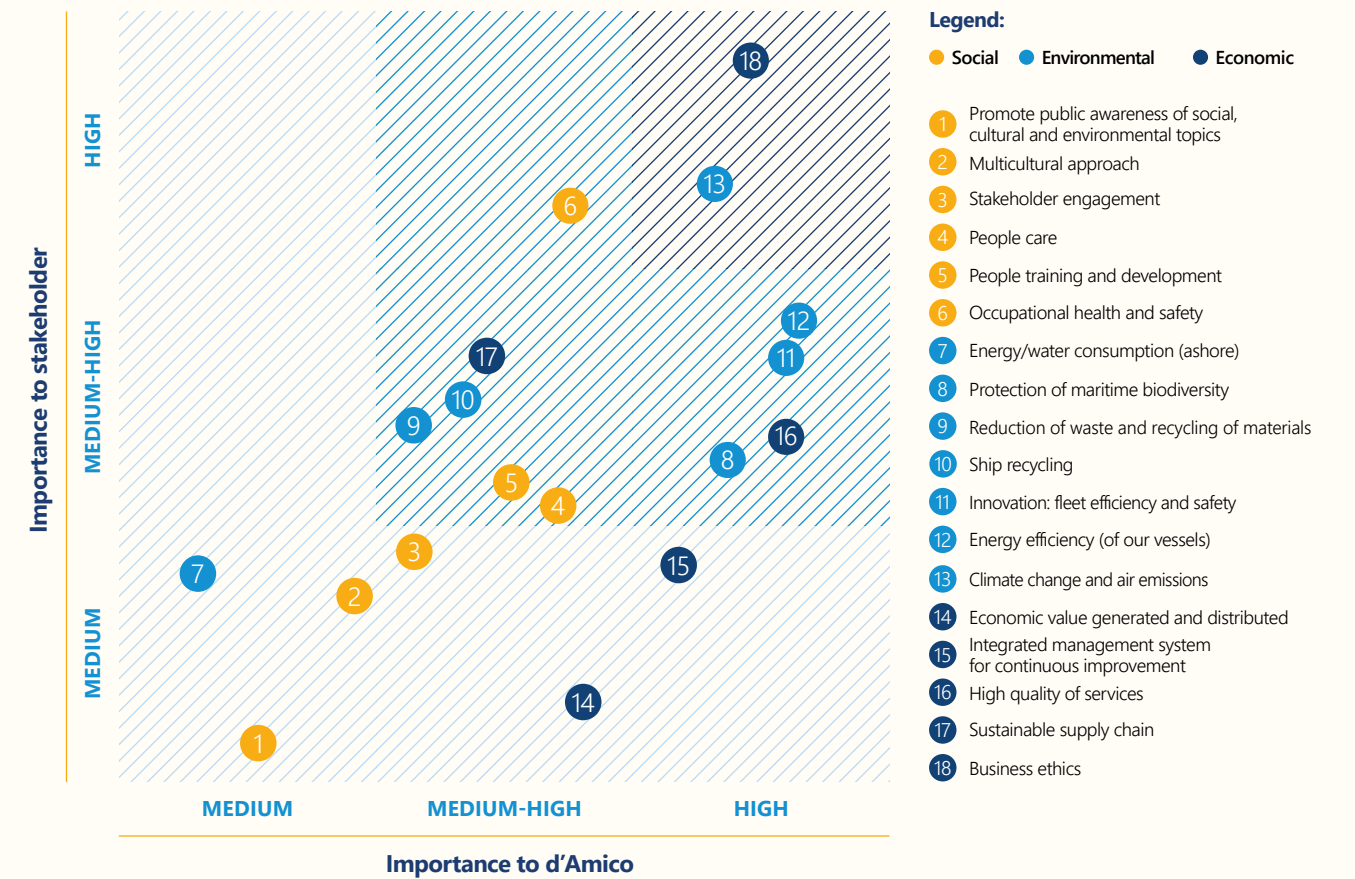
In the 2019 edition, d'Amico Group chose to keep the analysis consistent and to update it in the following editions of the Sustainability Report.



Ninh Hòa, Khánh Hòa, Vietnam
N 12° 32' 53.173"
E 109° 3' 43.441"

Materiality matrix

The materiality matrix **represents the topics considered relevant for d'Amico's sustainability** and which guide its actions. They are divided into three areas - social, environmental and economic - and are **positioned on the graph based on the relevance defined by d'Amico** (internal analysis) **and by reference stakeholders** (external analysis).



Environmental topics, in general, have a medium-high influence for external stakeholders, except for water and energy consumption in offices, which has been found to be of lower importance within the company. 4 environmental topics are included in the highest range: atmospheric emissions and climate change, energy efficiency of ships, innovation regarding safety and fleet efficiency, and protection of marine biodiversity.

Economic and governance topics are, on average, highly relevant, especially from an internal company viewpoint. High service quality and business ethics are among the most important topics for the Group. The latter was also the most relevant topic for external stakeholders.

Social topics relating to occupational health and safety are at the top of the matrix. Other social issues were considered of low relevance for both the company and its stakeholders.

Our strategy

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 Agenda 2030 for Sustainable Development is **a plan of action for people, the planet and prosperity, with the goal to guide the world over the next 11 years**. 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 Agenda 2030, the Group believes that its commitment to **making a true contribution** to the sustainable development of businesses and the economy is crucial.

The connection between the topics of relevance for d'Amico's sustainability, the UN Agenda 2030 goals and the actions taken by the Group, 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.

d'Amico's Sustainability Topics	Sustainable Development Goals	Activity performed by the Group	Pages
Vessel energy efficiency	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH	<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"> pp. 111, 114, 117, 137.
Innovation: fleet efficiency and safety	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> Projects aimed at improving vessel performance from an environmental viewpoint and in terms of onboard safety and efficiency. 	<ul style="list-style-type: none"> pp. 111, 122, 126, 142.
High quality of services	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Highest attention to the service offered, through qualified and trained staff, appropriate equipment, on-board inspections, process control and effective internal communications; Customer engagement through: direct communications, complaints and reports, internal ship reports and feedback on service quality. 	<ul style="list-style-type: none"> p. 90.
Business ethics	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> Compliance with laws and regulations; Honesty, fairness and transparency in everyday actions, avoiding situations of conflict of interest and unfairness towards competitors; Respect for personal data and confidential information; Respect for the dignity of individuals; Respect for the environment and the community. 	<ul style="list-style-type: none"> pp. 28, 88.
Protection of marine biodiversity	14 LIFE BELOW WATER	<ul style="list-style-type: none"> Minimum impact of activities on environmental integrity always and in all places; Ongoing prevention of every possible form of pollution, with a zero pollution goal. 	<ul style="list-style-type: none"> pp. 39, 11, 130, 158.
Atmospheric emissions and climate change	3 GOOD HEALTH AND WELL-BEING 13 CLIMATE ACTION	<ul style="list-style-type: none"> Activities to raise awareness on climate change issues with personnel and in the community; Implementation of activities seeking to reduce harm to individuals caused by water and air pollution. 	<ul style="list-style-type: none"> pp. 111, 114, 117, 119.

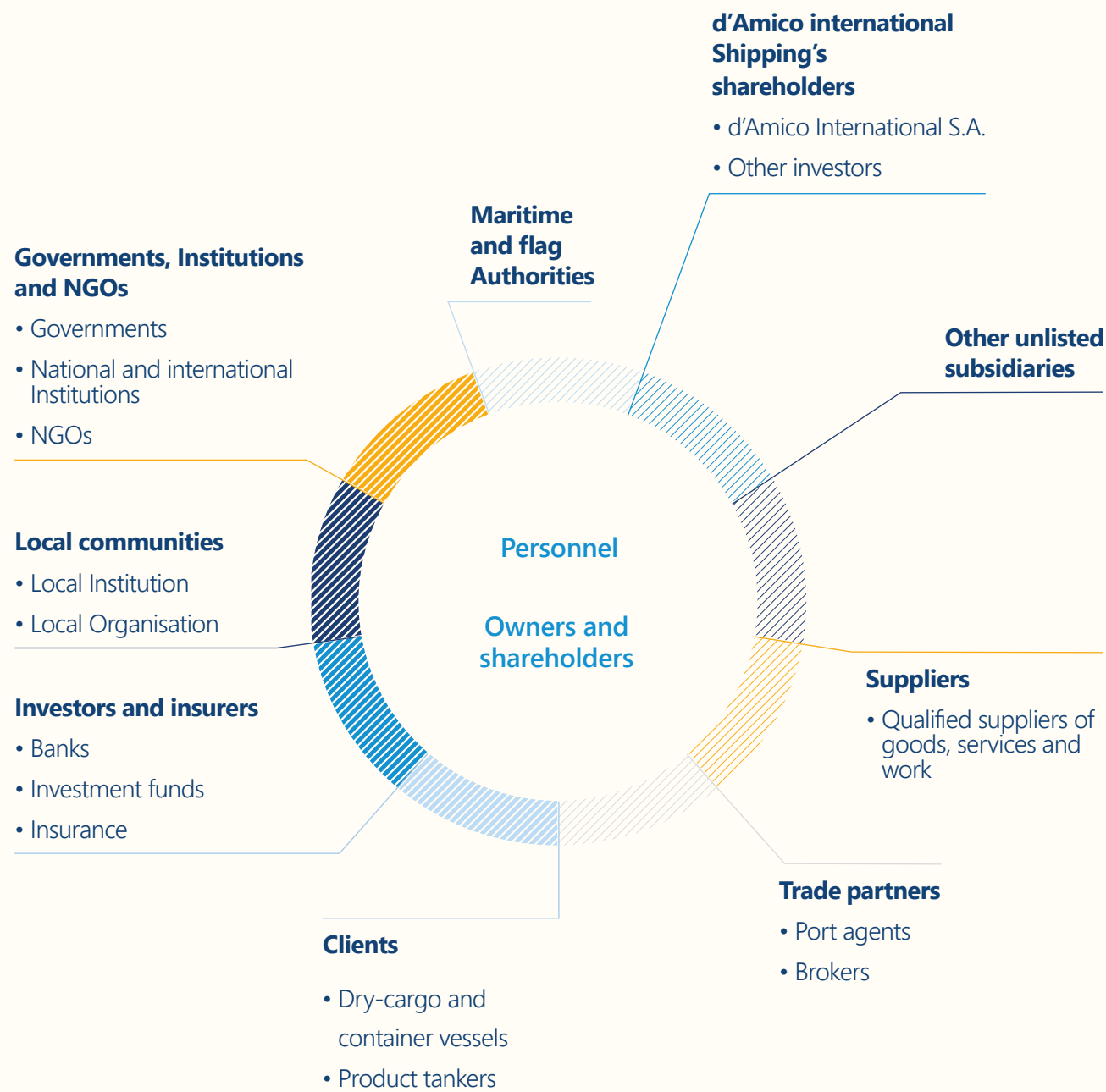
d'Amico's Sustainability Topics	Sustainable Development Goals	Activity performed by the Group	Pages
Integrated management system for ongoing improvement	 	<ul style="list-style-type: none"> Transparent statement of policies governing operations on board managed ships - in order to ensure safety and efficiency - and of the methods to respond to unscheduled events; Identification of a basic reference for all management documents necessary for checking the Group's daily activities. 	<ul style="list-style-type: none"> pp. 34, 111, 114, 155, 158.
Occupational health and safety		<ul style="list-style-type: none"> Protecting the health and well-being of employees by reducing occupational risks from exposure to hazards; Preventing hazardous activities, injuries, illnesses, accidents to personnel, material and environmental damage; Improving the safety of all employees by developing, above all, an internal culture of safety. 	<ul style="list-style-type: none"> pp. 137, 139, 142.
People care	 	<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"> pp. 53, 82.
Value generated and distributed		<ul style="list-style-type: none"> The d'Amico Group recognizes the importance of a balanced distribution of the Value generated by its activities to its stakeholders. 	<ul style="list-style-type: none"> pp. 147, 152.
Personnel training and development		<ul style="list-style-type: none"> Adequate training for all personnel, allowing them to carry out their job better and increase their skills and abilities, without distinction of gender or ethnicity. 	<ul style="list-style-type: none"> p. 72.
Sustainable supply chain		<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> pp. 147, 155.

d'Amico's Sustainability Topics	Sustainable Development Goals	Activity performed by the Group	Pages
Ship recycling		<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"> p. 136.
Stakeholder engagement	 	<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"> p. 44.
Waste reduction and material recycling		<ul style="list-style-type: none"> Plastic-free project in the Group's offices; Separate waste collection in all d'Amico offices. 	<ul style="list-style-type: none"> pp. 111, 130, 135.
Multicultural approach	   	<ul style="list-style-type: none"> Cultural integration in the Group's offices and onboard all ships. 	<ul style="list-style-type: none"> pp. 66, 68.
Promoting public attention towards social, cultural and environmental topics	 	<ul style="list-style-type: none"> Training activities in support of solidarity initiatives and cultural initiatives. 	<ul style="list-style-type: none"> pp. 99-107.
Consumption of water and energy in offices	 	<ul style="list-style-type: none"> Reducing travel between offices and increasing use of video conference and conference call systems. 	<ul style="list-style-type: none"> pp. 86, 111, 142.

d'Amico stakeholders

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

Stakeholder mapping



Relations with stakeholders

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

Stakeholders	Needs and expectations	Strategy
<i>Internal</i>		
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's 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
<i>External</i>		
d'Amico International Shipping's shareholders	<ul style="list-style-type: none"> • Soundness of the organisation • Process efficiency • High, increasing and sustainable 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 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
Clients	<ul style="list-style-type: none"> • Efficiency of services purchased • Quality and reliability of service • Affordable prices • Service satisfaction 	<ul style="list-style-type: none"> • All-round customer assistance and service • Departments specifically ensuring service quality

Stakeholders	Needs and expectations	Strategy
Clients	<ul style="list-style-type: none"> 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"> 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 partner
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 undertaken commitments 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

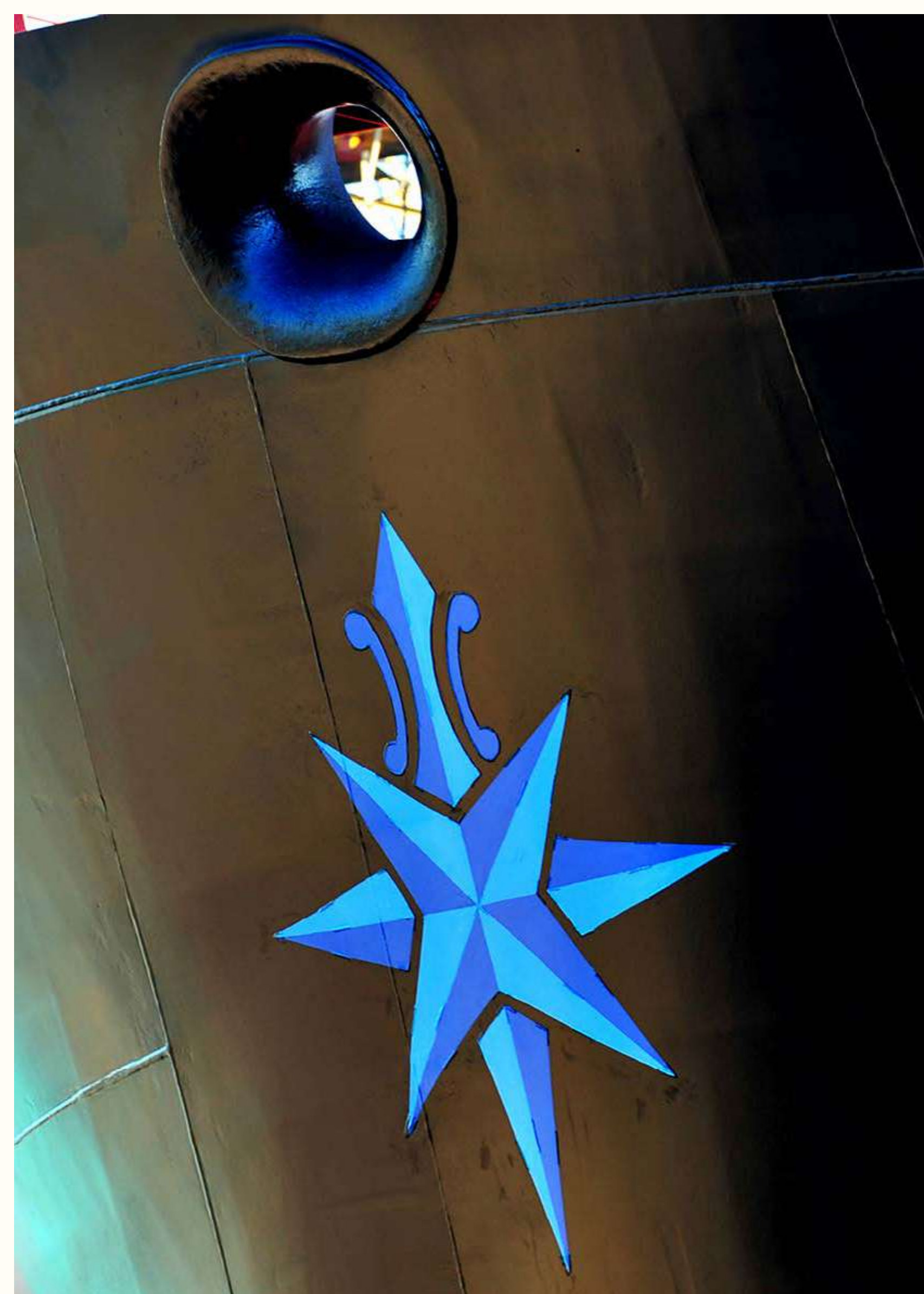
Communication with stakeholders

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.

Stakeholders	Informative moments and documentation	Dialogue moments and partnerships
<i>Internal</i>		
Personnel	<ul style="list-style-type: none"> Communications regarding the company's performance Internal regulations Internal disciplinary system Integrated Management System Sustainability Report Lighthouse (Internal Magazine) LinkedIn account 	<ul style="list-style-type: none"> Ongoing communication with the HR department and head of crew Meetings and events organised by the Group Personnel assessment system
Owners and shareholders	<ul style="list-style-type: none"> Investor Relations Press releases Sustainability Report Financial Report 	<ul style="list-style-type: none"> Meetings organised by the Group
<i>External</i>		
d'Amico International Shipping's shareholders	<ul style="list-style-type: none"> Investor Relations Press releases Sustainability Report Financial Report 	<ul style="list-style-type: none"> Communication with the Board of Directors Meetings organised by the Group
Clients	<ul style="list-style-type: none"> Emails and letters Industry trade shows Road shows Sustainability Report Group website 	<ul style="list-style-type: none"> Contacts with Sales and Purchasing department Group meetings
Trade and strategic partnerships	<ul style="list-style-type: none"> Emails and letters Industry trade shows Road shows Sustainability Report 	<ul style="list-style-type: none"> Contacts with Sales department Group meetings

Stakeholders	Informative moments and documentation	Dialogue moments and partnerships
Suppliers	<ul style="list-style-type: none"> • Emails and letters • Sustainability Report 	<ul style="list-style-type: none"> • Relations with Purchasing Department • Meetings and forums
Investors and insurers	<ul style="list-style-type: none"> • Emails and letters • Industry trade shows • Road shows • Financial Report • Sustainability Report 	<ul style="list-style-type: none"> • Communication and contacts with finance department • Meetings for relations with investors
Community	<ul style="list-style-type: none"> • Group website • Sustainability Report • LinkedIn account 	<ul style="list-style-type: none"> • Contacts with HR department
Governments, national and international institutions, NGOs and organisations	<ul style="list-style-type: none"> • Letters • Formal and institutional communications • Sustainability Report • Financial Report 	<ul style="list-style-type: none"> • Relations and communications with Top Management and HR, Training and Development Departments and Finance Department
Port and flag authorities	<ul style="list-style-type: none"> • Letters • Minutes • Formal and institutional communications • Sustainability Report • Financial Report 	<ul style="list-style-type: none"> • Continuous relations with Top Management, Fleet Director, Health and Safety Department, Political Affairs and Training and Development • Round tables • Meetings and seminars



Social responsibility

d'AMIC

Kurashiki, Japan
N 34° 35' 6.285"
E 133° 46' 19.184"

Highlights

243 *onshore personnel*
from 25 different countries

3,010 *seagoing personnel*
from 9 different countries

Euro
102.5
million

the economic value distributed to employees

3,740
total training hours
for onshore personnel in 2019

63,024
total training hours
for seagoing personnel in 2019

RETENTION RATE

85.6% *for seagoing personnel**

and

83.2% *for onshore personnel*

Active participation

with leading roles in several international organisations and associations

*This value represents the average of the retention rate for tankers ships (86.2%) and the for dry ships (84.9%), in 2019.

