



Sustainability Report
2016

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CHIEF EXECUTIVE OFFICER'S LETTER

Since the company was founded, sustainability has been a key factor. It is crucial therefore that we continue along this path with the third Sustainability Report, showing all the measures implemented in favour of the environment and the satisfaction of our Stakeholders, the results and future goals.

2016 opened with an important change aimed at coping with the expansion strategy and aligning our corporate structure to those of major international players in the industry. In fact, Lefay Resorts SRL, following the transfer of the property ownership management of the Gargnano Resort into a new company, Lefay Resort Garda SRL, has become a Management Company. In addition, during the course of the year, the planning activities continued for the second Resort located in the Dolomites, the worksite of which is expected to open in 2017.

Also in 2016, the total CO₂ emissions produced by our business activity and their complete compensation were re-confirmed, thus making Lefay Resorts 100% Carbon Neutral for the third year running. From the point of view of economic data, the Resort further improved its performance with a 6% increase in total turnover and a 10% increase in the operating margin compared to 2015. Again in 2016, the Resort surpassed the threshold of 50 international awards since it opened, culminating in February 2016 with the award "Worldwide Health & Wellness Destination" at the prestigious "World SPA & Wellness Awards".



Our company has always demonstrated its commitment to sustainability by obtaining important environmental certifications at an international level, such as ISO 14001, Green Globe and Ecocert's "Being Organic & Ecological SPA", which made Lefay SPA the first organic and ecological certified SPA in Italy. A path reconfirmed by the launch of the new Lefay SPA Cosmetic Line, which is Vegan OK and Cruelty Free certified.

It is also important to note the way this document has been drawn up in compliance with the latest Global Reporting Index (G4) protocol, the most stringent reporting standard in the world, and verified by the independent TÜV SÜD certification institute.

With the new Sustainability Report, fully revised in its graphic layout, we intend spreading a responsible and innovative business culture in the awareness that future-bound relationships will be a source of inspiration for all the people who accompany us everyday along this path.

Liliana Leali – Chief Executive Officer Lefay Resorts

OUR STORY



1980 - 1989

Domenico Alcide Leali, after graduating in Economics and Management, began working in the family group, the "Acciaierie e Ferriere Leali Luigi". He oversaw management and financial aspects of the group. Acquired experience and continued corporate responsibility resulted in Domenico Alcide Leali being appointed as Chief Executive Officer of the Leali Group in 1987 and as President in 1995.

1989 - 1992

Together with his wife Liliana, a graduate in Architecture, in 1989 Domenico Alcide founded the Air Dolomiti Airline with the aim of offering connecting flights from major Italian airports to important European destinations.

1992 - 1999

Air Dolomiti soon attracted the attention of major industry operators: in 1992, a partnership agreement was signed with Crossair, a pioneer in Europe's regional transport, and in 1994 with Lufthansa, the German flagship company. Thanks to the agreement with the German carrier, Air Dolomiti entered the world's largest alliance, the Star Alliance. The partnership with Lufthansa was strengthened in 1999, when the latter acquired share capital in Air Dolomiti.

1999 - 2003

In 2001, a new growth phase started for Air Dolomiti which went public and its fleet was expanded with new regional jets. The Air Dolomiti experience ended successfully in March 2003, when Domenico Alcide Leali decided to sell the Company to Lufthansa.



2006 - 2008

After achieving world-renowned accolades with Air Dolomiti, the entrepreneurial couple decided to launch an innovative brand in the luxury wellness landscape through the creation of high-end hospitality facilities featuring unique locations, low environmental impact, cutting-edge wellness and integrated service management. In 2006, Lefay Resorts was founded. In 2008, the first property of the Collection was opened, Lefay Resort & SPA Lago di Garda, in Gargnano on the Brescia shore of Lake Garda.

2013

Lefay Resort & SPA Lago di Garda continued to enhance the experiences offered to Guests: in 2013, the Royal Pool & SPA Suite (featuring a total area of 600 square metres) and the new Meeting Area were introduced.

2014

Lefay Resorts presented its first certified "Sustainability Report".

2016

Lefay Resort & SPA Lago di Garda soon obtained major international awards that culminated in 2016 in the award as "Worldwide Health & Wellness Destination" at the prestigious "World SPA & Wellness Award 2016". In early 2016, to best meet the group's expansion strategy, Gargnano's real estate property and management were transferred to a new company (Lefay Resort Garda SRL), transforming Lefay Resorts SRL into the Management Company.

2017

The construction of the second Resort of the collection begins, the Lefay Resort & SPA Dolomiti.

INTRODUCTION TO THE SUSTAINABILITY REPORT

Sustainability means developing a business model designed to achieve economic and financial results, while fully respecting the environment and promoting the development of local areas and the professional growth of the company's Staff.

To clearly and transparently communicate our commitment to our stakeholders in Italy and abroad, since 2014 we have summarised in the Sustainability Reports, published annually, the significant achievements of the Lefay Resorts Group. In the reports we have highlighted the expected improvement targets in coming years, to make it a real tool for managing and reporting environmental, social and economic sustainability.

The Sustainability Report 2016 is thus the third, and like that of 2015, it follows the internationally recognised "Global Reporting Initiative, sustainability reporting framework 4" guide. The GRI application level is G4 "in accordance CORE" and has been verified by TÜV Italia. Unlike the others, however, this is called upon to describe the new corporate structure, considering that the activities carried out until 2015 by a single company, in 2016 were carried out by two distinct entities following the spin off to Lefay Resort Garda SRL of the company branch relating to the real estate property and management of the Gargnano Resort. It was however decided to keep the Report in line with that of

the previous years and therefore only consider the data of Lefay Resort Garda SRL within the document (in recent years it had been decided not to consider those of the Corporate headquarters because they were not significant) to continue with a comparison of data and a consideration of trends. At the end of the document, an Addendum has been added, which instead shows the data relating to Lefay Resorts SRL, Management Company.

The complete Assurance Report is published at the end of this document. By engaging its stakeholders, Lefay Resorts has endeavoured to understand their expectations and has identified those on which the activities of the company impact in a significant manner.

The main impact is exercised in the following areas:

- Staff and Guests' satisfaction;
- Reduction of the environmental impact and development/promotion of the local area;
- Achievement of one of the highest economic performances of the industry.

For each impact, specific indicators in the Global Reporting Index, described in the document, were selected.

Compared to 2015, the sources of data and the rate of collection remained unchanged, in particular:



- The 2016 Sustainability Report refers to the period 1st January – 31st December 2016 and subsequently will be published annually.
- The results of the global satisfaction of Guests are updated annually on the basis of a monthly analysis of the completed surveys.
- Energy and water consumption figures are updated yearly on the basis of the monthly readings taken by the maintenance department and refer to Lefay Resort & SPA Lago di Garda, while the consumption figures of Lefay Resorts are to be found at the end of the document in a specific Addendum.

- The calculation of CO₂ emissions is updated every year and validated by TÜV Italia. Monitoring activities began in 2011, while the first year when 100% of emissions were offset was in 2013. When the emissions are calculated, Lefay Resorts purchases CERs, which are required to fully offset of the annual emissions.
- The Report also shows the data of the previous years, to provide evidence of past trends, in the event the methods of calculation are the same, and to compare data.



KEY FIGURES FOR 2016

49.000
overnight Guests

60%
of the Staff is local

16.382.000
€ turnover
(+ 6% vs. 2015)

-3%
of CO₂ tons produced
by the Property compared to 2015

137
Resort Staff members

100%
offset CO₂ emissions

95%
Guests' level of satisfaction

2
new environmental certification for Lefay SPA
Cosmetic Line "Vegan OK" and "Cruelty Free"

26%
repeater Guests

7
awards received among which "World SPA
& Wellness Awards" as "Worldwide Health &
Wellness Destination"



01

NEW LUXURY

“Dedicated to those who are willing to look beyond things,
to those who love to get lost and find themselves again.”

VISION & MISSION



VISION

“To create places of our dreams.”

MISSION

“To become the Italian reference brand in the international market of luxury wellness holidays through the creation of a collection of eco-resorts according to the Italian style and living and the new Lefay concept of luxury.”

CORPORATE VALUES

NEW LUXURY

We believe that the concept of luxury is being re-defined and is becoming more and more focused on aspects such as space, nature, silence, time for oneself, discrete service but still with great attention to detail.

GLOBAL WELLBEING

A wellbeing which embraces the entire holiday experience, wide spaces, both indoors and outdoors, the harmony of the architectural integration, the natural materials used, the “Vital” Mediterranean diet and above all the Lefay SPA Method wellness philosophy are all expressions of Lefay Global Wellbeing.