Our people

d'Amico Group contribution to the 2030 UN Sustainable Development Goals.

SDGs	Sections of the Sustainability Report	Activities
	Remuneration and performance Assessment system; Welfare system.	• Application of adequate remuneration and economic benefits for personnel, to ensure adequate social protection
	Multi-cultural approach; Training and development; Remuneration and performance assessment system.	• Adequate training for all personnel, enabling them to better carry out their job responsibilities and increase their skills and abilities, without distinction of sex or ethnicity
	The people who work for the company; Remuneration and performance assessment system.	• Gender equity in all 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.	• 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 for all, as well as equal pay for work of equal value
	Multi-cultural approach.	• Cultural integration in the Group's offices and on board all ships
	Human rights.	• Consolidation of policy on diversity and inclusion in respect for individual and more in general, in respect of the human rights applying for both ship and shore personnel

d'Amico Group continues to promote a culture based on policies and practices aimed at **maximising and retaining talent, embracing the use of technology and innovation, improving employee well-being, and ensuring prevention of unlawful behaviour**. Its goal is to create a workplace environment where every employee has the capacity to reach his/her fullest potential, at the same time ensuring work-life balance supporting both genders.

Human resources management policy

The competitive challenges of the market require the **constant development of know-how that supports ongoing innovation and increased productivity and efficiency**. For this reason, d'Amico invests in its people and adopts personnel management policies and tools aimed at increasing professional skills, a sense of belonging and talent development.

These goals are applied to both ashore and seagoing personnel and are achieved through:

- a thorough **recruitment** process
- proper **training** activities
- an **ongoing monitoring and assessment system**.



Furthermore, **defining the right skills and capabilities within an organisation** requires not only an internal analysis aimed at identifying its own needs, but primarily identifying external customers' and business partners' needs. The acquisition and development of **customer-focused skills** shifts HR management from a purely internal approach to one focused on meeting external requirements.

People who work for the company

SDGs	UN TARGET	ACTIVITIES AND KPIS
5 GENDER EQUALITY	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	22.9% the percentage of female managers (ashore personnel)
		98.8% the percentage of women with open-ended contracts (ashore personnel)
8 DECENT WORK AND ECONOMIC GROWTH	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	25% the percentage of new hires under 30 (ashore personnel)
		53.6% the percentage of new hires under 30 (seagoing personnel)
		311 trainees in 2019 (seagoing personnel)

In 2019, d'Amico Group's workforce consisted of 3,256 employees¹³, 246¹⁴ of whom were onshore personnel (7.6%) and 3,010 employed on board vessels (92.4%).

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

Compared to 2018, onshore personnel recorded a decrease: -17 people, equal to -8.8%, in Europe and America, and -6 people, equal to -7.9% in Asia. The percentage of women in relation to the total number, remains about the same as the previous years (34.6%).

¹³ This number takes into account the staff rotation on d'Amico Group ships.

¹⁴ The consolidated number of onshore employees is equal to 307; the data reported below refers only to the personnel related to d'Amico and Ishima, equal to 246 units.

ONSHORE PERSONNEL		2017				2018				2019			
GEOGRAPHICAL AREA	M	W	Tot	%	M	W	Tot	% W	M	W	Tot	% W	
Europe and America	134	66	200	33.0%	127	66	193	34.2%	120	56	176	31.8%	
Asia	48	28	76	36.8%	48	28	76	36.8%	41	29	70	41.4%	
TOTAL	182	94	276	34.1%	175	94	269	34.9%	161	85	246	34.6%	

An 8.2% drop is also reported in the number of seagoing personnel compared to 2018, equal to 270 seafarers. In 2019, 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 2018, the fleet has 3 fewer ships, again due to the Group's rationalisation approach and policies.

SEAGOING PERSONNEL	2017	2018	2019
TOTAL	3,336	3,280	3,010

The reduction in onshore personnel mainly involved employees (-14) and managers (-7), while there is substantial stability in Top Management.

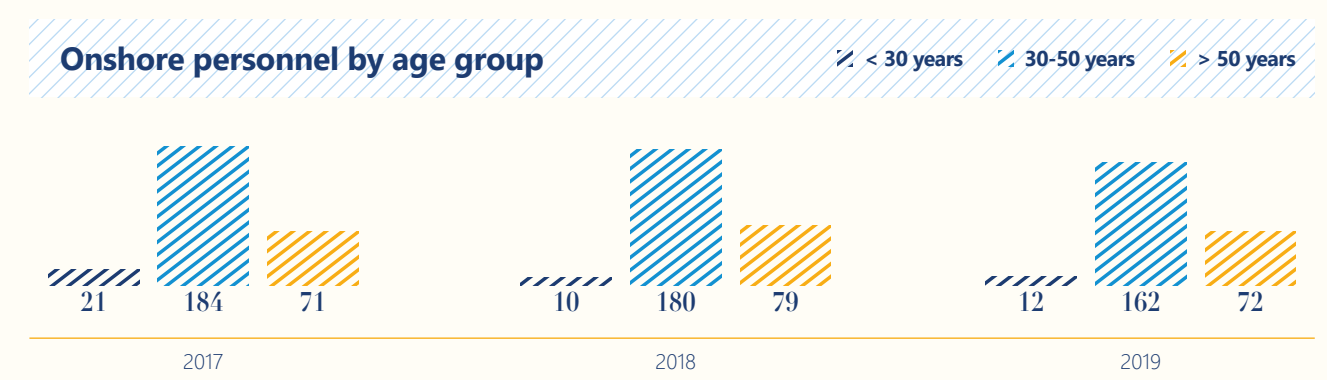
ONSHORE PERSONNEL		2017				2018				2019			
PROFESSIONAL CATEGORIES	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W	
Top Managers	31	1	32	3.1%	31	1	32	3.1%	29	1	30	3.3%	
Managers	29	17	46	37.0%	30	17	47	36.2%	25	15	40	37.5%	
Employees	122	76	198	38.4%	114	76	190	40.0%	107	69	176	39.2%	
TOTAL	182	94	276	34.1%	175	94	269	34.9%	161	85	246	34.6%	

As regards seagoing personnel, the reduction affects mainly ratings (-9.8%), senior officers (-5.4%) and trainees (-20.7%), while there is an increase in junior officers (+1.1%) from 591 to 597.

SEAGOING PERSONNEL	2017	2018	2019
PROFESSIONAL CATEGORIES			
Senior Officers	696	680	643
Junior Officers	647	591	597
Ratings ¹⁵	1,610	1,617	1,459
Trainees	383	392	311
TOTAL	3,336	3,280	3,010

65.9% of the Group's onshore personnel is between 30 and 50 years of age, 4.8% is under 30 (+29.7%).

ONSHORE PERSONNEL		2017				2018				2019			
AGE	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W	
<30 years	11	10	21	47.6%	3	7	10	70.0%	5	7	12	58.3%	
30 - 50 years	112	72	184	39.1%	108	72	180	40.0%	97	65	162	40.1%	
>50 years	59	12	71	16.9%	64	15	79	19.0%	59	13	72	18.1%	
TOTAL	182	94	276	34.1%	175	94	269	34.9%	161	85	246	34.6%	

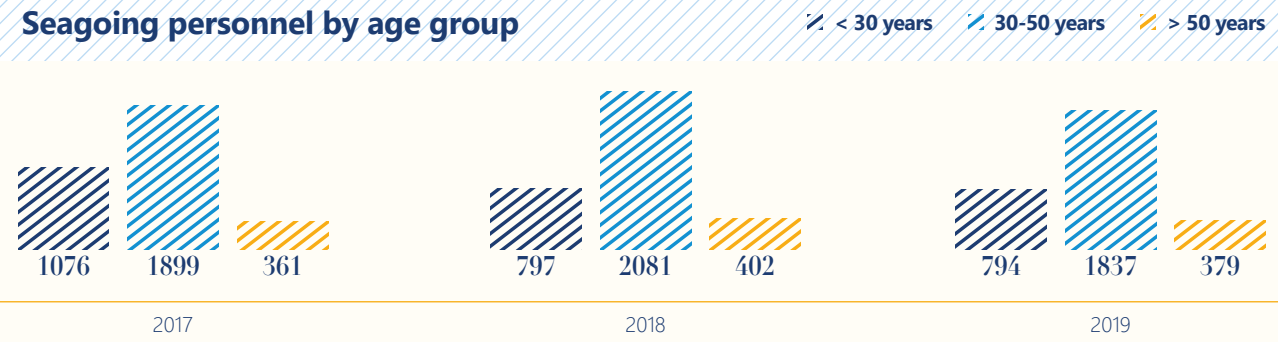


¹⁵Ratings: Petty officers and Seamen.

On average, seagoing personnel are instead younger: 26.4% are under 30 years of age, 61.0% are between 30 and 50 and the remaining 12.6% are over 50.

SEAGOING PERSONNEL	2017	2018	2019
AGE	Total	Total	Total
<30 years	1,076	797	794
30-50 years	1,899	2,081	1,837
>50 years	361	402	379
TOTAL	3,336	3,280	3,010

Seagoing personnel by age group



Ship and shore staff seminar 2019

Periodic meetings and targeted actions are organised **to promote integration between onshore and seagoing personnel**. Seminars are conducted to create a unified understanding and mission, working together both on board and ashore in order to join hands under the established values and achieve safety and operational excellence.

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 the staff working in the offices 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 be 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.

In 2019, as previous years, the Group organised two seminars, one in India and the other in Italy. With the theme, "Propel Ahead for a Safer Tomorrow", the d'Amico Group hosted the 9th consecutive Annual Seminar at the Hotel Leela, Mumbai on 20-21 February. In Italy, the ITS Fondazione Caboto hosted the Italian Annual Meeting in the Palazzo della Cultura in Gaeta on 22-24 May. During three days of workshops and presentations, international experts and d'Amico managers gathered to discuss and emphasise the importance of **compliance in the shipping sector** to both national and international standards **and regulations, which are increasingly stringent**. The culture of safety and environmental compliance was once more a crucial aspect at d'Amico Group's Annual Seminar. **Particular attention was dedicated to the sulphur cap introduced by IMO 2020**, with all commercial and technical implications appropriately discussed. The message was clear about complacency and compliance as the two important issues of the maritime industry today. New regulations and guidelines bring with them new challenges.

Lighthouse

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

"The Lighthouse" magazine helps d'Amico Group to communicate across teams dynamically and comprehensively, **creating 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's health, safety procedures and protection of the environment**. Nevertheless, "The Lighthouse" also includes **sections dedicated to life on board**, more generally to the well-being of seafarers and information about d'Amico Group events ashore.

This year emphasis has been placed on the new IMO 2020 sulphur cap regulation entering into force on 1 January 2020, which reduces the limit the sulphur used in fuel oil used on board ships operating outside designated emission control areas to 0.50% m/m. In addition to the technical aspects of the new regulation entering into force, company and ship preparedness and relevant actions, in order to raise awareness among our people, special focus was also placed to climate change and its effects during the ensuing days, and the major health and environmental benefits for the world in complying with the new regulation, improving air quality and protecting the environment, particularly for populations living near ports and coasts.

"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.

HR informational system

The d'Amico People global database uses a **global approach in supporting the management of all d'Amico Group employee data, as well as organisational, training and compensation information**. The aim is to have a consolidated HR information system that **manages information in real time** among all the offices worldwide.

Between 2018 and 2019 the main operational steps which have been completed are:

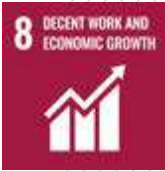
- in-depth mapping of the d'Amico information needed and creation of a d'Amico Employee Data Model;
- configuration of the HRIS for the d'Amico employee data (with local labour law requirements) and business process and policies;
- system population with employee data and testing of the system's Resource Management Module;
- user training;
- creation of reporting dashboards;
- implementation of the training module.

Types of contracts

SDGs

UN TARGET

ACTIVITIES AND KPIS



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

97.1% The percentage of employees with open-ended contracts (onshore personnel)

89.6% The percentage of seafarers with open-ended contracts (seagoing personnel)

83.2% The retention rate of onshore personnel

86.2% The retention rate of tanker's seafarers

84.9% The retention rate of dry's seafarers

As evidence of the high level of attention that the Group places on retention activities, connected to long-term investment in its resources, the percentage of onshore personnel employed with an open-ended contract increased from 95.9% in 2018 to 97.2% in 2019.

ONSHORE PERSONNEL	2017			2018			2019		
	Europe and America		Asia	Europe and America		Asia	Europe and America		Asia
	M	W	Tot	M	W	Tot	M	W	Tot
Open-ended contract	126	60	186	119	63	182	115	55	170
Fixed-term contract	8	6	14	8	3	11	5	1	6
TOTAL	134	66	200	127	66	193	120	56	176

The d'Amico 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 86.2%, which is an extremely satisfactory result, in line with market standards.

In 2019, the Company involved 311 trainees on its fleet, i.e. 10.3 % of total staff employed on board.

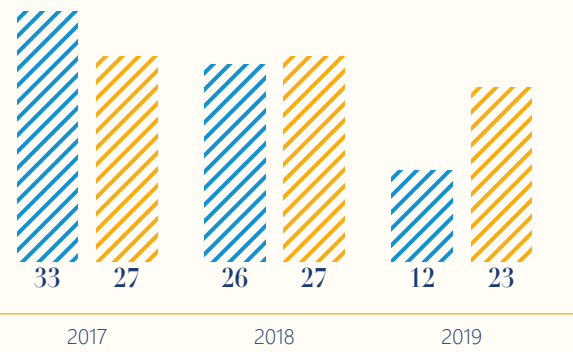
SEAGOING PERSONNEL	2017	2018	2019
TYPE OF CONTRACTS	Total	Total	Total
Employees hired with a crew-hiring contract	2,946	2,878	2,699
Temporary workers	7	7	0
Trainees	383	357	311
TOTAL	3,336	3,280	3,010



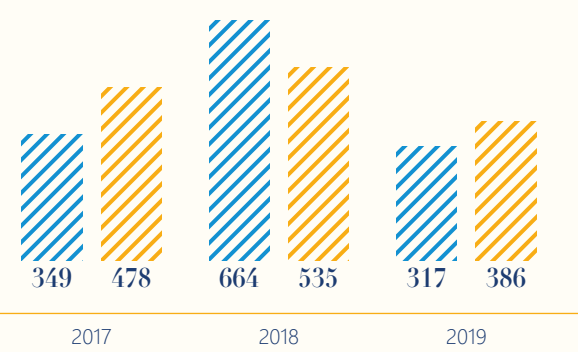
Hiring and Resignations

d'Amico Group recorded **negative turnover of 80 people** in 2019, with a significant decrease in seagoing personnel (-69 people). In the same year, the d'Amico Group hired **12 new onshore employees** (8 men and 4 women), 25% of whom under 30, and **317 (all men) seagoing employees**, 53.6% of whom under 30.

Turnover - Onshore personnel



Turnover - Seagoing personnel



▬ Hiring ▬ Terminations

ONSHORE PERSONNEL	2017					2018					2019					
	Europe and America		Asia		Tot	Europe and America		Asia		Tot	Europe and America		Asia		Tot	
	M	W	M	W		M	W	M	W		M	W	M	W		
Hiring																
<30 years	4	3	2	1	10	1	0	0	4	5	2	1	0	0	3	
30-50 years	4	5	5	5	19	1	7	4	3	15	3	1	2	2	8	
>50 years	3	0	1	0	4	5	0	0	1	6	1	0	0	0	1	
Total	11	8	8	6	33	7	7	4	8	26	6	2	2	2	12	

SEAGOING PERSONNEL	2017	2018	2019
Hiring	Total	Total	Total
<30 years	164	456	170
30-50 years	177	199	140
>50 years	8	9	7
Total	349	664	317

With regard to exiting **staff**, in 2019, 23 resignations were recorded among onshore personnel and 386 resignations among seagoing personnel. **The Group has satisfactory retention levels for both onshore (83.2%) and onboard personnel. The retention rate is 86.2% on tanker ships and 84.9% on dry ships for d'Amico società di Navigazione S.p.A. and 80.7% for Ishima. The sector's retention rate¹⁶, as regards tanker ships, is instead 80%, lower in every aspect than d'Amico 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.

During 2019, the d'Amico Group decided to **undertake a reorganisation of some activities with the aim of improving efficiency, resolving any imbalances within the organisation and the resulting cost optimisation.** This is part of implementing interventions and investing in rationalisation and renewal. Following this process, some activities were centralised and moved from peripheral offices to central offices, where management is located.

ONSHORE PERSONNEL	2017					2018					2019				
RESIGNATIONS*	Europe and America		Asia		Tot	Europe and America		Asia		Tot	Europe and America		Asia		Tot
	M	W	M	W		M	W	M	W		M	W	M	W	
	<30 years	3	1		1	5	1		2	3	1	2	1	0	4
30-50 years	8	7	3	3	21	7	8	1	5	21	4	3	8	3	18
>50 years			1		1	1		2	3	0	0	1	0	1	
Total	11	8	4	1	27	9	8	1	9	27	5	5	10	3	23

* (1) In the Intertanko formula it 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).

SEAGOING PERSONNEL	2017	2018	2019
TERMINATIONS**	Total	Total	Total
<30 years	151	190	81
30-50 years	282	287	256
>50 years	45	58	49
Total	478	535	386

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

¹⁶ OCIMF, Tanker Management and Self-Assessment 3 (TMSA3), Third Edition 2017.

Multicultural approach

SDGs	UN TARGET	ACTIVITIES AND KPIS
8 DECENT WORK AND ECONOMIC GROWTH	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	No reporting received in relation to discriminatory acts against people of different ethnicity or nationality
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular female migrants, and those in precarious employment	
10 REDUCED INEQUALITIES	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	9 Different nationalities within the crew members
		25 Different nationalities within the onshore personnel
		80% 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. And 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 new innovations for the business and more favourable and positive working relationships.

It offers **opportunities for businesses to expand globally**, achieving and improving our 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 9 different countries, with the majority made up of Indians 59.7%, Filipinos 21.6 % and Ukrainians 7.0%. The remaining 11.7% come from countries such as Italy, Romania, Russia, Morocco, Bangladesh as well as Ethiopia, Liberia and the Maldives.

In the 24th edition of "The Lighthouse" magazine, published in September 2019, a large page was dedicated to the Company's multi-ethnic approach and, more generally, to the added value it contributes.

The ashore personnel, on the other hand, come from 25 different countries: more than half of the staff is Italian (53.3%), while the remaining part is mainly composed by Singaporeans (10.6%), Indians (6.5%), French (5.3%), English (3.7%), Filipinos (3.3%) and Malaysians (2.8%).



Multicultural initiatives

The d'Amico Group encourages and supports intercultural initiatives within the Company as well as on board its vessels, confirming its commitment to implement a policy based on diversity and inclusion, regarded as success factors for the organisation.

Multi-cultural shore and ship events 2019:

- **Singapore Office and Ishima Chinese New Year Celebration**

d'Amico's Singapore office celebrated the Chinese New Year (CNY) by organising the traditional Lion Dance and giving blessings to every corner of both the d'Amico Shipping and Ishima Office. The Lion Dance is a tradition in Chinese culture, as well as other Asian countries, in which performers mimic a lion's movements, wearing a lion costume to bring good luck and fortune. We applaud the determination and efforts that our colleagues have demonstrated during their time with us. On the same day, they held a CNY luncheon in the office, with everyone enjoying the traditional meal of Yusheng.