SUSTAINABILITY

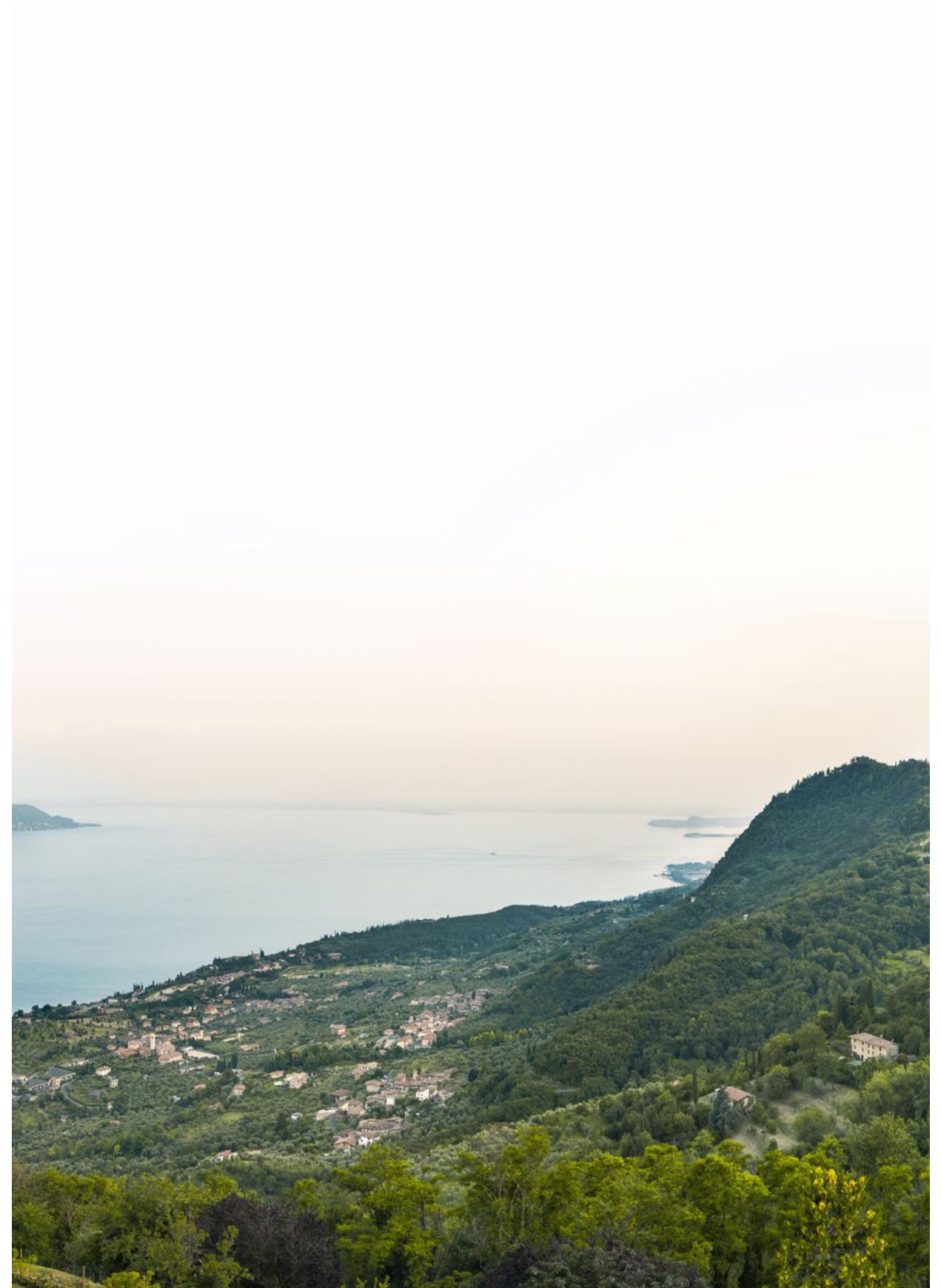
Sustainability means developing a profitable business model by creating something worthwhile, and that means we take our social and environmental responsibilities very seriously.

PEOPLE

The real key to our success is the excellence of our Staff, whose satisfaction for us must be as strategic as the satisfaction of our Guests.

ITALIAN CHARACTER

We offer a slice of contemporary Italian style, taste and elegance. Everything from the interior design, the Mediterranean cuisine, the friendly service and the wellness offering to the attention to detail are delivered in an authentic and traditional Italian way.



BUSINESS MODEL

In early 2016, the company, by means of transfer of company branch, transferred the property ownership and management of the Gargnano Resort to a new company called Lefay Resort Garda SRL 100% owned by Lefay Resorts SRL.

Such corporate operation thus transformed Lefay Resorts SRL into a pure Management Company, in which the functions are strategic to the development of the Brand and the coordination of the various hospitality facilities are centralised.

Lefay Resorts SRL also controls 100% of Lefay Resort Dolomiti SRL, a company charged with the project for the second Resort to be built in the municipality of Pinzolo in the province of Trento.

Each Lefay Resort is distinguished by the following factors:

LOCATION

- Destinations of considerable environmental and landscape value
- Easy accessibility for primary markets
- Annual opening

PRODUCT

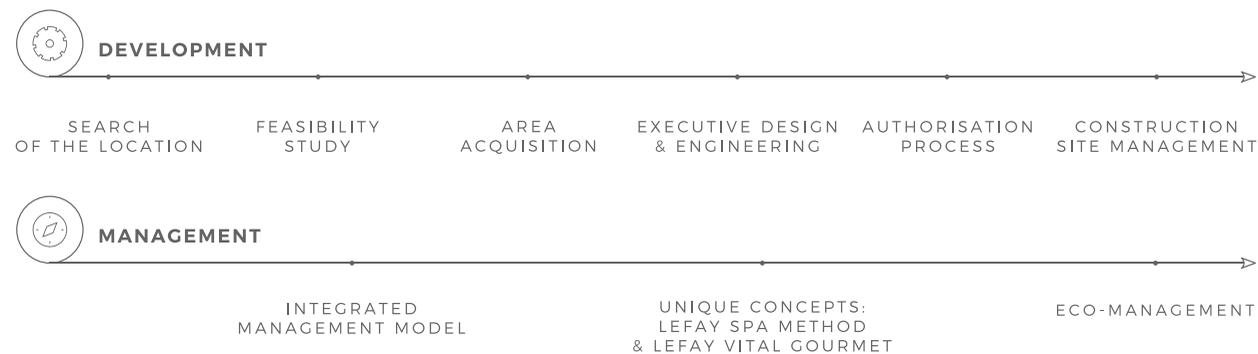
- New or recently built infrastructure
- 60-100 Guestrooms of approximately 50 sqm and residences (Villas/Luxury Apartments)
- Central location of the SPA (min. 2,000 sqm)

ENVIRONMENTAL SUSTAINABILITY

- Environmental certifications acknowledged at an international level
- At least 60% of energy produced by renewables sources
- Use of cutting-edge technologies to minimise energy and heat dispersion

MANAGEMENT

- Direct Management through coordinating the Management Company



OUR EXPANSION STRATEGY



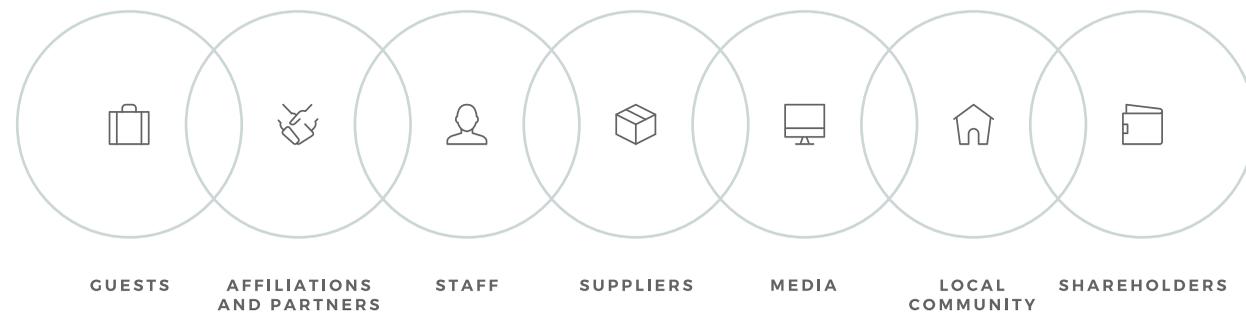
The first step of the Lefay Resorts Project envisages the creation and management of three luxury hospitality wellness facilities in Italy through specific companies. The second and third properties are respectively expected to be located in the mountains (Dolomites) and in the countryside (Tuscany or Umbria).

With the objective to leverage on the success obtained at Lefay Resort & SPA Lago di Garda and its unique management model, Lefay Group will consider and pursue new opportunities with in-

vestment partners sharing the same values and objectives. The first expansion phase of the Lefay Group will focus on the completion of the Italian portfolio and on the management of properties in Central Europe.

On a very limited number of selected opportunities, Lefay Group will act as operator under a Management Agreement. Based on the specific characteristics of the proposed initiative, Lefay Group might evaluate the opportunity to take over the operations of the property under a Lease Agreement.

STAKEHOLDERS



Lefay Resorts immediately directed its strategies towards a business model that was sustainable, and therefore, able to determine competitive advantages for the company, by integrating economic and income objectives with social and environmental aspects. Relations with its stakeholders were established to achieve this result with a view to creating a shared value, considered as a combination of operating policies and practices which strengthen the company's competitiveness, while at the same time improving the economic and social conditions of the community in which the company operates and of its stakeholders.

Since the beginning, Lefay Resorts has been oriented towards a sustainable business model able to give the company a concrete competitive advantage, combining economic and revenue objectives with environmental and social aspects. To achieve this, an important net of relations has been created with all the Stakeholders to create a shared value, considered as all the operational policies and procedures which strengthen the company competitiveness improving at the same time both the economic and social conditions of the related community and Stakeholders.

Stakeholders' Map



GUESTS - Lefay Resorts pays the utmost attention to protecting the privacy of its Guests, and at the same time, from the very start, has identified various instruments, such as post-stay satisfaction surveys to ensure a continuous dialogue in a fully transparent manner.