- **Equator-Crossing Ceremony - on board M/V Cielo di San Francisco**

The equator-crossing ceremony on board ships can be dated back nearly 400 years according to some anthropologists. Given its long history, the ritual has changed over the years, but it remains a well-known linchpin of merchant shipping, practiced across different cultures and nationalities. While the 'M/V Cielo di San Francisco' was crossing the equator in the Atlantic Ocean, during its passage from Gramercy (USA) to Maputo (Mozambique) on 28 April 2019, two trainees on board found themselves face-to-face with the Chief Officer, dressed as the god Neptune, who tested them for their worthiness before awarding certificates for their very first crossing of the Equator. At the end of this ceremony that represents harmless fun, all crew members joined in to offer their prayers to the gods so that they would be blessed with good luck, calm seas, and prosperity.



Recruitment and selection

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 the 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 and educational/training institutions** supporting a constant commitment to all "brand employment" actions. When opening 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 us to offer opportunities for professional growth with the intention also of strengthening the culture of the d'Amico Group.

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**. Regarding the latter aspects, **adherence to the values and the spirit of the d'Amico Group** is a key attribute that guides the selection of the candidate.

In order 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.

ONSHORE PERSONNEL	2017	2018	2019
Jobs and selection processes opened*	12	14	12
Candidates	2,367	1,965	1,673
<i>of which spontaneous</i>	1,579	1,416	1,131
Candidates for job vacancies that are reviewed	788	549	542

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

Induction training process for ashore personnel

The aim of the induction process is to facilitate the orientation of new hires in d'Amico Group and to provide them with a proper induction path. This is a **strategic process for the Group, which seeks to develop deep commitment, a key to the Company's success.**

The supervisor is responsible for ensuring that the induction path is properly completed, while the HR Department is responsible for providing the initial orientation training and for supporting and monitoring the new hires during the entire path.

On day 1, the new employee is welcomed by the manager and the HR Department, and has the chance to meet his/her team and all the personnel in the local office. During the first week, he/she receives some orientation training sessions, while in week two he/she begins to meet with his/her manager to set the shared objectives. After three months he/she gets a periodic review of the individual objectives, and the manager determines the employee's training needs. After six months, the new hire receives a formal final review from the manager.



Seagoing personnel

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

In 2019, **officers spent 4.73 months on board**, substantially the same as the previous year, while **ratings spent an average of 7.77 months on board**, a moderate increase compared to the previous year. 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 for an average of 3 months of rest for every 5 months 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 the company (Sirius Ship Management Srl) entrusted with recruitment activities.


Identification and loyalty are core values for the Group and in line with our values, we believe that the presence of a crewing and training structure in our seafarers' countries of origin will strengthen their sense of belonging with the Company. It ensures an easy mutual understanding and sharing of Group strategy and values. It is, in fact, **the Group's general policy to recruit personnel from the countries where we have established crewing and training structures.** In line with this, cadet recruitment and training centres will be supported in all locations where we have 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.** Apart from 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 (Designated Person Ashore), 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.

SEAGOING PERSONNEL	2017	2018	2019
Positions open during the year	488	579	496
of which for internal positions	213	275	256
Candidates examined	380	420	350

Training and development

SDGs	UN TARGET	ACTIVITIES AND KPIS
	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	15.2 Total per capita training hours provided to onshore personnel <hr/> 23.0 Total per capita training hours provided to seagoing personnel <hr/> 100% The percentage of people trained out of total employees, both for onshore and seagoing personnel
	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	0.80 The ratio between per-capita training hours for women and per-capita training hours for men (onshore personnel) <hr/> 1.37 The ratio between per-capita training hours for women and per-capita training hours for men (seagoing personnel)

The Group assigns great importance to training and to defining growth and professional development processes for both onboard and ashore 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 strengthen innovation, 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, through the **Darwin intranet portal**, all d'Amico personnel can access, through a dedicated Academy section, e-learning training courses, 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 specialist 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 (Baltic and International Maritime Council), Lloyd's Maritime Academy, DNV GL, RINA Academy, National Cargo Bureau, ASBA Education (Association of Shipbrokers And Agents - USA), ASDEM, etc.
- **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 increasingly 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 all the 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.

95 training initiatives have been launched in 2019 and the total training delivered to onshore personnel amounted to **3,740 hours**, approximately 1,000 hours less than 2018 (4,843 hours). **Average annual training hours per employee were 15.2** (-3 hours compared to 2018).

45% of training hours were concentrated on internal courses, 32% on external courses and remaining 23% on e-learning platforms.

ONSHORE PERSONNEL	2017		2018		2019	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Average yearly hours of training						
Top Managers	11.13	8.00	9.84	14.00	13.31	3.00
Managers	24.59	22.41	19.17	23.20	15.98	17.40
Employees	14.49	12.29	22.72	12.83	17.21	12.30

ONSHORE PERSONNEL	2017		2018		2019							
	Europe and America		Asia		Europe and America		Asia					
Average yearly hours of training by gender and area	M	W	M	W	M	W	M	W				
Top Managers	8.3	8.0	8.3	8.0	9.8	14.0	10.1	12.2	3.0	18.8		
Managers	17.2	23.8	17.2	23.8	20.4	22.7	17.5	27.0	11.2	19.6	23.1	3.3
Employees	14.0	9.0	14.0	9.0	20.5	13.6	29.6	11.4	16.4	14.6	19.9	8.8
Total	18.4	15.5	18.4	15.5	13.3	12.4	21.8	18.4	14.9	15.5	20.5	8.4

A major emphasis has been placed on the skills related to **Technical Shipping** (39%). 33% of the training initiatives related to technical shipping have been focused on **environmental topics**. 24% of the total training hours have been dedicated to institutional **training**, the latter including compliance with the 231 Law, and discussions on international sanctions.

ONSHORE PERSONNEL	2017		2018		2019							
	Europe and America		Asia		Europe and America		Asia					
Hours of training by geographical area, gender and topic	M	W	M	W	M	W	M	W				
Compliance/Institutional	268	326	156	80	329	93	36	76	450	228	148	117
Language & IT	651	337	40	56	682	595	196	204	89	141	66	53
Management	132	48	324	156	551	253	160	76	418	149	144	19
Technical – Organisational*									59	107	116	2
Technical -Shipping*	716	104	524	204	765	108	696	24	763	228	374	69
Total	1,767	815	1,044	496	2,327	1,049	1,088	380	1,779	853	848	260

*In 2019, technical training has been divided in two different categories: organisational training and shipping training.

Training initiatives

Behavioural competency assessment and verification & train the trainer course

Intended audience: d'Amico Marine Superintendents, for a total of 10 participants. Reinforcing the d'Amico Group's commitment to social responsibility and the Sustainable Development Goals of decent work, economic growth and quality education, representatives of the Rome office have been instrumental in the development of a **new industry-wide initiative designed to achieve a leap forward in safety management at sea**. This initiative, known as the **Behavioural Competency and Verification System (BCAV)**, has been spearheaded by two leading industry organisations, OCIMF and INTERTANKO, in their Joint Safety Initiative, with significant contributions from d'Amico Group employees. This BCAV system defines a framework of behavioural competencies for use in managing performance at sea. The aim of the BCAV system is to highlight the importance of the soft skills dimension of competencies in performing vessel operations safely and without incident.

The training - aimed at providing the knowledge, skills and techniques for assessing and verifying behavioural competencies of sea-going staff during a navigational audit as well as the ability to train onboard management to assess and verify behavioural competencies - lasted five working days and was divided into two sections. The first section focussed on the **human element** and learning how to make objective assessments by observing behaviours associated with effective performance. The second section concentrated on **Train the Trainer**, that is, designing and facilitating professional learning activities so that the marine superintendents can train management on board the vessel regarding the behavioural assessment system.

The course was delivered in an interactive training format in which the marine superintendents were able to share experiences and learn from each other on a common platform.

Smart & change culture

Intended audience: All d'Amico Società di Navigazione S.p.A. and d'Amico Shipping Italia personnel

The goal is to **build sense-making within the Smart Working Journey project** and a roadmap providing the appropriate sense-making, facilitating an evolutionary transition in cultural and managerial terms and therefore motivate individual and team actions and behaviours that are consistent with a flexible and agile mindset.

Empowerment, integration and trust are the basis for lasting changes, and it is in this direction that the training initiative has been oriented in **providing tools and practices to be increasingly effective in "flexible" contexts** by increasing awareness both as leaders and as people and providing the transition **from a task-oriented culture to a culture focused on empowerment and awareness**.

Sharing of the Smart Working model in d'Amico, accountability and empowerment, mindful time management, effective remote communication, meeting management, and work for objectives have been the main topics of the training, along with providing the most functional tools and practices for a better approach to the new way of working.

In order to implement the health and safety obligations, the Company provide adequate information and training on the specific risks associated with the performance of Smart Working.

Training initiatives

Internal talks on topical legal, operational and chartering issues

The Legal Department, in coordination with the Group HR Department, has introduced a new initiative of running regular internal talks on topical legal, operational and chartering issues impacting the business of our Group. These talks have been delivered by our external lawyers, P&I Clubs and other maritime professionals, normally lasting for a maximum of 2 hours, including discussion time. **The aim is to build up our internal knowledge and to highlight the pitfalls of dealing with certain situations.**

The first talk offered in 2018 was given by Marie Kelly, who is a London-based lawyer, on the "Importance of Evidence". In 2019, there were 3 talks:

- **Will Marshall and Jamila Khan**, presented an in-house **legal talk on sanctions**. The presentation was designed to give an overview of sanctions, discuss various sanction regimes, and how they interact, focus on sanctions' hotspots, point out the consequences of breaching sanctions, and set out the practical steps that may be taken to delist the offending parties.
- **Danielle Datta** presented an important topic: **the function of the bill of lading**, who is the carrier under the bill of lading and what that means, delivery of cargo without the production of the bill of lading, and switching bills of lading, which was followed by a short interactive session during which our speaker addressed some "real life" bill of lading cases.
- **Marie Kelly** presented **the right of equitable set-off**, which can be defined as a defence that allows a party receiving a claim to use a counterclaim to reduce or defeat that claim. The right of set-off is often dealt with expressly in a contract, failing which, common law fills the gap. This talk was aimed to explain when deductions can lawfully be made from hire, in both time and voyage charters, what to look out for and how to avoid equitable set-off.

231 Compliance - administrative liability of the company

Intended audience: The training involved the entire population of the d'Amico Group, organised in different sessions (face-to-face and e-learning) in order to guarantee quality, flexibility and interactivity.

Aim and scope: The training courses aimed to illustrate the basic principles of the "administrative liability" of legal entities and highlighted the roles and responsibilities of all parties involved in the prevention of crimes listed in the Legislative Decree 231/2001.

Face-to-face training sessions were organised for all Top Managers of the d'Amico Group and for those members of the Board of Directors of d'Amico Group companies that adopted the 231 Model. They briefly illustrated the reference regulatory context and the 231 Models adopted by d'Amico Group companies, then focusing on those Special Parts that are of interest to the different companies involved and providing more in-depth analysis of the related sensitive activities and monitoring protocols, with reference to certain types of crime.

Modular e-learning sessions were provided for all managers and employees of the d'Amico Group and broken down into:

- General part on the 231 Model, its purposes, intended audience and organisation;
- Specific part that illustrated the sensitive activities related to the criminal offenses;
- Mini-cases: scenarios tailored to the d'Amico Group illustrating the possible commission of some offences provided for under the 231 Decree and aiming at reflecting on the behaviours to adopt so as to operate, in daily decisions, in line with the provisions of the 231 Model.

Thanks to the flexibility of the e-learning methodology, each learner was able to take advantage of the course without time and location limitations, accessing from any digital devices (personal computer, smart phone, etc.) and deciding independently how to organise their training session. In order to support training and monitor its progresses, the course was equipped with a satisfaction test and a final learning test.

Seagoing personnel

A rigorous ashore and onboard training programme has been envisaged for crew, starting with the pre-embarkation period and covering every 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.

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, key priorities for the business. Since September 2018, a new collaboration started between d'Amico Group and the European Training & Competence Centre (ETCC) in Manila which has been strengthened during 2019. ETCC is able to provide many courses, most of which are approved by MARINA on behalf of the Administration of the Philippines and/or by R.O. on behalf of Liberia and other Flag Administrations. The centre is 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. In Fall 2019, an integrated Bridge and Engine Resource Management course was also organised, involving 8 of the Filipino officers with a very positive outcome and excellent feedback by participants. 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) and ELB-ORB. The Group looks forward to the contribution ETCC can provide to support the professional growth of the seafarers, and hopes that its collaboration with the d'Amico Group will extend over time.

The "Home Grown Officers" philosophy is a key aspect of the personnel development strategy. In this regard, the d'Amico Group implements specific personnel career development plans, which are constantly monitored and updated. The starting point is the strategy through which the 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, which combine theoretical study and hands-on training. Their 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 2019, a total of 5,971 in-house and out-sourced courses were provided, corresponding to 63,024 total hours of training for seagoing personnel; average yearly hours per employee were equal to 23, a stable value since 2017. 87% of the total courses were in-house courses, and 73% were for personnel in India.

SEAGOING PERSONNEL	2017	2018	2019
Average yearly hours of training	Total	Total	Total
Senior Officers	32	32	32
Junior Officers	32	32	32
Ratings	16	16	16
Total	22,39 (63,520 h / 2,836)	22,61 (55,200 h / 2,441)	23,35 (63,024 h / 2,699)

SEAGOING PERSONNEL	2017	2018	2019
Hours of training by topic	Total	Total	Total
Technical-specialist training	15,928	13,824	15,732
Language training	3,176	2,755	3,146
Managerial training	12,704	11,021	12,586
EHS, Quality	9,528	8,266	9,439
Mandatory/institutional training	9,576	8,290	9,439
Refresher training	6,352	5,510	6,293
Human rights and ethical aspects	6,352	5,534	6,293
Total	63,616	55,200	62,928

Partnership with the Liberia Maritime Training Institute

During 2019 a new challenge was launched to **encourage the employment of new engine trainees** from Liberia and, particularly from the Liberian Maritime Training Institute of Monrovia. The first two graduates joined the fleet as Engine Rating Trainees and successfully completed their assignments. The project will proceed in 2020 with 6 to 7 new openings for Liberian cadets.

The scenic campus of Liberia Maritime Training Institute, spread 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 market place 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

We are 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 seafarers role profiles. In 2019, **429 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 team-building 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. It helps in managing performance, 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 229 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, which require specific professional roles in their workforce as a result of the evolution of maritime professions.

Communication on board d'Amico vessels - Project with IED

At the beginning of 2018, the Fleet Director, stated his desire to involve the d'Amico Group in a creative project. **The aim of the project was turning the policies and statements applicable to the d'Amico and Ishima managed fleet into a graphic representation**, through a simple and clear communication style to transmit, more effectively and immediately, any relevant message to all crew members.

The HR Department decided to commission **the IED Institute of Rome** to carry out the project, a leader in design and graphic arts. This choice reflects our commitment to actively contribute to the development of younger generations, underlining our efforts in supporting training projects, cooperating with scholastic and academic institutions worldwide. The project, called "Communication on board d'Amico vessels", translated the policies and the relevant related statements into a graphical and more direct communication to all seafarers coming from around the world.

The focus has been on topics such as the Mission, Vision, Values, Quality Policy, Drug and Alcohol Policy, Occupational Health and Safety Policy, Safety and Pollution Prevention at Sea Policy, Environmental and Energy Policy, Onboard Security Policy and the MARPOL Convention.

The said policies have been communicated by creating illustrations (photos and graphics), with a secondary use of words and texts. Ten boards have been realised, each of them representing a policy with the related chromatic colour.

Many projects have been carried out by the students of the IED School, but only three of them have been selected as the most skilful, interesting and creative project deliverables, for which they received awards. The three students were invited to the Rome headquarters and presented the awards as part of a small celebration aimed at thanking the three students for their efforts.



Remuneration and performance assessment systems

SDGs

UN TARGET

ACTIVITIES AND KPIS



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.

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.

190

The number of employees who received a performance assessment during the year (91% of expected evaluation).

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 the d'Amico Group policies;
- coherent with one another.

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

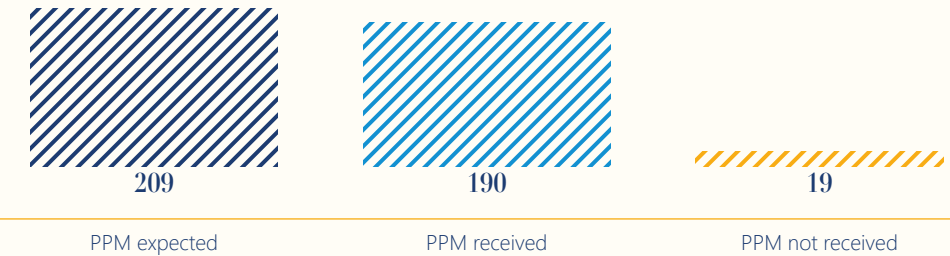
The Group's remuneration policies are based on:

- 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 considers the benchmarks offered by the sector at international level;
- internal equity: people must be remunerated based on 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 and/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.

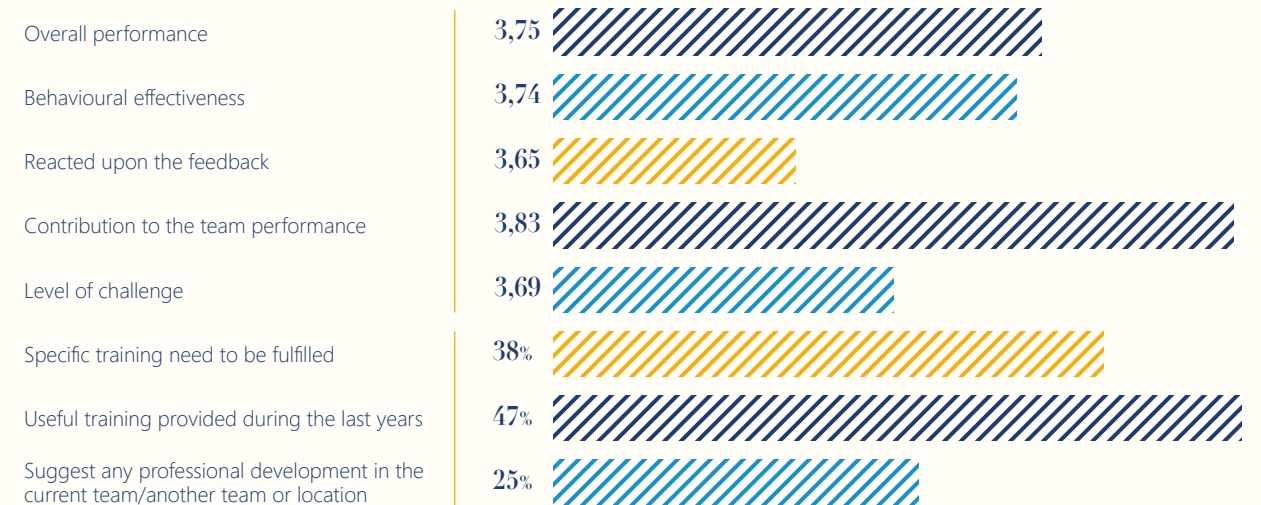
For seagoing staff, the Group's minimum reference salary is set by the ILO (International Labour Organisation) which sets the minimum salary every three years for the reference position, i.e. expert sailor, which is used as a benchmark for building the salaries of all the other positions.

91% of the staff subject to evaluation have been evaluated, with an overall performance of 3.75 on a scale of 1 to 5.

People Performance Measurement - 2019



Average grading - 2019



The form used for the People Performance assessments in 2019 has changed from the one used in 2018. It has remained substantially the same, but has been **more automated**, with new drop-down menus to facilitate the evaluators by offering them the possibility of selecting the gradings and their description directly from the menu.

The most relevant change, however, was the one in the first section, where in the previous PPM feedback form the various activities were described and assessed globally, while in the latest **version more space was given to individual initiatives** by giving a separate assessment for each one of them. This made it possible to obtain a more objective and coherent assessment in order to underline the quality level of the staff. It remains **very strong the focus on projects**, non-routine tasks, remarkable efforts i.e. implementation of new system, process improvement and enhancement / reinforcement of Group's main policy. At the same time great importance is given to the Group's expected behaviours particularly to tension to organizational targets based on multicultural approach, accountability, tension 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 recognising the loyalty of its onshore personnel, in the last two years the 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 over 109 employees**, around half of the total workforce, once again confirming 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.

Welfare system

SDGs

UN TARGET

ACTIVITIES AND KPIs



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.



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

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.

85

People between managers and employees take part in the smart working project, 100% of the staff of the Italian office.

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, i.e. additional leave for special family needs, for example, 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 in certain cases.

Special attention is also given to the state of **health** and the **preventive healthcare** for employees and their families. Depending on the location, the Company provides supplementary healthcare to employees and the members of their family. In addition to this, agreements with gyms and other centres are also provided, as well as the free supply of water, hot drinks, fruit or meal vouchers and tickets in certain countries.

The Group also organises **several recreational and entertainment initiatives**. These include events in which the Company supports charitable events such as:

- *Movember*, organised in the Singapore offices to support health and the treatment of certain pathologies specific to the male population;
- *Race for the Cure*, organised in Rome to support health and the treatment of certain female pathologies;
- *No Finish Line in Monaco*, a race in which each kilometre covered by our employees generates 1.20 euro which the Company then donates to charity. In 2019, 24 participants covered a distance of 634 km.

During the Christmas holidays, the Company organises a recreational get-together to exchange greetings. Employees and their families are invited as well as former employees who ended their professional careers in the Company.

Smart Working - The Smart Change Journey

Among the welfare and well-being initiatives, the Italian companies d'Amico Società di Navigazione S.p.A. and d'Amico Shipping Italia S.p.A. launched in October 2019 **the Smart Working - The Smart Change Journey pilot project**. By taking advantage of Italian Law 81/2017 (Art 18-24), which provides a regulatory framework and legal basis for the application of Smart Working, the HR Department has developed the necessary steps to implement it.

Modern technologies allow greater flexibility in the work environment, increasingly favouring the efficiency and productivity of enterprises and allowing **new and flexible models of work**. By doing this the organisation seeks to consolidate and strengthen its commitment to welfare initiatives and **better work-life balance**, in the belief that this can encourage greater staff motivation and therefore, through a greater level of engagement, also improvement in job performance.

An improvement in the worker's quality of life is noticed, the worker values the initiative of the companies and this in return attracts talents to the business.

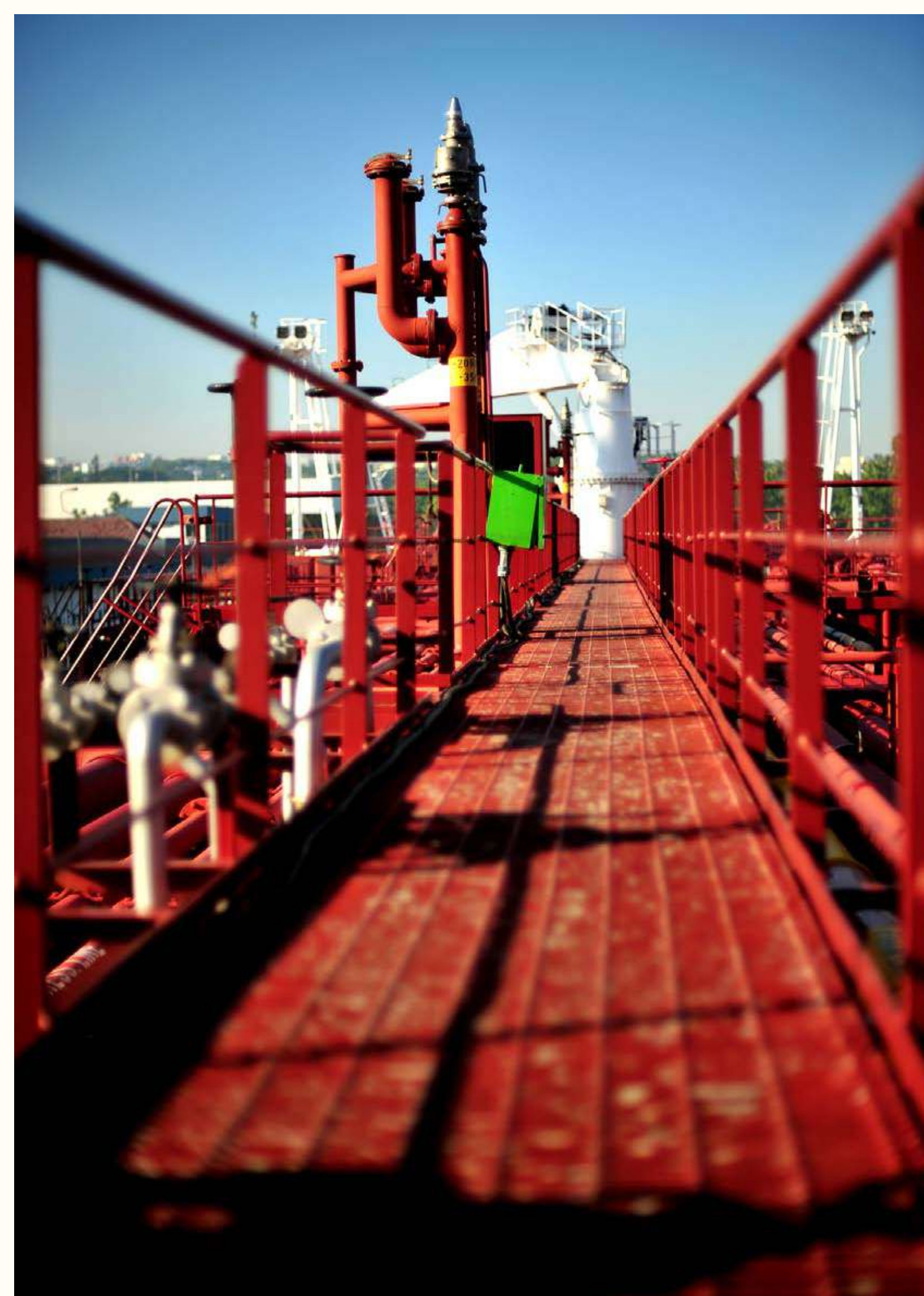
The Smart Working implementation process used an integrated approach which envisages planning, training, and communication aimed at supporting and driving the people in the **cultural changes of a smart approach**. Smart Working in fact ensures a work environment that facilitates more employee flexibility in terms of work organisation and effort, by relying on tools and technologies capable of guaranteeing productivity even outside of corporate offices. On the other hand, it shifts ever more significantly **the relationship between the employer and employee to a dimension of trust and management by objectives**, mitigating a strictly controlling approach.

These factors **support the strengthened Corporate Social Responsibility** strategy, expressing the full understanding and importance of both the **environmental and social aspects**. In fact, it offers advantages from an environmental perspective, contributing to the reduction of PM10 and NO2 emissions, energy consumption and traffic congestion by also saving money on transport and time on journey. In terms of employment terms and conditions, employees who agree to Smart Working are entitled to equal treatment and maintain the same obligations and duties; it does not affect the working hours as contractually established or the managerial and disciplinary power of the employer. The Company will make available to the employee the technological tools deemed necessary for job performance in the Smart Working scheme.

On completion of the Pilot phase, the HR Department will expand Smart Working to all offices of the d'Amico Group and consolidate it as the new form of working, by extending it also in terms of additional days during the month.

In terms of communication, we have also produced a tutorial video with the purpose of providing all the information to reassure employees so that they can activate and carry out remote work in the best possible manner, highlighting the Company policy and values, detailing the method for submitting the application, equipment and tools, as well as all safety advice.

15 managers and 70 employees participated in the pilot phase of the project.



Human rights

SDGs

UN TARGET

ACTIVITIES AND KPIS



16.1 Significantly reduce all forms of violence and related death rates everywhere

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

No reports were received regarding the conduct of violent and prevaricating behaviour in all the group's ships and offices

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.**

In 2019 d'Amico Group consolidated its policy on diversity and inclusion for individuals and, more generally, in respect of the **human rights to apply to both ship and shore personnel.**

One of the HR Group's main goals 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 the 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, and 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 special attention to its firm commitment to **respect human rights from a larger perspective.**

On board managed vessels, work and rest hours are timely and constantly monitored to avoid any breach of applicable regulations. The Company assure that all seafarers receive medical care during the whole service tenure and guarantee 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. The Group intends, soon, to extend the rules applied to shipboard personnel to ground personnel. 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 will not tolerate any kind of harassment and/or bullying, and employees are encouraged to report any instances immediately so that appropriate action can be initiated.



Clients

d'Amico Group contribution to the 2030 UN Sustainable Development Goals.

SDGs	Sections Of The Sustainability Report	Activities
	Complaints and reports.	<ul style="list-style-type: none"> Highest attention to the service offered, through qualified and trained staff, appropriate equipment, onboard inspections, process control and effective internal communications
	Communication to clients.	<ul style="list-style-type: none"> 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 5 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. The **Operations Department** instead, provides post-fixture support to the vessels, issues voyage instructions, ensures that the ships perform as per the charter-party agreements and also ensures the safe and efficient carriage and delivery of cargoes. The department supervises the disbursement of necessary funds, arranges for freight / hire / demurrage collection from charterers and, finally, arranges for the provision of the vessels with bunkers.

In addition to the above activities, the Group offers **technical ship management services** and support in 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 to our clients**. It focuses on:

- taking advantage of commercial synergies of both Dry cargo and Tanker business units;
- develop parallel procedures and working instructions;
- streamline operators' daily tasks;
- maximize operators' efficiencies.

The Global Ops is involved, together with Chartering, Technical, Performance Monitoring, SQE (Safety, Quality and Environment) and Legal, in several strategic meetings and acts as a reference point for dry and tankers 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 these
- **Emergency:** participating to Emergency Group Ashore, as well as being in the first line of contact and response for operations when accidents occur; participating to drill exercises organized by our SQE teams
- **Charter Party fulfilment:** assisting chartering department on the fleet employed 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 Operations activities
- **End of Month Accounting Closure:** coordinating and supervising end of month closure
- **Management of Commercial software**
- **Procedures/SQE manual:** reviewing and amending the documentation related to Operation processes, support during internal and external audits.



Business areas and clients

Dry Cargo

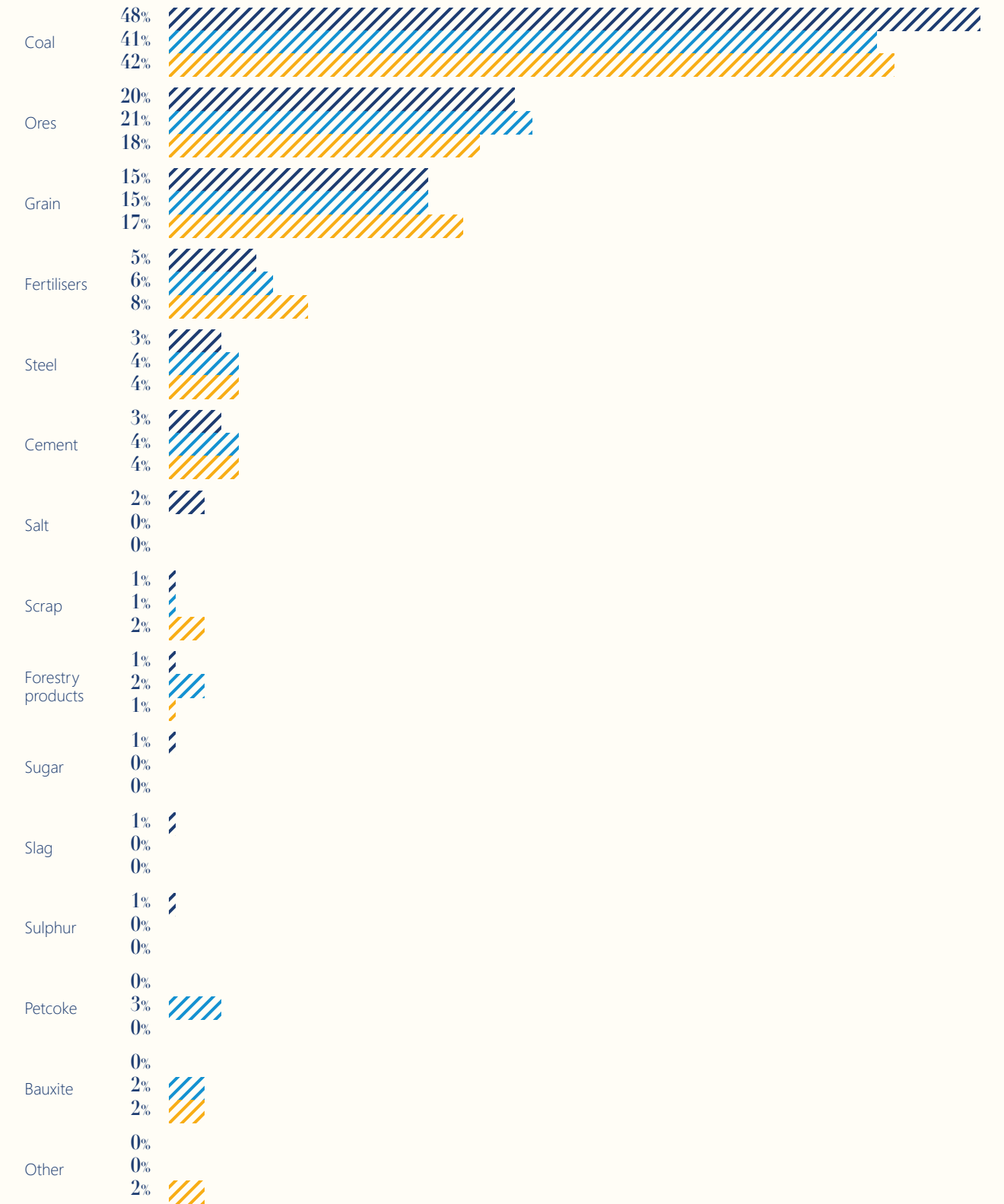
The Group operates in the dry-cargo shipping sector. **The raw material segments** of the shipping market in which the Group operates globally include the **grain, coal and ore sectors**, in which d'Amico boasts longstanding experience. **Other bulk commodities** may be added to these raw materials, such as fertilisers, cement, petcoke, steel products and steel pipes. This business also includes the transportation of **forestry products** from North America to ports on the Mediterranean, as well as from South America (primarily Brazil and Chile) to European and Asian ports.

These shipments are based on both long-term contracts with the major timber producers and spot contracts that allow the Group to maximise short-term opportunities presented by the market and to ensure highly flexible use of the fleet.



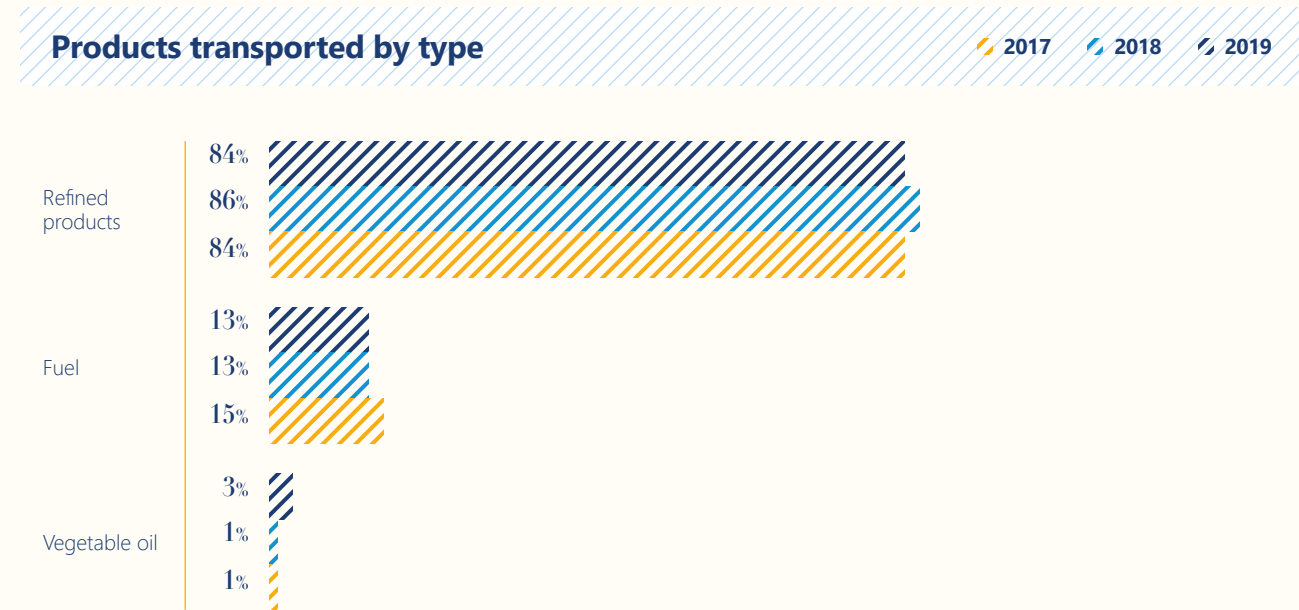
Products transported by type

2017 2018 2019



Product Tankers

The Group's tanker sector mainly deals with shipping **refined petroleum products**, providing maritime shipping services on a global scale to the major oil companies and commercial intermediaries. Pursuant to MARPOL/IMO regulations, cargoes such as palm oil, vegetable oil and some other chemical products may only be transported by IMO-classed tankers. As at **31 December 2019**, **74.2% of the fleet's vessels were IMO-classed, allowing the Group to transport a wide range of products.**



The major part of the product transported by the Company in tankers is represented by **refined products**, in particular: diesel oil, unleaded gasoline, naphtha and kerosene. Other refined product transported by the Group are easy chemicals, molasses, UAN and gasoline components.

Maritime services

Within the Group, certain companies perform **complementary and service-related activities** for the core shipping business in order to take advantage of common synergies. The services offered **benefit not only the d'Amico fleet, but also external clients**, and comprise, among others, **ship management, insurance brokerage and intermediation in ship fuel purchases** (bunkering).

The 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;
- management of legal and insurance issues.

Service quality

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 deficiencies;
- 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 undertake to work to meet the goals and to increase 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 the customer.

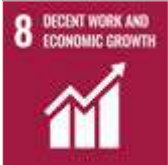
Furthermore, to collect annual feedback on the quality of the service offered, the Company meets its customers directly, through the sales department. The results of the meetings are collected in the management review and help identify the goals that d'Amico sets to continue improving the quality of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

Complaints and reports

SDGs

UN TARGET

ACTIVITIES AND KPIS



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

1 complaint received during 2019

22.2% the percentage of settled complaints on the total number of the still active complaints

The legal department is the office which is responsible for handling claims received from third parties and claims that the d'Amico Group brings against them. Complaints may be divided into the following categories:

- **cargo claim:** complaints usually regarding the quality or the quantity of the cargo;
- **charter-party disputes:** disputes arising from the contractual terms, for example from the charter contract;
- disputes relating to a Memorandum of Agreement for the sale of the ship (**MOA claim**);
- **ship underperformance disputes:** complaints 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 vessel's speed is lower and/or vessel's consumption is higher than those contractually agreed between the shipowner and the charterer, the latter is entitled to financial compensation.

CLAIMS BY TYPE¹⁷

	CARGO CLAIM	CHARTER-PARTY DISPUTES	DISPUTES RELATING TO A MEMORANDUM OF AGREEMENT FOR SALE OF THE SHIP	SHIP UNDER-PERFORMANCE DISPUTES	TOTAL
2017	12	2	1	0	15
2018	10	0	1	0	11
2019	9	0	0	0	9

¹⁷The complaints entered refer only to those received by the clients or still outstanding in 2019 and only to those above 50,000USD.

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


In 2019, 8 out of 9 are claims from previous years and still unresolved. Two of them, both regarding cargo claims, have been settled during the current year.

Moreover, in 2019, no commercial claims were received in relation to 336 spot voyages for tankers vessels. Instead, 7 claims related to customer nonsatisfaction has been received for dry vessels connected to 581 voyages in the spot market performed in 2019.



Khanh Hoa, Vietnam
N 12° 11' 45.899"
E 108° 59' 42.138"

Communication to clients

SDGs	UN TARGET	ACTIVITIES AND KPIS
	<p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	<p>+48% of the media publications compared to 2018</p>
	<p>16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements</p>	

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 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 annually in these kinds of events, especially in Asia, the US and Europe, to **strengthen existing business relationships and build new ones**. The d'Amico Group organises important **business and institutional events**, especially in Japan, Singapore and Stamford (USA), in order to facilitate communication with leading industry players and as a gesture of gratitude towards its partners. The Product Tankers business area, i.e. 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.