SUPPLIERS - The relationship with suppliers is governed by the principles detailed in the company's procurement policy and Lefay Resorts undertakes to constantly verify that they are put into practice.



MEDIA - Lefay Resorts manages the relationship with Media via the Marketing Department and with the collaboration of international PR Agencies.



AFFILIATIONS & PARTNERS - Lefay Resorts' relationships with affiliations such as Small Luxury Hotels of The World and Healing Hotels of The World, are managed by the Marketing Department. In addition, the Marketing Department manages the relationships with tour operators, travel agencies and companies which choose the facility as a location for their corporate events. The transparent communication with Partners is based on specific documents prepared in full compliance with the reference legislation and validated by third-party certification bodies.



LOCAL COMMUNITY - With regards to the relationship with the Local Community, Lefay Resorts participates actively in the development of the area, by hiring local people, sponsoring activities and initiatives in the territory, and by making the local area known to its Guests and journalists.



STAFF - The Staff's expectations and level of satisfaction are monitored via specific surveys and performance assessment meetings held annually.



SHAREHOLDERS - The shareholders support and guide the company in the key decisions to strive constantly to achieve economic, environmental and social improvement.

Stakeholders' Expectations



GUESTS - Excellence of the service offered and respect of privacy.



AFFILIATIONS & PARTNER - Commitment to complying with the standards envisaged by networks, affiliations; specific requests or promotions. Data from clear sources, preferably certified by third parties, and continual improvement of the company's economic performance.



STAFF - Improvement of information, communication and comparison between departments to gather new inspiration and ideas. Professional training and growth.



SUPPLIERS - Increase in turnover of local suppliers and development of the partnership to foster the search for new products and therefore new business opportunities.



LOCAL COMMUNITY - Support of initiatives promoted by local authorities and motivated by economic development of the area. Respect for the environment.



MEDIA - Constant and transparent communication. Participating in meetings and educational initiatives to raise awareness of the Lefay Experience and to make the territory's landscape and cultural heritage known.



SHAREHOLDERS - Creating profit by increasing the social and environmental value generated by the activities performed and transparency in relation to the outside.

Thanks to the various channels of communication, Lefay Resorts has been able to identify its most significant stakeholders' expectations over the years. In situations when these parts might have been in conflict, the plan was to find a balance among their priorities: this happened for example with the ability of satisfying the needs of a 5 star luxury Guest and, at the same time, respecting the environment. Lefay Resorts undertakes to distribute the Sustainability Report and its contents by means of presentations, targeted emails and individual meetings directed at various stakeholders, also to receive their feedback with reference to the contents in question. All the above is designed to understand whether there are new data or new information to be disclosed to render it even more transparent and to activate a real involvement process.

Creating Social Value For Stakeholders

The business model developed by Lefay Resorts is designed to create social value by building on the concept of widespread growth.



GUESTS - By choosing Lefay, Guests have the opportunity of living an enriching experience that combines the quality of services and products with the possibility of deepening their knowledge of wellness and high-level sustainable accommodation.



AFFILIATIONS & PARTNERS - Partners and Affiliates that propose Lefay Resort & SPA Lago di Garda to their customers have the possibility of increasing their own knowledge and their professional skills, though the services offered by the company.



STAFF - Staff are given the opportunity to grow professionally and to develop their skills, through ongoing training activities and the improvement of teamwork, enhancing individual expertise and creativity.



SUPPLIERS - Suppliers benefit from advantages relating to reputation and the sustainable management methods of existing activities.



MEDIA - Media that have the opportunity to live the Lefay experience are able to appreciate and communicate the value of the services and products offered, as well as understand that the combination of high quality and social and environmental sustainability is possible.



LOCAL COMMUNITY - The community in which the company operates benefits in part from visibility, but also from direct contributions to cultural and sustainable initiatives.



SHAREHOLDERS - The shareholders enjoy the fruits of careful decisions which lead to an increase in social and environmental value generated in the activities engaged in and along the entire value chain.

MATERIALITY

PROCESS TO DETERMINE MATERIALITY

The materiality of the subjects discussed via the reporting system is the result of the following process: identification, assessment and allocation of the priorities of sustainability issues which significantly influence the company's ability to create value in the short, medium and long-term. Lefay Resorts has structured a process to identify the material issues through sharing at the highest decision-making levels, and their integration in all the company processes, from managing the significant environmental aspects, to planning strategies, to Stakeholders' engagement, to internal and external reporting and communication, up to the implementation of operational decisions.