The Group also uses the web to provide customers and stakeholders with main 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 2019, there is an **increase of the media publications**, with 48% more published articles than 2018. 2019 was strongly influenced by two main factors: the capital increase of DIS (19% of the total) and the sales of a few dry and tankers vessels (27% of the total).

Community

d'Amico Group contribution to the 2030 UN Sustainable Development Goals.




SDGs	Sections of the Sustainability Report	Activities
 	<p>Participation in leading industry associations and organisations.</p>	<ul style="list-style-type: none"> 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
	<p>Participation in leading industry associations and organisations; d'Amico Group's commitment to community.</p>	<ul style="list-style-type: none"> Act in a systemic logic, to support local entities and associations, in order to develop a strong and cohesive infrastructure that allows greater achievement of the sustainable development, the d'Amico Group's and the community goals



d'Amico Group's commitment



Participation in leading industry associations and organisations

SDGs	UN TARGET	ACTIVITIES AND KPIS
	17.7 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	175,000 € disbursed as membership fees for Confitarma and for other associations in 2019, +83.76% since 2018
	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 have been appointed as chairmen over the course of its history and have been involved in significant moments for the Confederation. **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** has also played a key role in Confitarma. He is currently a member of the Executive Committee and for many years chaired the "Ship Operations" working group focused on safety on board merchant ships.

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** are 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.

BIMCO

The 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 controls about 65% of the world's tonnage, with members in 120 countries. In the past, Group executives have been members of the Association's technical committees.

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: the CEO of the Dry Cargo business area is a member of the Executive Committee, while the Deputy Technical Director is a member of the Technical Committee.

ESSF - European Sustainable Shipping Forum

Since 2017, the d'Amico Group has been an expert member of the Environmental Sustainable Shipping Forum (ESSF) with the Performance Manager as member of the Sub Group of Air Emission from Ships and since the end of 2019 also in the Sub Group Ship Energy Efficiency. The Forum was created to promote structural dialogue, the exchange of technical knowledge, cooperation and coordination between parties, with a view to **encouraging sustainable, competitive and quality shipping without compromising safety**.

ECSCA - European Community Shipowners Association

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

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 ECSCA (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 460 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. The d'Amico Group is now one of the Italian companies with the greatest presence in Singapore and has an office that represents the Company's hub in Southeast Asia.

d'Amico Group's commitment to community

SDGs

UN TARGET

ACTIVITIES AND KPIS



Training

Student Naval Architect Award

The Student Naval Architect Award is a **prestigious award** that has been **given for over 12 years to Genoa University students who have studied in the faculty of Naval Engineering** or in similar subjects and graduated with honours. The aim is to reward excellence in the field of naval engineering with a view to building the future of shipping. The 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.

IPE - Naples Institute for Research and Education

The second-level Master in Shipping organised by IPE (Institute for Research and Education) in Naples, is a unique educational programme in Italy. Its aim is to **train professionals and provide them with specific legal, economic and financial skills** (enabling them to plan activities in the transport sector, especially shipowners), expertise in industrial logistics, and broad knowledge of the rules and practices that govern access to foreign markets. The Master's programme boasts a 100% placement rate and is accessible annually through a scholarship provided by the d'Amico Group.

National Maritime College of Ireland - Cadets programme

The d'Amico Group has supported the National Maritime College of Ireland for over five years, offering 18 cadets the opportunity to board the vessels of the d'Amico fleet for 90 days each year. The new Navy officers can complete their education with a period of on-board training and receive the certificate of competency required for navigation. **Through its cooperation with the National Maritime College of Ireland, the 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 d'Amico Group has been an active member of the association since 2001. Since 2014, the 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

The 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 most needy populations and areas in which it operates - paying special attention to the protection of children and the most vulnerable.

Projects in Asia

Vietnam

In 2017, following the Damrey typhoon that struck the province of Khanh Hoa in Vietnam, the **d'Amico Group made donations to both the Khanh Hoa Provincial People's Committee and the Hyundai Vinashin Shipyard Co. shipyard** (where many

of d'Amico's product tankers vessels have been built) to help employees and their families rebuild their homes. In addition, the Group has made a further donation to the families of the 5 cities most affected by the typhoon and in the vicinity of the yard.

Philippines

Following the typhoon that devastated many areas in 2013, the **d'Amico Group made an important donation for the construction of ambulance boats for the city of Iloilo**. This was one of the areas most affected by the disaster and is home to some of the seafarers who work for the Group. At the beginning of 2014, d'Amico immediately helped the families of the Filipino seafarers and employees with a contribution to rebuild their homes.

Japan

Following the 2011 earthquake and tsunami off the coast of the Tōhoku region in northern Japan, which is still the most powerful ever recorded in the country, the **d'Amico Group made a significant donation to the "Italians for Tohoku" Association, directly supported by the Italian Embassy in Tokyo**. The association literally "adopted" the city of Rikuzentakata, which had been completely destroyed by the tsunami and is carrying out reconstruction projects thanks to fundraising activities.

Il Porto dei Piccoli (The Children's Harbour)

The **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 treatment, regardless of the pathology, and 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 over 14 years of activity and more than fifty thousand hours of initiatives, Il Porto dei Piccoli has assisted over thirteen 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 people affected by natural disasters and conflicts**. The 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 d'Amico 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, the 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, the 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 living a perfectly normal life.

Art and culture

The 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 a number of 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, the 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 **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.

Grimaldi Forum Monaco

The Grimaldi Forum Monaco is a landmark in Monaco's cultural life. It **organizes events that break the barriers between artistic disciplines**, hosting ballets, concerts, operas, festivals and exhibitions. For years, the d'Amico Group has contributed to the organization of art exhibitions.

FAI - Fondo Ambiente Italiano (Italian Environmental Fund)

d'Amico Società di Navigazione S.p.A. is part of "The 200 of FAI", **a group of generous sponsors who, together with their companies, support FAI** - Fondo Ambiente Italiano (Italian Environmental Fund) - in its mission to protect, care for and enhance Italy's historical, artistic and environmental heritage.

Association of Sea Museum Promoters - Galata Sea Museum of Genoa

The 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 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 S.p.A. It contains the bell that belonged to the transatlantic liner REX and other mementos given through a free loan to Genoa by the Company, bearing witness to the close bond between d'Amico and the city.

Vlissingen, Flushing, Netherlands
N 51° 26' 33"
E 3° 34' 24.995"

Environmental responsibility



Highlights

70%

of owned fleet compliant with EEDI phase II

ZERO accidents, spills and injuries in 2018 e 2019

-4.1%

reduction CO₂ emissions per nautical mile (2019 vs. 2017)

19.4%

low-sulphur bunker fuel: +3.5 p.p (2019 vs. 2018)

-1.9%

reduction of bunker consumption per nautical mile (2019 vs. 2017)

-3.3%

reduction SOX emissions per nautical mile (2019 vs. 2017)

-4.1%

reduction NOX emissions per nautical mile (2019 vs. 2017)

ROBOTICS TECHNOLOGIES for tanks inspection

CONDITION BASED MAINTENANCE

Certifications

ISO 14001

BS OHSAS 18001

ISO 50001

SINCE 2011

Fleet Performance Monitoring Departement for Energy Efficiency MANAGEMENT ON-BOARD

DIGITALIZATION OF RECORD BOOKS AND F.R.I.D.A PROJECT

Fleet Reporting Intelligence d'Amico

Environmental health and safety

d'Amico Group contribution to the 2030 UN Sustainable Development Goals.

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 policy; Environmental performance.	<ul style="list-style-type: none"> Renewal of "eco ships" fleet, in line with IMO directives, thanks to the implementation of innovative technologies Reducing travel between offices and increasing use of video conference and conference call systems
	Environmental policy; Workers' health and safety.	<ul style="list-style-type: none"> Protecting the health and well-being of employees by reducing occupational risks from exposure to hazards Preventing hazardous actions, injuries, illnesses, accidents to personnel, material and environmental damage Improving the safety of all employees by developing, most importantly, an internal culture of safety
	A fleet at the forefront; Fleet innovation and digitisation: smart fleet.	<ul style="list-style-type: none"> Projects aimed at improving vessel performance from an environmental perspective and in terms of onboard safety and efficiency
	Sea and Marine environmental safety.	<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 policy; Environmental performance.	<ul style="list-style-type: none"> Activities to raise awareness on climate change issues in personnel and the community Implementation of activities seeking to reduce harm to individuals 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 regards **environmental protection and respect for the environment as a mission**. Its environmental policy is a key reference point for its Integrated Management System and when adopting 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 sea 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 many goods and is constantly expanding, driven by the liberalization and globalization 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, since 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 Organization - IMO, which regulates this huge and diverse sector, irrespective of nationality.

IMO - International Maritime Organization

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 naturally international industry, shipping can only operate effectively if regulations and standards are agreed, 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**. Finally, IMO works towards supporting the United Nations Sustainable Development Goals, which the d'Amico Group has also adhered to.

The d'Amico Group 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. 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:

- **reduce 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;
- **reduce 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 scheme 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 - Resolution MEPC.278 (70);
- **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 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) 2012/33¹⁸ in European ports.

¹⁸ 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.

Environmental policy

SDGs	UN TARGET	ACTIVITIES AND KPIS
	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	In 2017 d'Amico Dry and d'Amico Tankers received the Green Flag Award for reduction of air and water pollution
	7.3 By 2030, double the global rate of improvement in energy efficiency	70% the percentage of 'Eco' vessels in the fleet of d'Amico Group
	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 tons/day of bunker saved by an 'Eco' vessel compared to a conventional vessel at same speed
	13.2 Integrate climate change measures into national policies, strategies and planning	1000 tons of air pollution avoided thanks to the Green Flag Programme

The d'Amico Group is committed to **managing the environmental aspects and improving energy performance as an integral part of its business**. To this end, 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 always have a minimum impact on the environment and in all places;
- protecting the marine environment;
- preventing pollution (goal: zero 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 to 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.

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 technical measures (EEDI¹⁹), to **ensure efficient ship design with respect to environmental impact, and operational measures** (SEEMP²⁰), 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 of goal planning, implementation of activities to achieve them, monitoring and measurements, continuous improvement and an operational efficiency indicator (EEOI²¹).

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 (BDN²²), 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. The aim is to improve information about ships' efficiency and encourage the reduction of emissions and fuel consumption.

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

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

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 (MARPOL Annex VI). **Today's challenge** for a shipping company such as the d'Amico Group is **to have a system that can constantly monitor the data gathered from automation and navigation equipment**, both manually and using sophisticated software on board its vessels.

¹⁹ Energy Efficiency Management Design Index.

²⁰ Ship Energy Efficiency Management Plan.

²¹ Energy Efficiency Operational Indicator.

²² Bunker Delivery Note.

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.



d'Amico Dry d.a.c. and d'Amico Tankers d.a.c. receive the Green Flag 2017 award

Green Flag is a programme promoted by the port of Long Beach that 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.

Environmental performance

SDGs	UN TARGET	ACTIVITIES AND KPIS
	7.3 By 2030, double the global rate of improvement in energy efficiency	0.0993 tons of fuel consumption per nautical mile
		0.3108 tCO ₂ emissions per nautical mile (-1.9% since 2017)
	13.2 Integrate climate change measures into national policies, strategies and planning	0.0057 tSO _x emissions per nautical mile (-3.4% since 2017)
		0.0057 tNO _x emissions per nautical mile (-1.7% since 2017)

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 enough 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 ashore 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 by inviting them to contribute** and offer their assistance in achieving specific goals and by periodically reporting on the results achieved.

d'Amico Group has also developed and is implementing two internal audits dedicated to environmental management. These audits are carried out on 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 confirm, and contribute to reaching, the highest standards in the vessel environmental management.

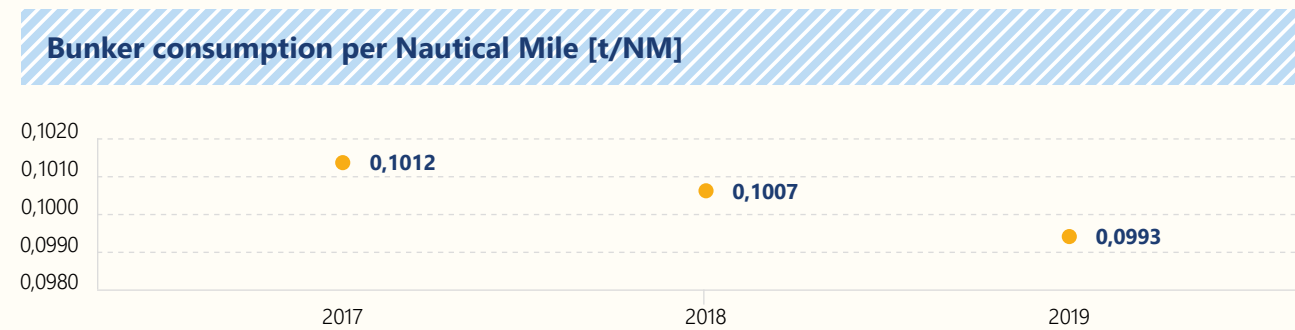
Energy consumption

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

Improved hull forms, **a more hydrodynamic bulb**, hull paints with very low friction coefficients as well as more aerodynamic shapes for the vessel's accommodations have also significantly reduced ship resistance in sailing conditions. Finally, the use of LED bulbs for on-board lighting allows a significant reduction in electrical power compared to ships with traditional lighting. The combination of these technical measures has led to a drop in d'Amico fleet's fuel consumption of about 6 tonnes per day/ship compared to previous-generation ships.

FUEL	2017	2018	2019	var. 18-19
Bunker [t]	268,422.4	279,003.4	279,476.3	+ 0.2%
Bunker per nautical mile [t/NM]	0.1012	0.1007	0.0993	- 1.3%

The increase in the consumption (0.2%) can be justified by the different number of vessels, different trade and different operations. In fact, the figure for bunker per nautical mile shows a **1.3% reduction in tonnes of bunker per nautical mile in 2019** (compared to 2017 the reduction was 1.9%).



Emissions

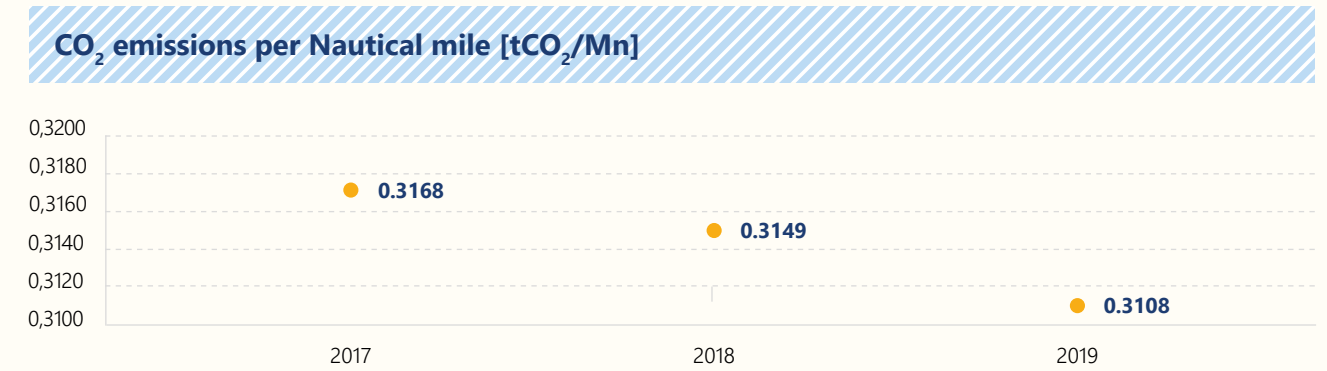
According to IMO International Maritime Organization, the main GHG emissions from shipping that should be monitored and then reduced are:

- CO₂ emissions
- SO_x emissions
- NO_x emissions

CO₂ EMISSION CALCULATION²³

2019 data on CO₂ emissions reflect the results obtained on fuel consumption savings. **Carbon dioxide emissions per nautical mile dropped by 1.3%** since growing in absolute terms less than proportionally with the increase in miles travelled (compared to 2017 the reduction was 1.9%).

EMISSIONS	2017	2018	2019	var. 18-19
CO ₂ emissions	840,265.0	872,888.0	874,512.4	0.2%
CO ₂ per nautical mile [tCO ₂ /NM]	0.3168	0.3149	0.3108	-1.3%

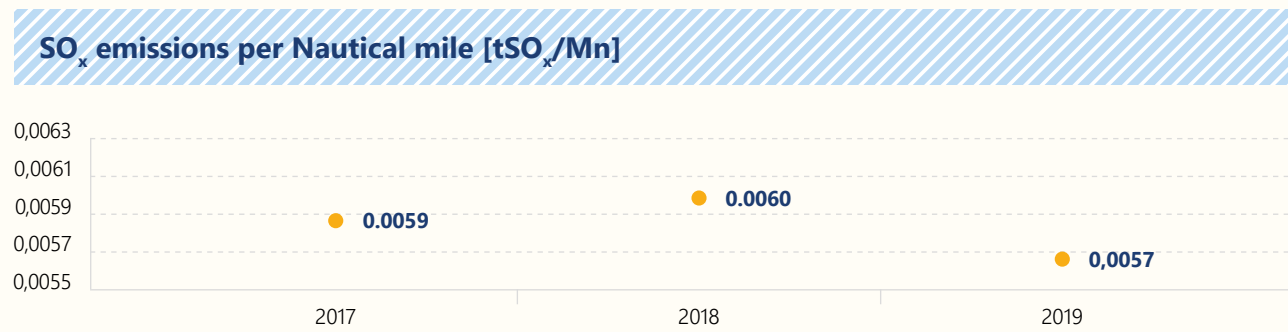


²³ In order to measure the CO₂ emitted in burning fuel, IMO provides the following formula: CO₂ [tonnes-CO₂] = CF [tonnes-CO₂ / MT] x Fuel consumed [MT], where CF is the Carbon Factor that is related to the different type of fuel. Detailed information can be found in the "Methodological Note" p. 159.

SO_x EMISSION CALCULATION²⁴

EMISSIONS	2017	2018	2019	var. 18-19
SO _x emissions	15,545.7	16,518.8	15,944.5	-3.5%
SO _x per nautical mile [tCO ₂ /NM]	0.0059	0.0060	0.0057	-4.9%

In 2019 sulphur oxides shows a reduction of 3.5% compared to 2018 that is related to the increase of use of low-sulphur fuel (+22.2%). If we compare the SO_x per nautical mile, we can see the total reduction of 4.9%.



NO_x EMISSION CALCULATION²⁵

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.

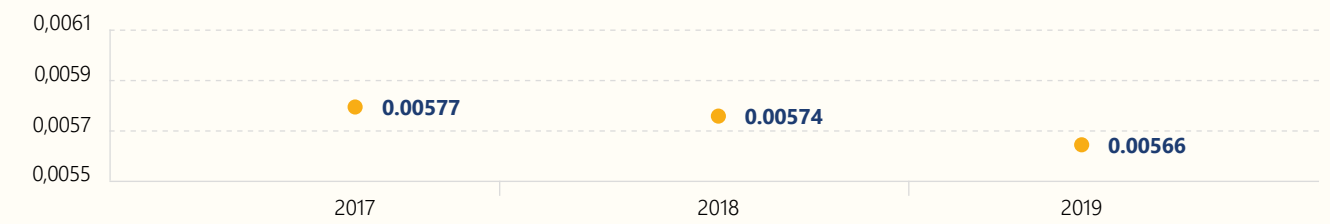
EMISSIONS	2017	2018	2019	var. 18-19
NO _x emissions	15,299.9	15,903.2	15,930.1	+0.2%
NO _x per nautical mile [tNO _x /NM]	0.00577	0.00574	0.00566	-1.3%

As a result, NO_x emissions show the same trend as CO₂ emissions, for which the same outcomes are valid.

²⁴In order to calculate the SO_x content in the fuel burned, the following formula has been used:
 $SO_x \text{ [tonnes]} = \text{Fuel Consumed [MT]} \times \text{Sulphur Content [\%]} \times 20 \text{ [kg/MT]/1000}$, 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. 159.

²⁵In the analysis, an approximative formula suggested by IMO has been used:
 $NO_x \text{ [tonnes]} = \text{Fuel Consumed [MT]} \times 57 \text{ [kg/MT]/1000}$, where 57 [kg/MT] is the average Emission Factor for NO_x. Detailed information can be found in the "Methodological Note" pp. 159-160.

NO_x emissions per Nautical mile [tSO_x/Mn]



INTERTANKO Guide on the Best Practice for Tanker Performance Monitoring

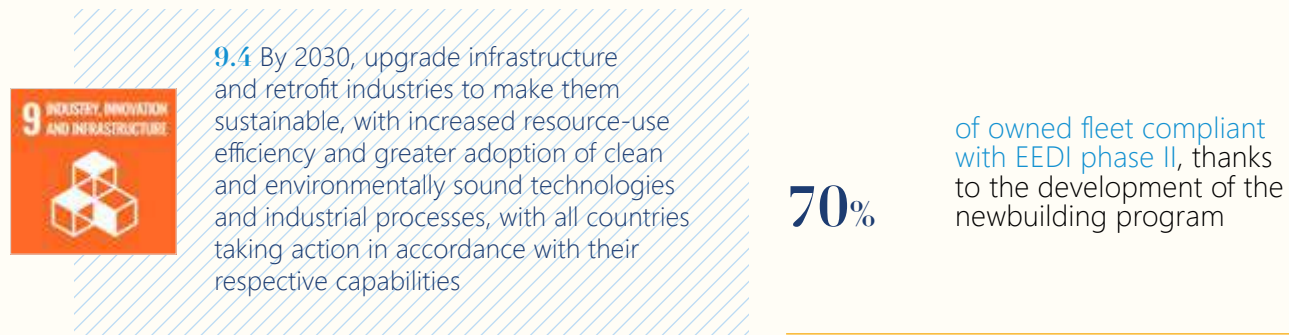
Through the participation of the Performance Monitoring Manager as Expert Member of the Intertanko Safety and Technical Committee (ISTEC) of the Performance Monitoring Working Group, d'Amico Group provided substantial support for the next INTERTANKO Guide on Best Practices for Tanker Performance Monitoring, which will be the **first performance monitoring guide for the entire shipping industry**.

A fleet at the forefront

SDGs

UN TARGET

ACTIVITIES AND KPIS



d'Amico Group's Eco-ships have an **extremely innovative and environmentally friendly footprint thanks to their design, construction decisions and the use of technologies that significantly reduce consumption and emissions.** These parameters are monitored by applying the ENERGY EFFICIENCY DESIGN INDEX (EEDI), i.e., the IMO reference index that expresses the ratio between "environmental impact" and "benefit for society", i.e., between "carbon dioxide emitted" and the "tonnes of cargo transported per miles travelled" (gCO₂/tonne-miles). IMO requires the technical efficiency improvement of ships, and therefore of EEDI, over 3 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**, which includes around 70% of the total number of vessels owned, **meets Phase II 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.

The main technical elements that contributed to achieving this result, with a **reduction of around 6 tonnes per day of fuel and, therefore, about 18 tonnes less CO₂ released every day into the atmosphere** at the same speed compared to previous generation ships, are highlighted in the following diagram.

Throughout 2019 d'Amico has prepared its fleet to use fuels with a sulphur content not more than 0.50%, as established by Regulation 14 of IMO MARPOL Annex VI effective from 1 January 2020.

The Technical Office of d'Amico Group has guided, prepared, amended and implemented change-over management procedures according to the constructor's recommendations, a detailed swap plan to 2020-compliant fuel, as well as specific **ship implementation plans in order to mitigate the risks associated with the transition and properly manage the use of new fuel.**

In January 2019, the Technical Office addressed the strategy to be adopted for the transition, defining as a first step the cleaning of storage tanks by using chemical additives at each bunkering operation in order to reduce asphaltene accumulated.

The strategy was decided after a positive pilot project conducted in 2018 on two pilot vessels.

The chemical treatment program was carried out for 7 months from February 2019 up to mid-September 2019 and was followed by a final inspection and manual cleaning before taking in the 2020-compliant fuel.

At the same time a **specific SIP** (ship implementation plan) **was implemented** according to the IMO MEPC.1/Circ.878 approved by class, **along with a risk assessment and project plan designed to properly coordinate all activities involving different stakeholders: Performance Dept, Operation Dept, charterers.**

All risks related to the transition were evaluated and mitigated by adopting and implementing:

- **specific change-over procedures** between different batch of 2020-compliant fuels;
- 1st full swap to 2020-compliant fuel defining the minimum time to start the change-over procedure;
- **compatibility** procedures;
- **additional lab analysis;**
- **standard** to be used to purchase the bunker;
- main engine cylinder lube oil to be adopted;
- **monitoring the progress of tank cleaning** on monthly basis which was centralized for the whole company in the Performance Dept;
- **specific training** on board and ashore.

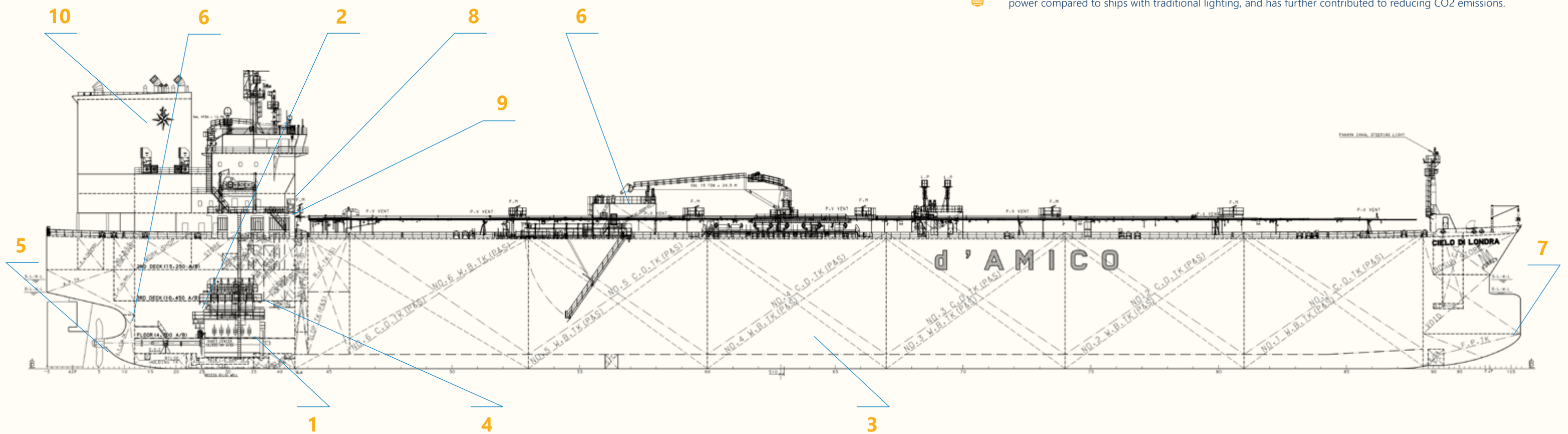
Several meetings were performed with charterers agreeing the best time to swap with the aim of reducing at the end of 2019 the ROB of bunker to 3.5% of S, which was supposed to be disembarked as sludge according to the IMO regulation by end of February 2020.

The entire fleet of d'Amico Group was 2020 compliant well in advance of the end of 2019.

The Deputy Technical Director of d'Amico, as a member of the INTERCARGO Technical Committee, provided an important contribution in the review of **the Joint Industry Standard: the supply and use of 0.50% - sulphur marine fuel.**

Profile of an Eco-ship

LR1 - M/T Cielo di Londra



LED Lighting

The use of LED bulbs in the vessel's accommodations and in the engine room has allowed a significant reduction in electrical power compared to ships with traditional lighting, and has further contributed to reducing CO2 emissions.

1 - De-rated and electronically controlled engines

Two-stroke engines with greater power than necessary, but de-rated and electronically controlled, on the one hand, lowers the specific consumption curve and, on the other, **reduces the revolutions x minute of the engine shaft, making it possible to combine with more efficient propellers.**

2 - IBTS** - Integrated bilge water treatment system

The installation of the integrated bilge water treatment system **reduces the production of bilge water**, separating oily residues from clean drains.

3 - Hull underside treatment

The use of hull paints with very low friction coefficients has made it possible to further **reduce hull resistance**. In addition, the use of the new "SELECTOPE" biocide technology has made the hull treatment **copper-free**, more **environmentally friendly** with **better performance against bio-fouling formation**, bringing the max idle time up to 45 days from the previous 21 days.

4 - Tier II Engines

The installation of TIER II engines **reduces NOx emissions from 17.0 g/kwh to 14.4 g/kwh.**

5 - Larger sized propellers

Coupling of propellers having larger diameters, enabled by a super-slow speed engine, **improves the propulsion efficiency.**

6 - WBTS* - Water ballast treatment system

The installation of the water ballast treatment system **prevents the introduction of invasive marine species contained in the ballast water into ecosystems** other than the one from which the ballast water was taken. To improve the stripping performance reducing the de-ballasting time, it was equipped with an ejector driven by a fire pump.

7 - Shape of hull

Improved hull forms and a more hydrodynamic bulb have strongly **reduced hull resistance and wind resistance.**

8 - Vessel quarters

More aerodynamic shapes for vessel accommodation have **significantly reduced wind resistance.**

9 - ODME - Oil Discharge Monitoring Equipment

Last generation of ODME meeting the requirement of IMO Resolution MEPC.108(49) as amended by MEPC.240(65), with the addition of acceptance for most of bio-fuel blends as defined in IMO Resolution MEPC.1/Circ.761


10 - ECGS - Exhaust Cleaning Gas System

The installation of a scrubber has the **primary goal of removing SOx from the exhaust stream** (main, auxiliary, boiler) generated from the combustion of a high sulphur fuel oil to achieve emission levels equivalent to ships consuming low sulphur fuel oil, either at 0.5% sulphur max or 0.1% sulphur max. In an open loop system, the acid content of exhaust gases is neutralized by washing the exhaust gases using the natural alkalinity of sea water.

* WBTS - Water Ballast Treatment System.

** IBTS - Integrated Ballast Treatment System.

Fleet innovation and digitalization: Smart Fleet

SDGs	UN TARGET	ACTIVITIES AND KPIs
	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	Digitalization of record books, big data analysis and CBM allow the Group to monitor, analyse and perform the operations efficiently
		30% of owned fleet applies a Condition-Based Maintenance approach
		25% of owned fleet applies an Electronic Log Book onboard
		150 managed vessels are currently monitored by the group to collect data

The fleet of the future will be “an ongoing digital conversation between its managers and fleet operator centres”. **Fleet managers will be able to analyze engineered data**, enabling them to advise the captain and crew on navigation aspects, 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 digitalization projects.

Robotics Technologies

The Company's first ROAV (remotely operated aerial vehicles), or drone, inspection of the cargo oil tanks 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 (CAP survey) for vessels that are more than 15 years old.

This type of inspection is usually conducted either using 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 with the close-up criteria and requires the thickness of the internal structures to be gauged according to specific guidelines and frequency.**

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 human risk factors presented by 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 undertake a quick and safe audit of the tanks, thereby allowing them to identify and more efficiently plan for any possible contact-based inspections.

For this purpose, the Technical Office mobilized an experienced two-man ROAV team, consisting of an ROAV pilot and 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 3 days, in comparison with rope access, which would usually take between 6 days for the same work scope and more than 12 days using staging with the VSL in service.

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

Presently, the possibility of also performing the periodic/statutory and occasional inspections remotely is being studied, in partnership with the Italian classification body.

CBM (Condition-Based Maintenance)

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, aimed at more flexible management of maintenance when changing 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.

During 2019 after the consolidation of the smart technologies adopted, the Technical Office was actively involved in reviewing the existing PMS manuals, integrating all condition monitoring tasks with the goal of obtaining approval of the CBM scheme by the classification entities.

The process is expected to be completed by the Q1 of 2020, by getting an additional class notation “PMS-CM” enrolling the approved scheme under a periodic audit by class surveyors.

Digitalization of record books (Electronic log book)

Digitalization of the majority of record books (oil record book part 1 and part 2, garbage record book, cargo record book, ballast management record book) **allows the Company to monitor, in real time, the operations performed on board for the proper handling and disposal of bilge water, sludge and waste produced.** 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 **a digitalization 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. Finally, 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 digitalize 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.** During the same time, it was decided to develop three additional modules: **ECS (environmental control system) log, Wilden Pump log and purifier de-slugging time log.**

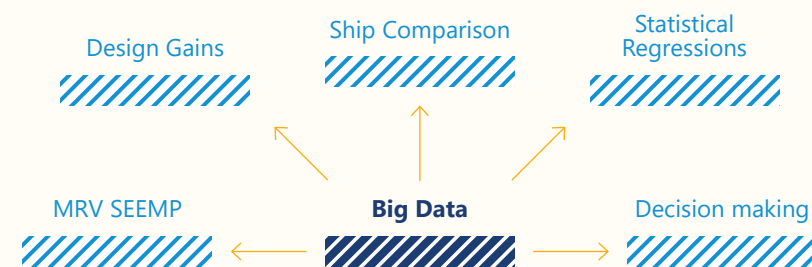
Big data analysis

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 roughly 150 ships (including owned vessels and those under JV, 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 5.5 million manual data are managed per year.** Furthermore, the Company uses specific software to manage 31 ships. The software receives signals for automation and navigation data every 5 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 low-friction anti-fouling paint;**
- **Validate the ship's performance model** by considering waves, wind, trim, draught and current;
- **Assess hydrodynamic efficiency.** Production levels of bilge and sludge by geographical area, days of navigation and season.

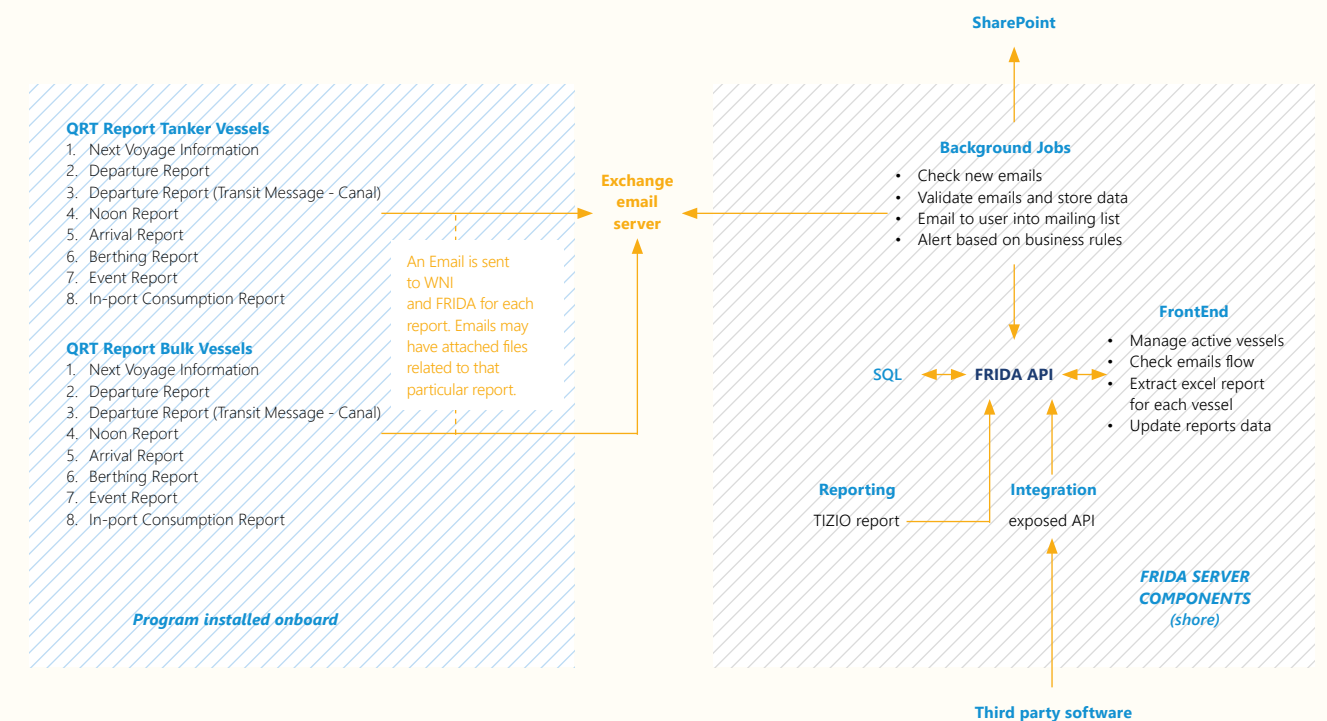


F.R.I.D.A. Fleet Reporting Intelligence d'Amico

A new database was developed inhouse that can **receive data directly from vessels and share it both internally with dedicated templates for each department and also externally with third parties.**

FRIDA can check each email received and also validate each single data point contained in the reports received. Future development will also include a complete system able to **create and manage automatically all the reports in order to comply with emission regulations as well as internal requests and needs.**

F.R.I.D.A. - Fleet Reporting Intelligence d'Amico



Sea and marine environmental safety

SDGs

UN TARGET

ACTIVITIES AND KPIS



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

Hazardous material inventories on all new constructions and soon 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

More than 80% of the d'Amico Group vessels own a ballast water treatment system

0 oil spills from the Group's vessels

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

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

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

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 could have been avoided if common sense and appropriate practices had been used are not tolerated on d'Amico fleet's vessels.

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

The 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 organization 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 program is to recognize 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.

Currently 19 vessels are enrolled in the QUALSHIP 21 and two of these have the 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 release of invasive species in ballast waters, in 2004 IMO adopted the first International Convention for the Control and Management of Ships' Ballast Water and Sediments.**

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 **guarantee the prevention of this type of pollution by its vessels.** In this respect, a dedicated **ballast water treatment system has already been installed in more than 80% of the ships owned** well in advance of the compliance date established by either IMO or by the US federal code; all new buildings are provided with this equipment, while the installation on the remaining ships will be completed in conjunction with the next dry docks.

Ship maintenance

d'Amico Group's ships and their machinery and equipment are maintained to always **ensure full reliability and extremely high efficiency**, and so that commercial operations in port and navigation are performed in compliance with highest safety criteria, in accordance with applicable rules and regulations. All maintenance plans are approved by classification societies and therefore are an alternative to continuous machinery surveys and supported by a computerized 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:

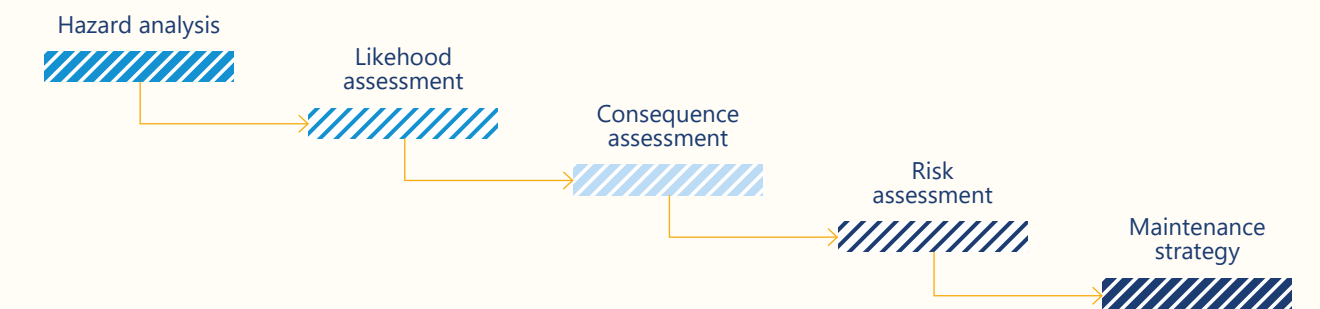
- **select critical machinery that, if suddenly damaged**, could put the ship or its crew in a situation of imminent danger or could seriously affect the safety of navigation and the protection of the environment.
- **identify all critical spare parts that immediately restore machinery to working order**, should there be any failure. In addition to critical spare parts, the Company has also defined optimal spare parts that are implemented based on considerations relating to ship trade, material delivery times and 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 vessels.** This approach is a best practise and in line with the requirements of the shipping industry (TMSA).