The process to determine material issues started with the identification of topics considered to be more important for the company's business. These topics concern the social, environmental and governance areas. The activities associated with each of these areas contribute to achieving the results and objectives of the economic sphere and ensure the creation of sustainable value over time. Lefay Resorts considers three main perspectives to determine the material issues:

GUESTS' SATISFACTION AND SUGGESTIONS

Lefay Resorts receives feedback from its Guests by emailing a survey to those who agreed to participate. The objective is to identify relevant themes which are important to the creation of value and to assess the extent to which sustainability is integrated into corporate processes and understood by third party users of the recreational tourism function.

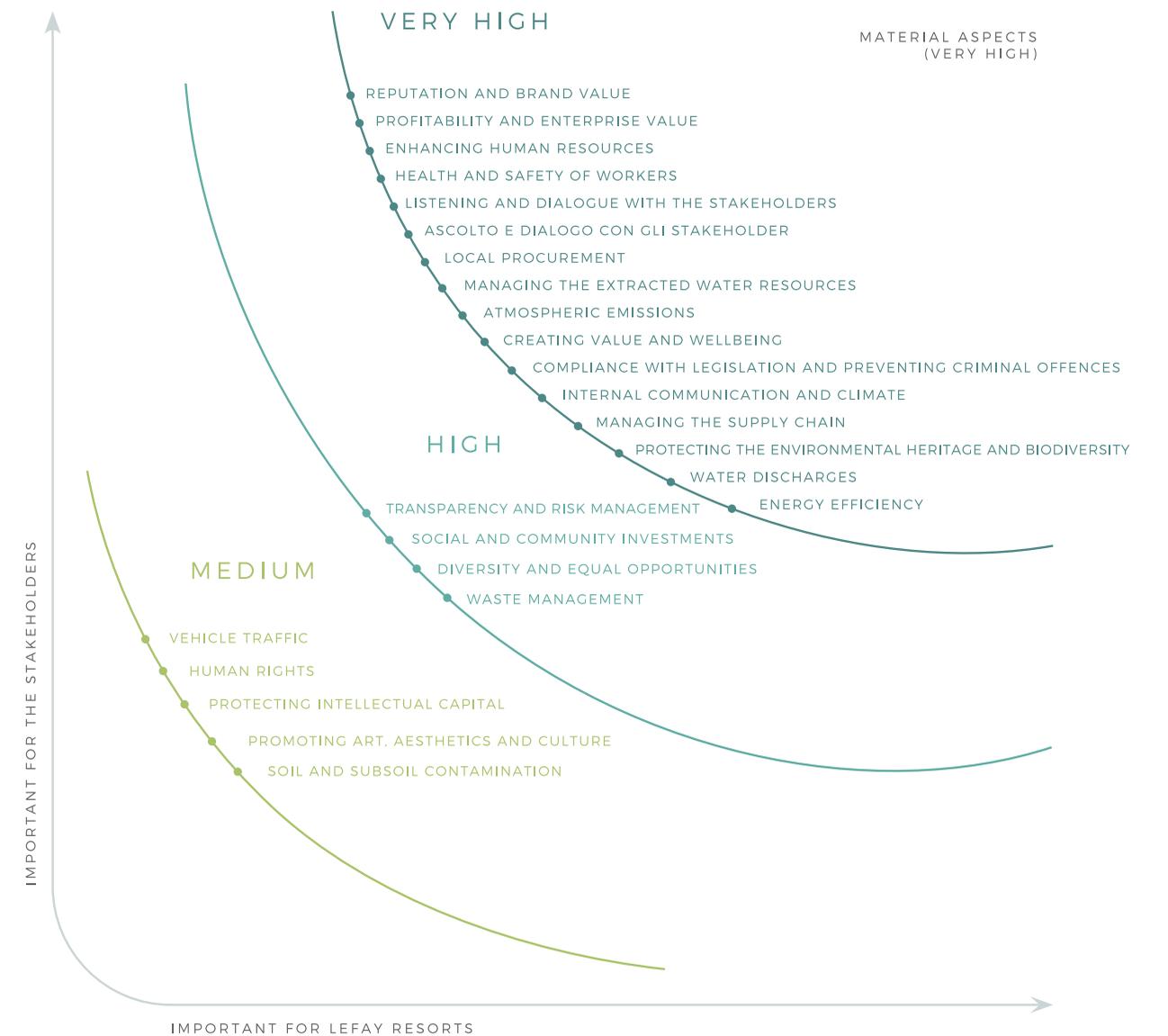
STAFF'S SATISFACTION AND SUGGESTIONS

Given the importance of the Staff in the hospitality industry, Lefay Resorts also receives annual feedback from its employees, by asking them to annually complete a survey. The aim is to understand the extent to which sustainability and the creation of value are relevant in the company processes.