The maintenance model has a process-based management which defines inputs, outputs and performance indicators for each process. The most important indicators that are monitored on a quarterly basis are:

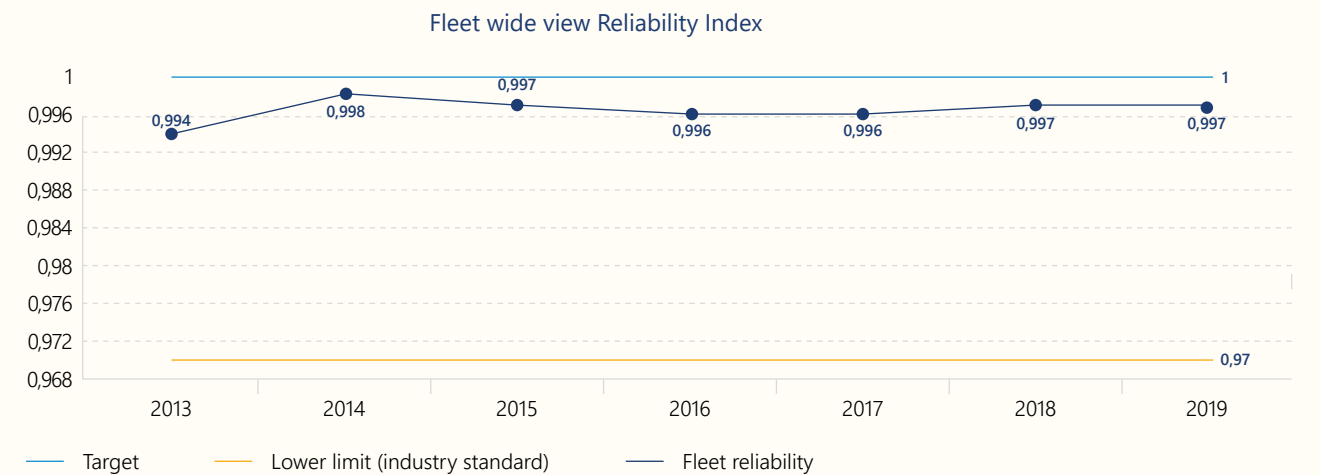
- Fleet reliability;
- Fleet availability;
- Outstanding maintenance tasks on critical machinery;
- Outstanding maintenance tasks on non-critical machinery;

- The number of failures on critical machinery as a percentage of total failures;
- The number of unplanned maintenance tasks as a percentage of total maintenance tasks;
- Drydock planning performance;
- Number of sailing inspections/total number of inspections.

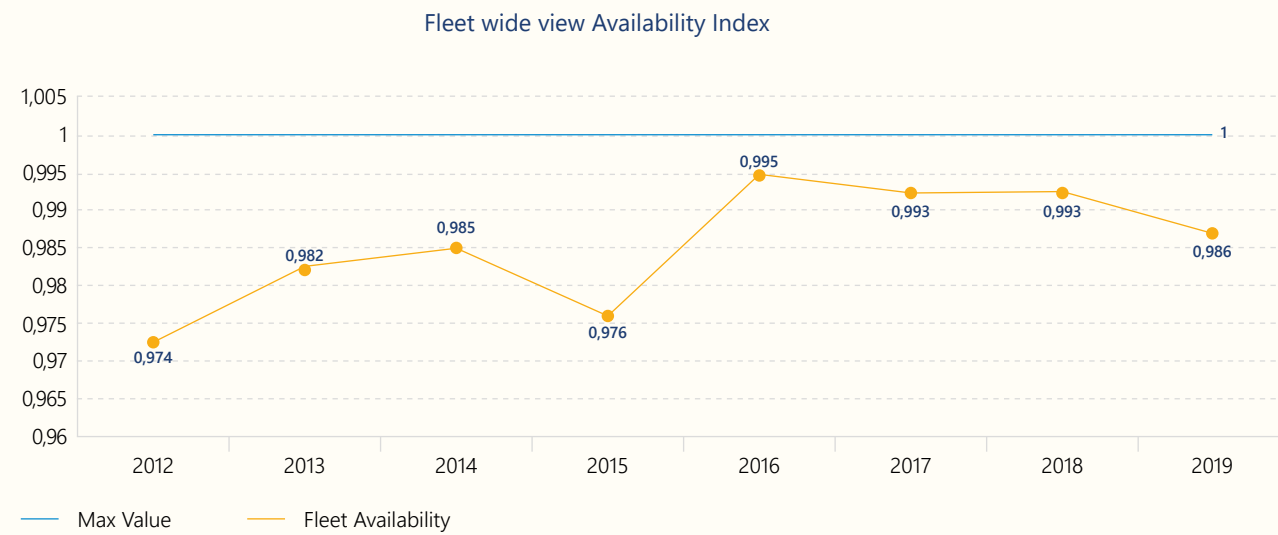
Fleet **reliability and availability**, since 2011 have been well above industry standards confirming **the excellence of the Group's maintenance strategies.** The reduction in outstanding maintenance tasks on critical equipment since 2011 confirms the growing attention paid to the management of on-board critical systems.



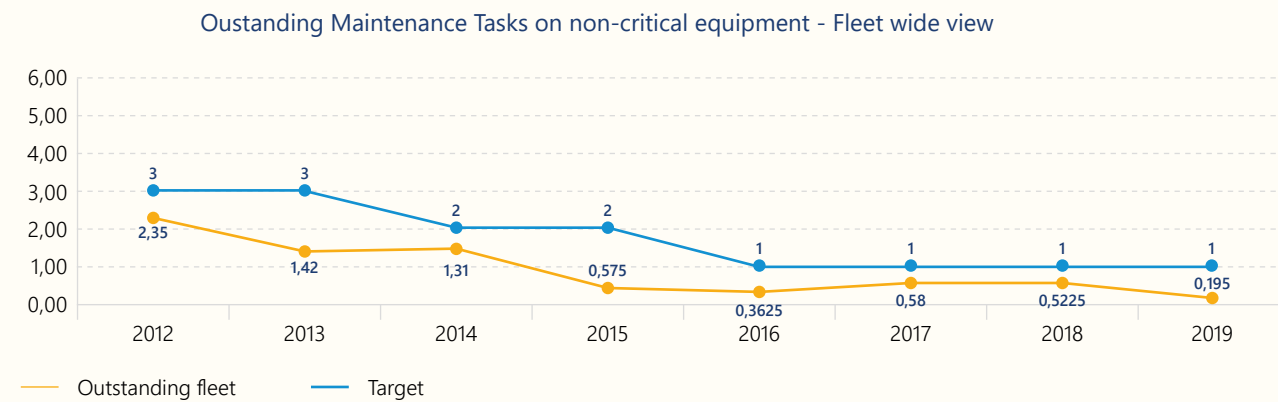
Fleet Reliability



Fleet Availability



Outstanding Maintenance Tasks on non-critical equipment



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.

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 and/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, maintenance standard levels are high, as well as in order to verify any need for maintenance of machinery, equipment, structures and technical systems essential for safety and environmental protection, the Company has planned visits and periodic inspections which are conducted during navigation with onshore personnel. 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 painstaking 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 log book) and engineering requirements (oil-to-sea interface, ECS, critical spare parts, etc). Key focus on the "CODE 6" equipment in terms of functional/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 new technologies (ELB) **the Technical Office is now able to perform part of the audit remotely**, with specific reference to the spot verification of the daily sounding log, oil record book part I, seals log and production/disposal data for bilge, sludge and garbage.

The environmental audit is now part of the routine vessel inspection with the aim of ensuring the highest environmental compliance at each level, surpassing industry standards.

Waste management

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 accordance with IMO/MARPOL 73/78²⁶.

This procedure is part of d'Amico's environmental policy, which uses a combination of complementary techniques to achieve more environmentally friendly results, such as:

- **Reduction of waste generation** at 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 below²⁷.

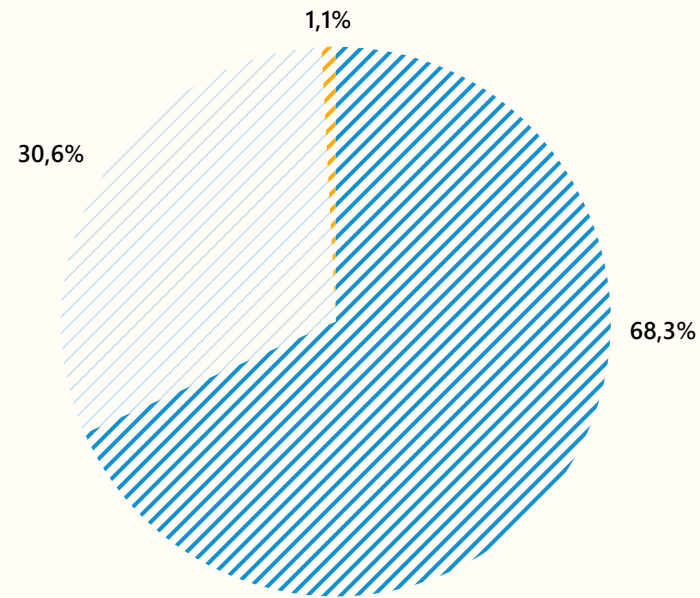
In 2019, d'Amico Group changed categories to report the waste produced on board according to the revised MARPOL Annex

²⁶ Resolution IMO MEPC.71 (38) for implementation of Annex V.

²⁷ Estimated figure.

V. For this reason, no comparison is possible with previous years, due to a completely different method for aggregating and categorizing waste. **Today, the reported data is aligned with the official Garbage Record Book**, so in the future we will be able to better analyse the trends.

Waste - 2019



▨ Discharged at sea
 ▨ Disposed ashore
 ▨ Incinerated

Ship recycling

To prevent damaging practices when dismantling and recycling end-of-life ships, **the International Maritime Organization (IMO)**, in agreement with the International Labour Organization (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 onboard 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 on board a verified Inventory of Hazardous Materials (IHM) and a Statement of Compliance, 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 is preparing inventories for 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. The Group's Ship Recycling Process is continually updated during material purchase phases and during replacement and repair activities in the dock.

Workers' health and safety

SDGs

UN TARGET

ACTIVITIES AND KPIS



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

0 injuries in 2018 and 2019

The health and safety of its workers is of key importance to the 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 BS OHSAS 18001 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;**
- Applying 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 comply with applicable legal requirements** and with other requirements endorsed by the d'Amico Group and which are 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.

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

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



Health and safety performance

The special attention paid by d'Amico to occupational health and safety issues and management allowed the **number of accidents to drop to zero in 2018 and 2019**, improving the already excellent performance of 2017.

ACCIDENTS	2017	2018	2019
FREQUENCY INDEX ²⁸	0.07	0	0

Incident²⁹ 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 of 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 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 arriving at 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 organization'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 organizational and industry policies;
- Respond to legal, regulatory, organization, 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.

²⁸ 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.
²⁹ Collision, contact, grounding, non-accidental structural failure, fire, and explosion.

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 which has better respected the following criteria. The Best Vessel of the Year award goes to the vessel which during the year has followed the best practices becoming an example for all other vessels.

Safety Culture:

- No. of Best Practices
- No. of Lost Time Injuries on board
- No. of 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
- No. of Non-Conformities per vessel
- No. of 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
-



Environmental, health and safety management at facilities

SDGs	UN TARGET	ACTIVITIES AND KPIS
	7.3 By 2030, double the global rate of improvement in energy efficiency	2,922 per employee the consumption of electricity in the group sites KWh
	9.e 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
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	26,104 the consumption of paper in 2019, -10.6% from 2017 Kg

d'Amico Group's commitment to the management of environmental, energy saving and occupational health and safety issues is also applied in its offices across the world.

The Group obtained the following certifications: **ISO 9001** related to quality, **ISO 14001** related to the environment, **ISO 50001** for energy management and **BS OHSAS 18001** related to health and safety.

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 3 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, for the Rome offices, an agreement was signed with Ecof Italia for the collection of separate waste.

d'Amico Group has also started to collect environmental and 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.

These are the first results for the three-year period 2017-2019.

HSE DATA	2017	2018	2019	var. 18-19
Consumption of electricity [kWh]	724,742	717,580	683,709	-5.7%
<i>KWh per employee</i>	2,899	2,929	2,922	0.8%
Consumption of paper [Kg]	29,197	27,565	26,104	-10.6%
<i>Kg of paper per employee</i>	116.8	112.5	111.6	-4.5%
Number of injuries to employees (>1 day of absence, excluding injuries in transit) [n]	0	0	0	-
Total number of lost days [n]	0	0	0	-
Loss of business time due to infrastructure failure	0	0	0	-

Economic responsibility

Atlantic Ocean
N 13° 34' 54.916"
E 38° 19' 13.123"

Highlights

Euro
725.3
 million
 Economic Value generated

Euro
603.8
 million
 Economic Value distributed to stakeholders

SELECTION OF SUPPLIERS

ACCORDING TO QUALITY
 AND ENVIRONMENTAL CERTIFICATIONS

VESSELS COMPLIANT
 WITH IMO/MARPOL
 REGULATIONS

USD
1.2
 billion invested
 between 2013 and 2019
 in 40 newbuildings Eco-ships

d'Amico Group contribution to the 2030 UN Sustainable Development Goals.

SDGs	Sections Of The Sustainability Report	Activities
	Economic value generated and distributed; The supply chain.	<ul style="list-style-type: none"> The d'Amico Group recognizes the importance of a balanced distribution of the value generated by its activities to its stakeholders
	The supply chain.	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> d'Amico is accountable and transparent with all institutions at all levels

Market trend and performance of the d'Amico Group

Dry Cargo

The dry cargo market was extremely volatile during 2019 due to various elements that determined its performance, such as:

- **Low global growth:** economic growth stood at 3% (source: IMF) or at the levels of 2008-2009 and particularly there was a general contraction of industrial production at a global level;
- **Uncertainty linked to developments in the trade war between the United States and China:** trade flows have been strongly impacted and weakened by trade pressures (in particular, the export of grain from the United States to China);
- **Government incentive programs for Chinese infrastructure:** the construction and real estate sector recorded double-digit growth that supported the steel industry and the demand for iron ore.

The reference indices for the sectors in which the d'Amico Group operates decreased during 2019 compared to the previous year: respectively by 4% (Panamax 4TC average), 13% (Supramax 10TC average) and 17% (Handysize 6TC average).

Thanks to the quality of the d'Amico Group fleet, both in terms of design and in terms of performance, the flexibility achieved through arbitrage policies and a consolidated commercial network, **the Company was able to make the best use of the market in its most positive phases and achieved an improvement in average TCE (Time Charter Equivalent)** - the indicator of average daily revenue of a ship during single voyage. Compared to 2018, a 28% increase was recorded for the Capesize segment, 21% for the Panamax/Kamsarmax segment, 13% for the Supramax segment and 10% for the Handy segment.

Product Tankers³⁰

Clean product tanker markets in Q4 2019 performed well on the back of sanctions on selected entities of COSCO (the world's largest tanker owner), Venezuelan-related issues, a tanker attack in the Middle East, a typhoon in Japan and scrubber retrofits, all of which contributed to the large earnings spike in the crude sector. This resulted in some of the larger product tankers switching into the crude and DPP markets – according to various brokers' reports around 16% of LR2s and 6% of LR1s made the transition into these markets in Q4 2019, reducing effective fleet supply in the clean petroleum markets. **The resulting contraction in the number of vessels available for clean trades, provided strong support to product tanker freight rates going into Q1 2020.** January saw acceptable returns before rates softened in the first half of February as a result of the Covid-19 lockdown in China, which led to a sharp contraction in refinery runs, with planned maintenance brought forward for some facilities.

The breakdown of OPEC+ negotiation in early March and ensuing brief trade war, as well as the softening of lockdown measures in China, contributed to an increase in product tankers freight rates especially in Asia and the Middle East. The lower oil prices not only reduced bunker costs, improving TC equivalent earnings, but also opened new arbitrages, with Naphtha becoming competitive relative to LPG as a feedstock for the petrochemical industry and being transported over very long distances, from the Middle East or Europe to Japan. **The market was also flooded with crude oil, contributing to a spike in earnings for crude tankers, as more oil was being transported and as onshore tanks quickly filled-up and floating storage increased.** Due to the strength in the crude markets another 10% of LR2s and 6% of LR1s switched into to the crude and DPP markets in Q1 2020, further tightening vessel availability for clean trades.

In early March, just as Chinese economic activity was starting to recover, the western hemisphere started imposing severe restrictions on the freedom of movement of individuals, resulting in an additional large downturn in demand

³⁰ Those comments refer to the d'Amico International Shipping S.A. Q1 2020 Financial results.

for products. Spot freight rates in the Atlantic initially suffered from the lower refining volumes, but as land storage filled up and the contango steepened, the increase in floating storage of refined products and the increase in port congestion, eventually reduced effective supply so much that freight rates started rising rapidly in almost all routes, reaching unprecedented levels by the end of April 2020.

The one-year time-charter rate, which is always the best indicator of spot market expectations, gradually strengthened throughout 2019, ending the fourth quarter of 2019 at around US\$ 16,500 per day and US\$ 18,500 per day for conventional and Eco MRs, respectively. During the first two months of 2020 period rates softened slightly. However, by the end of the quarter and going into Q2 rates had improved to levels we have not seen for a very long time. The assessed one-year rate for a conventional and Eco MR2 are of over US\$ 20,000 and US\$21,000, respectively.

Maritime services

The companies that provide "maritime services" both within the Group and to third parties have continued to expand, substantially confirming the turnover and positive results achieved in previous years. The company Ishima Pte Limited provides technical support services on vessels owned by the d'Amico Group and third parties. **It closed its financial statements with a significant increase in its profit, reaching around EUR 6.3 million.** Intermediation activity in relation to bunker fuel purchases, managed by the company Rudder with its subsidiaries, closed 2018 positively, thus contributing to the consolidated result.

Lastly, the company Sirius Ship Management S.r.l. closed its financial statements **with a profit of approximately EUR 400 thousand** from its crew management and training activities.

ICT strategy

Over the past years, the Group's ICT systems were involved in a series of changes, both in terms of systems and application. **New management systems have provided d'Amico with new and powerful tools to better face global competition.** The aim was to optimise daily activities, both in terms of efficiency and productivity, and to consolidate information between various departments through the use of more accurate and immediate tools.

During 2019 the ICT Department's activities were primarily focused on the start-up of the new server infrastructure on the Microsoft Azure platform. In the first half of the year, the planning analyses were conducted, achieving full operations in June.

For the purpose of effectively supporting the collection of vessel performance data, an internal Data Warehouse system was created, which aggregates the large databases and produces statistical analyses and reporting for internal and external operating departments.

The Company unceasingly worked to fight against and prevent cyber-crime with the support of technological instruments, external consultants and training activities. A very high level of protection has been achieved; currently the Bitsight perimeter protection ranking is equivalent to that typical of financial companies. During the year, all the inspections by financial auditors, Customers or Rating Companies provided fully satisfactory results.

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 as a result of a **significant reduction in fuel consumption and emissions.**

In January 2019, the M/T Cielo di Houston, a new LR1 "Eco" tanker ship built by the South Korean shipyard Hyundai Mipo Dockyard Co. Ltd., was delivered at its Vietnamese shipyard Hyundai Vinashin Shipyard Co. Ltd.

In October 2019 the M/T Cielo di Londra was also delivered, a new "Eco" type LR1 tanker ship built by the South Korean shipyard Hyundai Mipo Dockyard Co. Ltd. at its Vietnamese shipyard Hyundai Vinashin Shipyard Co. Ltd.

Significant events since end of the period and business outlook

The recent outbreak of **Covid-19** has significantly reduced global growth expectations for 2020 with Capital Economics forecasting a figure of just 2.0% as at 9 March 2020.

Dry Cargo

In January 2020, the Phase 1 trade agreement was signed between the United States and China, after difficult negotiations that marked the dry cargo market throughout 2019 and immediately after the oil price war between Saudi Arabia and Russia, which has severely shaken global markets.

Subsequently, in conjunction with the Chinese New Year, **the explosion of the COVID-19 pandemic completely changed the commercial scenario**, marking an immediate setback of unprecedented proportions.

The negative impact of COVID-19 on the growth of the world economy has worsened with the passage of time and the increase in the restrictive measures introduced by the various countries, and the estimates of Chinese and global GDP growth have undergone significant downward revisions. In March, Chinese industrial production, the main driver of the dry cargo market, experienced the first collapse since 2008. More generally, **the pandemic led to a revision of the estimates of combined growth in demand for raw materials in bulk from an initial 2% to a contraction of 2%, subject to a recovery in economic and production activities** in the second half of the year.

To partially offset the disruptive effect on this demand, orders for new ships are at historic lows, below 10% of the fleet currently active in all segments in which d'Amico Group operates (8% for the Kamsarmax segment, 6% for the Supramax segment and 3% for the Handy segment). This structural signal enables us to be optimistic about the prospects for 2021, when demand will recover (due to both economic stimuli for the construction sector and the general need to replenish normal levels of iron ore and coal stocks) in the face of very low numbers of new ships under construction. Moreover, with such a challenging market all operators expected a strong increase in scrapping. Instead, due to the lockdown in all countries of the world and the impossibility of making crews changes, almost no vessels were scrapped.

More generally, **by 2020 a couple of quarters of strong volatility are still expected on the spot market, with negative effects on the buying and selling activities**, which will then lead to a structural rebound linked to the return of demand (in many cases stronger than the previous forecasts due to the many incentive and liquidity plans introduced into the system by central banks around the world). In particular, **with the recovery of production activities** in China and **the maintenance of export levels by raw material producers** in Brazil, Australia and Indonesia, **the stimulus package developed by China would be highly positive for the dry cargo market** and would also allow the absorption of a possible surplus of ore and coal linked to the slowdown in other countries through the price reductions that are taking place.

Product Tankers³¹

The IMF estimates in their April 2020 report that **due to the negative effects of the measures to control the spread of the**

COVID-19 pandemic, the global economy will contract sharply, by 3 percent in 2020, much worse than during the 2008–09 financial crisis. Assuming the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalises.

According to the IEA, global oil demand is expected to fall by a record 9.3 million b/d year-on-year in 2020. The impact of containment measures in 187 countries and territories has been to bring mobility almost to a halt. **Demand in April is estimated to be 29 million b/d lower than a year ago**, down to a level last seen in 1995. For 2Q20, demand is expected to be 23.1 million b/d below a year-ago levels. The recovery in 2H20 will be gradual; in December demand will still be down 2.7 million b/d year on year.

Also according to the IEA, **global oil supply is set to plunge by a record 12 million b/d in May, after OPEC+ forged a historic output deal to cut production by 9.7 million b/d from an agreed baseline level.** Additional reductions are set to come from other countries with the US and Canada seeing the largest declines. Reduction in non-OPEC output could reach 5.2 million b/d in 4Q20.

Refinery runs have also fallen sharply, with some refineries such as NNPC in Nigeria having closed their refinery capacity completely from April. **Refinery utilisation in the US as at end of April 2020 is down to around 65% vs 93% earlier this year.**

Onshore tanks are at almost full capacity and crude and product forward prices are in steep contango, prompting charterers' interest in floating storage. **According to Kpler, as at mid-April 2020, close to six million tonnes of clean petroleum products was being stored on product tankers.** The definition of storage is ships identified by tracking systems that are laden and are waiting in excess of seven days to discharge. Floating storage and port congestion due to ullage problems are keeping tonnage supply incredibly tight and are expected to keep freight rates at very high levels near-term.

As demand for oil eventually recovers and the forward oil price curve flattens and eventually moves into backwardation, **floating storage is expected to start unwinding, increasing effective fleet supply and putting downward pressure on freight rates.**

In its latest outlook, **Clarksons' has lowered product tanker demand growth down to 2.2% and nominal fleet growth down to 1.1%, from 5.0% and 2.4% respectively.** They believe the short-term product tanker market outlook is subject to significant uncertainty, but that eventually there is the clear potential for extensive refinery run cuts and a sharp fall in global oil demand to negatively impact the seaborne products trade.

³¹ Those comments refer to the d'Amico International Shipping S.A. Q1 2020 Financial results – Business outlook.

Economic value generated and distributed

SDGs

UN TARGET

ACTIVITIES AND KPIS



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

EUR 725.3 MLN the total value generated by d'Amico Group

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

EUR 102.5 MLN the economic value distributed to employees in 2019



16.2 Develop effective, accountable and transparent institutions at all levels

EUR 1.4 MLN the economic value distributed to Public Administration in 2019

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.

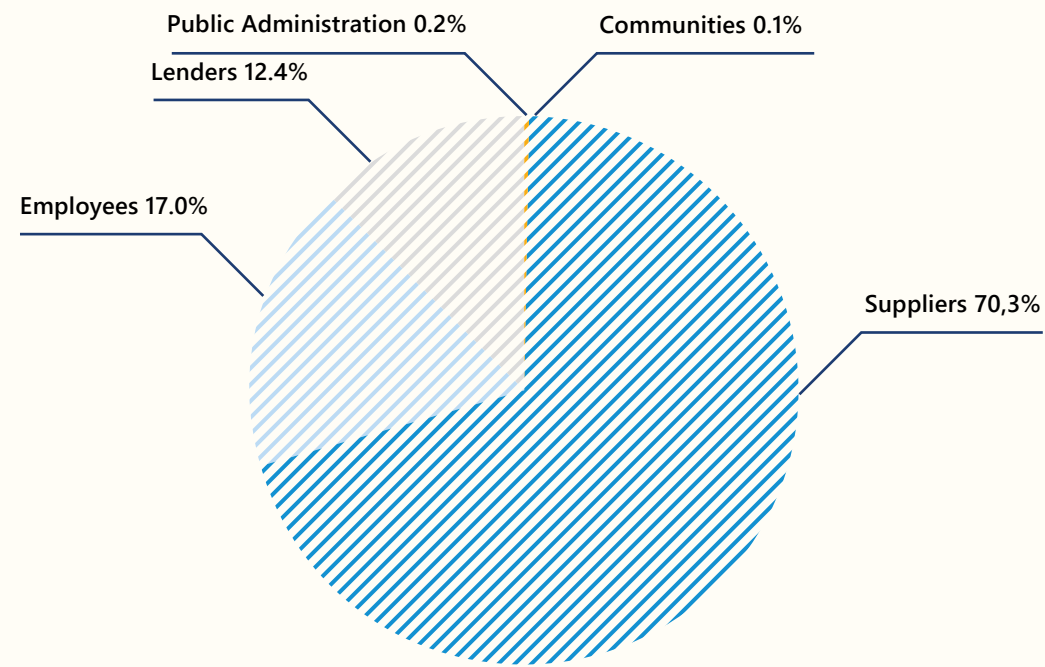
ECONOMIC VALUE GENERATED AND DISTRIBUTED	2017	2018	2019
<i>(thousands of Euros)</i>			
Economic value generated	729,382	778,769	725,331
Revenue from sales (shipping and services)	678,694	711,038	696,880
Other revenue (disposal of fixed assets)	20,719	161	4,443
Financial income	29,969	67,570	24,008
Economic value distributed	647,542	681,352	603,844
Suppliers	490,042	507,901	424,556
Employees	104,096	104,060	102,537
Lenders	42,691	61,196	74,999
Public Administration	6,295	3,941	1,387
Shareholders (dividends distributed during the year)	4,000	4,000	0
Community (donations, sponsorships and trade associations)	418	254	365
Economic value invested in the company	81,840	97,417	121,487

The **Economic Value generated** by the Group as at 31 December 2019 amounted to **EUR 725.3 million** 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).

The **Economic Value distributed** by the Group as at 31 December 2019 amounted to **EUR 603.8 million**, divided among the following stakeholders as detailed below:

- **to suppliers approximately EUR 424 million**, 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 102.5 million**, consisting of wages, salaries, social security and welfare charges and defined-contribution plans;
- **to lenders approximately EUR 74.9 million**, as bank interest on short and medium/long-term loans;
- **to the Public Administration approximately EUR 1.4 million** for direct and indirect taxes and duties;
- **to community EUR 365 thousand** in the form of donations, gratuities, sponsorships and registration fees to trade associations;
- **to shareholders no dividends were distributed during 2019.**

2019 - Economic value distributed [%]



Lastly, the Economic Value invested by the Group amounted to EUR 121.5 million as at 31 December 2019 and consisted of amortisation and depreciation, write-downs and provisions to ensure business continuity and sustainability.

The supply chain

SDGs	UN TARGET	ACTIVITIES AND KPIS
	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	EUR 424.6 MLN the economic value distributed to suppliers in 2019
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	100% the Group's suppliers compliant with ISO 9001 and ISO 14001 certifications 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.

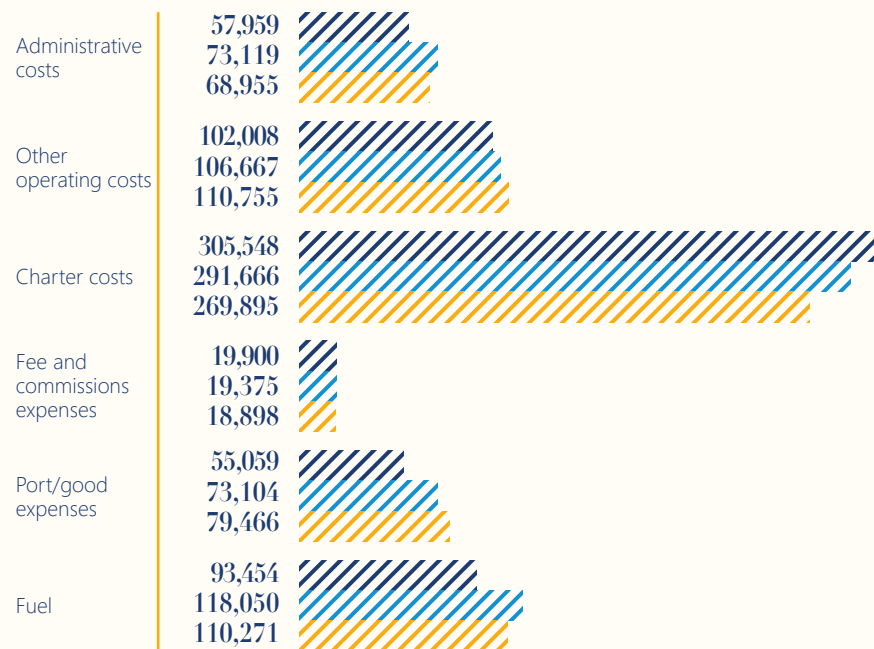
The following table describes orders by type.

SUPPLIES BY TYPE* (thousands of Euros)	2017	2018	2019 ³²	2019 IFRS 16
Direct operating costs (of which)	589,285	608,862	575,969	457,761
<i>fuel</i>	110,271	118,050	93,454	93,454
<i>port/goods expenses</i>	79,466	73,104	55,059	55,059
<i>fee and commission expenses</i>	18,898	19,375	19,900	19,900
<i>charter costs</i>	269,895	291,666	305,548	113,166
<i>other operating costs (such as technical expenses, ship management, insurance)</i>	110,755	106,667	102,008	176,182
Administrative costs	68,955	73,119	57,959	56,409
TOTAL	658,240	681,981	633,928	514,170

*The following data differs from the "economic value distributed to suppliers" in the previous chapter. In fact, these values also include costs related to supplies, such as administrative and financial costs, which in the calculation reported on the previous pages, are redistributed to other Group of stakeholders, such as lenders and public administration.

Supplies by type (thousands of Euros)

2017 2018 2019



³² To facilitate comparison with previous years, these values do not consider the change in the IFRS 16 accounting standard.

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 to consumption and energy efficiency.**

Supplier assessment

The products and services purchased are checked by contractually defined type, quantity and quality; any defects are also checked. 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 checks 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/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, only by way of example, damages arising from application of the sanctions set out in above Italian Leg. Decree no. 231/2001, as subsequently amended and/or supplemented.

Methodological note

The d'Amico Group's Sustainability Report for the year ended 31 December 2019 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 Environment, Health and Safety - specifically in the paragraphs Environmental impact and regulatory framework and Environmental policy - 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 Relevant topics for sustainability 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 2019. Instead, for the analysis of the ashore personnel, the reporting perimeter only concerned the staff of d'Amico and Ishima (246 employees), compared to the consolidated total of 307 employees.

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	Suppliers	-	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 2019 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, BS OHSAS 18001 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	C _F (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.

NO_x emissions are related to the type and speed of engine; the calculation was made according to the following values given by the IMO.

IMO Tier	Eng speed/type	Fuel type	SFOC ME/Aux	ME EF _{baseline} (kg/tonne fuel)	Aux eng EF _{baseline} (kg/tonne fuel)	Reference
0	SSD MSD HSD	HFO HFO HFO	195/na 215/227 na/227	92.82 65.12 na	na 64.76 51.10	ENTEC, 2002 ENTEC, 2002 ENTEC, 2002
1	SSD MSD HSD	HFO HFO HFO	195/na 215/227 na/227	87.18 60.47 na	na 57.27 45.81	IMO Tier I IMO Tier I IMO Tier I
2	SSD MSD HSD	HFO HFO MDO	195/na 215/227 na/227	78.46 52.09 na	na 49.34 36.12	IMO Tier II IMO Tier II IMO Tier II
all	Otto	LNG	166	7.83	7.83	Kristensen, 2012
na	GT	HFO	305	20.00	na	IVL, 2004
na	STM	HFO	305	6.89	na	IVL, 2004

Notes: GT - gas turbine; STM - steam boiler

- **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 2019 were reported, where significant.
- **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 document contains contact details to receive further explanation and clarification of the information contained therein. The 2019 Sustainability Report was approved by the Board of Directors at its meeting of 17 November 2020.

GRI Content Index

GENERAL INFORMATION	Page/ Direct response	Any omissions and reasons for omission
ORGANIZATIONAL PROFILE		
102-1 Name of the organization	cover	
102-2 Activities, brands, products, and services	pp. 10; 22-25; 92-94	
102-3 Location of headquarters	pp. 18-19	
102-4 Location of operations	pp. 18-19	
102-5 Ownership and legal form	pp. 20-21; 26	
102-6 Markets served	pp. 18-19; 148-151	
102-7 Scale of the organization	pp. 52; 146	
102-8 Information on employees and other workers	pp. 55-58	
102-9 Supply chain	pp. 155-156	
102-10 Significant changes to the organization and its supply chain	in 2019 there were no significant organizational changes	
102-11 Precautionary Principle or approach	pp. 30-35; 114-115; 122-123; 126-132	
102-12 External initiatives	pp. 102-107	
102-13 Membership of associations	pp. 102-107	
STRATEGY		
102-14 Statement from senior decision-maker	p. 9	
102-15 Key impacts, risks, and opportunities	pp. 112-113	
ETHICS AND INTEGRITY		
102-16 Values, principles, standards, and norms of behaviour	pp. 10-13; 28-35	
102-17 Mechanisms for advice and concerns about ethics	pp. 28-30	
GOVERNANCE		
102-18 Governance structure	pp. 26-27	
102-21 Consulting stakeholders on economic, environmental, and social topics	p. 38	
102-22 Composition of the highest governance body and its committees	p. 26	
102-23 Chair of the highest governance body	p. 26	
STAKEHOLDER ENGAGEMENT		
102-40 List of stakeholder groups	p. 44	
102-41 Collective bargaining agreements	pp. 62-64	
102-42 Identifying and selecting stakeholders	pp. 38; 44-48	
102-43 Approach to stakeholder engagement	pp. 38; 47-48; 98	
102-44 Key topics and concerns raised	pp. 39; 45-46	
REPORTING PRACTICE		
102-45 Entities included in the consolidated financial statements	pp. 20-21	
102-46 Defining report content and topics and topic Boundaries	pp. 38-39; 158-160	
102-47 List of material topics	pp. 39-43	
102-48 Restatements of information	pp. 74; 133-136; 160	
102-49 Changes in reporting	pp. 66-69; 71; 83; 88-89; 120-121; 143	
102-50 Reporting period	p. 158	
102-51 Date of most recent report	2019	
102-52 Reporting cycle	annual	
102-53 Contact point for questions regarding the report	p. 164	
102-54 Claims of reporting in accordance with GRI Standards	p. 158	
102-55 GRI content index	pp. 161-163	
102-56 External assurance	none. The Group has considered the possibility of obtaining assurance for the next Sustainability Reports.	

SPECIFIC INFORMATION	Page/ Direct response	Any omissions and reasons for omission
ECONOMIC PERFORMANCE		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 148-151
103-3	Evaluation of the management approach	pp. 148-151
201-1	Direct economic value generated and distributed	pp. 152-154
ANTI-CORRUPTION		
103-1	Explanation of the material topic and its Boundary	pp. 39; 41; 158-160
103-2	The management approach and its components	p. 28
103-3	Evaluation of the management approach	p. 28
205-3	Confirmed incidents of corruption and actions taken	no corruption episode in 2019
ENVIRONMENTAL ENERGY		
103-1	Explanation of the material topic and its Boundary	pp. 39; 41; 43; 158-160
103-2	The management approach and its components	pp. 114-129
103-3	Evaluation of the management approach	pp. 117-129
302-1	Energy consumption within the organization	p. 118
302-3	Energy intensity	p. 118
302-4	Reduction of energy consumption	p. 118
302-5	Reductions in energy requirements of products and services	pp. 122-129
BIODIVERSITY		
103-1	Explanation of the material topic and its Boundary	pp. 39; 41; 158-160
103-2	The management approach and its components	pp. 130-132
103-3	Evaluation of the management approach	pp. 130-132
304-2	Significant impacts of activities, products, and services on biodiversity	pp. 130-132
304-3	Habitats protected or restored	pp. 105-106
EMISSIONS		
103-1	Explanation of the material topic and its Boundary	pp. 39; 41; 158-160
103-2	The management approach and its components	pp. 114-125
103-3	Evaluation of the management approach	pp. 114-125
305-1	Direct (Scope 1) GHG emissions	p. 119
305-5	Reduction of GHG emissions	pp. 114-119
EFFLUENTS AND WASTE		
103-1	Explanation of the material topic and its Boundary	pp. 39; 43; 158-160
103-2	The management approach and its components	pp. 135-136; 142-143
103-3	Evaluation of the management approach	pp. 135-136
306-2	Waste by type and disposal method	pp. 135-136
306-3	Significant spills	pp. 130-132. No spills in the past three years
ENVIRONMENTAL COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 32-35
103-3	Evaluation of the management approach	pp. 32-35
307-1	Non-compliance with environmental laws and regulations	no non-compliance with environmental laws and regulations in 2019
SUPPLIER ENVIRONMENTAL ASSESSMENT		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 155-157
103-3	Evaluation of the management approach	pp. 155-157
308-1	New suppliers that were screened using environmental criteria	p. 157

SOCIAL	Page/ Direct response	Any omissions and reasons for omission
EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 54; 69-71; 82-86
103-3	Evaluation of the management approach	pp. 54; 69-71; 82-86
401-1	New employee hires and employee turnover	pp. 64-65
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 85-86
OCCUPATIONAL HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 137-140
103-3	Evaluation of the management approach	pp. 137-140
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 139. The group is working to collect all the data necessary for the calculation of the indicator
TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	pp. 39; 42; 158-160
103-2	The management approach and its components	pp. 72-84
103-3	Evaluation of the management approach	pp. 72-84
404-1	Average hours of training per year per employee	pp. 72; 74; 78
404-2	Programs of upgrading employee skills and transition assistance programs	pp. 82-84
LOCAL COMMUNITIES		
103-1	Explanation of the material topic and its Boundary	pp. 39; 43; 158-160
103-2	The management approach and its components	pp. 104-107
103-3	Evaluation of the management approach	pp. 104-107
413-1	Operations with local community engagement, impact assessments, and development programs	pp. 104-107

Credits

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For more info about d'Amico Group sustainability:
<https://en.damicoship.com/> | csr@damicoship.com |  | 