THE SIGNIFICANCE OF ENVIRONMENTAL, HEALTH AND SAFETY ASPECTS

In particular, the materiality process considered all the issues relating to significant risks for the Company with an impact on the following areas: Health and Safety, Environment and, in part, Social and Image and Reputation. These topics represent the topics considered to be significant in the existing ISO 14001 Environmental Management System.

After the significant issues had been identified, the respective importance was then assessed on the basis of specific quantification parameters for each area considered: in particular, the importance for the company's top management, as well as assessing the significance of the environmental aspects, determined the importance of each topic for the purposes of creating value for the company, while the interviews with the Staff and the respective internal survey, as well as the outlook of the stakeholders highlighted the importance of each topic as perceived by different types of stakeholders. The combination of the results obtained from the two different perspectives enabled the material topics to be identified, and therefore, enabled the priorities to be defined.



ORGANISATIONAL STRUCTURE

LEFAY RESORTS



The Leali family holds 100% of Lefay Resorts SRL

Board of Directors:

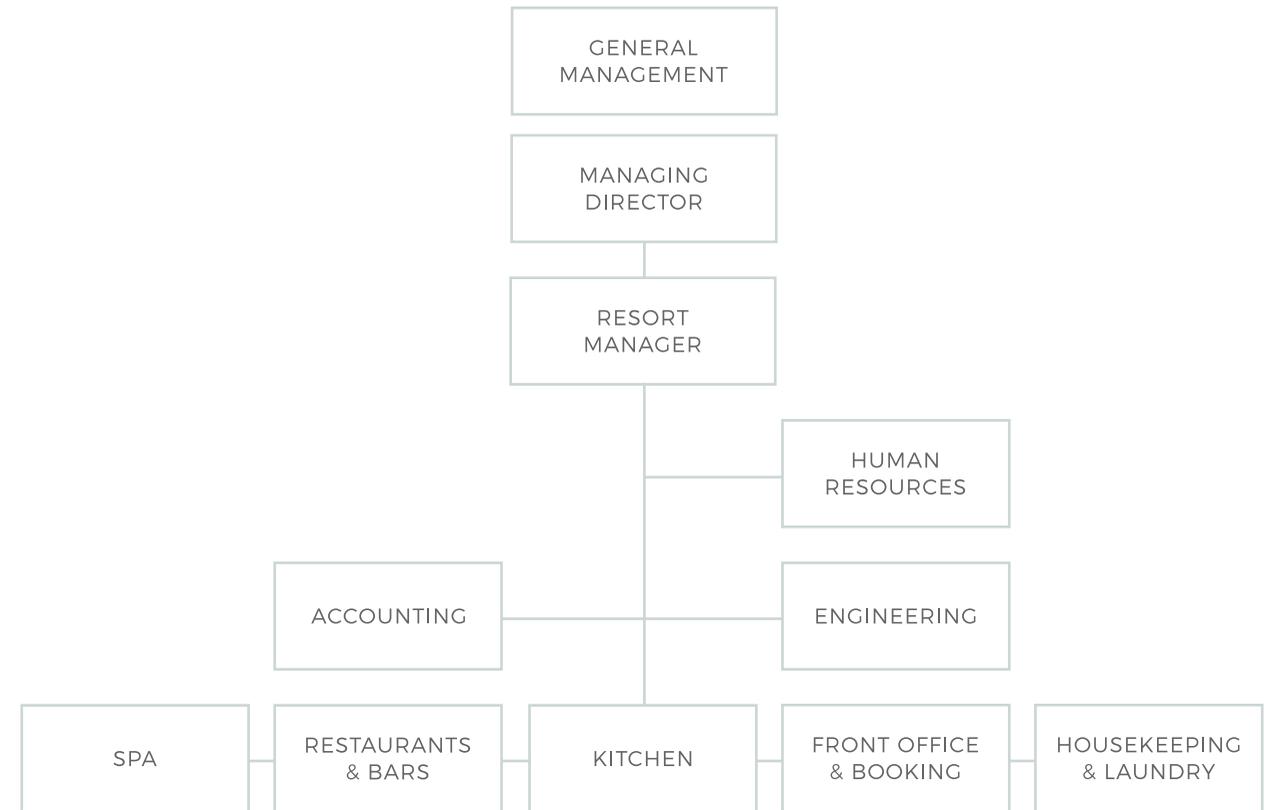
President:
DOMENICO ALCIDE LEALI
 with executive duties
 C.E.O.:
LILIANA BRESCIANI LEALI

Managing Director:
ALCIDE LEALI
 C.F.O.:
MASSIMILIANO LEALI
 Board Member:
GIOVANNI RIZZINI

Board of Auditors:

Auditor:
CLAUDIO ZORZAN
 Independent Auditing Company:
BDO ITALIA S.P.A.

LEFAY RESORT & SPA LAGO DI GARDA





LEFAY RESORT & SPA LAGO DI GARDA: THE FIRST JEWEL OF THE COLLECTION



THE RESORT FEATURES:

- 93 Suites that are divided into five categories:
- 41 Prestige Junior Suites (50 sqm)
 - 43 Deluxe Junior Suites (50 sqm)
 - 4 Family Suites (73 sqm)
 - 4 Exclusive Suites (83 sqm)
 - 1 Royal Pool & SPA Suite (max 600 sqm)

SPA of 3,800 sqm with:

- 21 treatment rooms
- 2 private SPAS
- 3 heated swimming pools
- 1 heated salt-water lake pool
- 3 relaxation areas
- 6 different kinds of sauna and Turkish baths
- 1 equipped gym and 1 fitness studio

2 Restaurants:

- Restaurant La Grande Limonaia
- Trattoria La Vigna

2 Bars:

- Lounge Bar
- Pool Bar

CONFERENCE SERVICES:

- 3 meeting areas with a capacity of 10 to 60 people. Gardens of 11 hectares for outdoor activities with running and walking trails and an energy therapeutic garden.

Lefay Resort & SPA Lago di Garda is located in Gargnano, in the heart of the enchanting and renowned Riviera dei Limoni.

It is the first Luxury 5-Star Resort on Lake Garda covering 11 hectares of natural park, surrounded by gentle hills and natural terraces rich in olive trees and woods overlooking the lake.

LEFAY RESORT & SPA LAGO DI GARDA: ECONOMIC PERFORMANCE INDICATORS

Once again for the year 2016, the principal economic indicators of Lefay Resorts highlight continuous growth, in sharp contrast to what seen in Italy over the past few years. The operating turnover has increased significantly, reaching the important goal of 16.4 million euro. This result has been made possible by a continuous improvement in the service offered, which fully satisfies the expectations of Guests, wi-

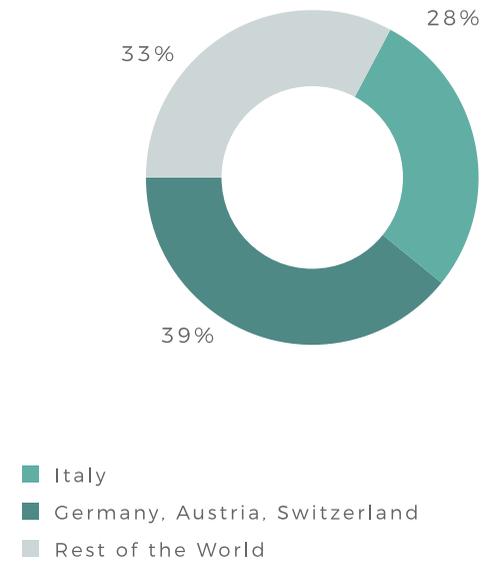
despread diversification in target markets and intense Brand communication activities.

It is very satisfying to note how achieving the economic objectives goes hand in hand with obtaining important international awards, among which the award as "Worldwide Health & Wellness Destination" at the "World SPA & Wellness Awards" stands out.

| | 2012 | 2013 | 2014 | 2015 | 2016 | CAGR |
|--------------------------------|------|------|------|------|-------------|--------------|
| Sales Revenues (M euro) | 11,7 | 13,2 | 14,2 | 15,4 | 16,4 | 8,8% |
| Cost of Staff (M euro) | 3,9 | 4,3 | 4,8 | 5,1 | 4,9 | 5,9% |
| EBITDA Margin (%) | 15% | 23% | 25% | 26% | 27% | 29,4% |

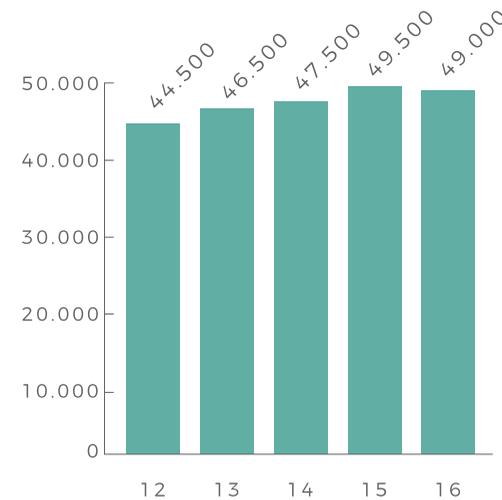
2016 Sales Revenues, Cost of Staff and EBITDA Margin are related to the company Lefay Resort Garda SRL, while those of the previous years refer to Lefay Resorts SRL. Sales Revenues though are perfectly comparable as they report on the hospitality activity of the Gargnano Resort. On the other hand, the cost of Staff and EBITDA Margin figures have been affected by the retention into Lefay Resorts SRL of some Staff members and services related to the management activity.

ORIGIN MARKETS 2016



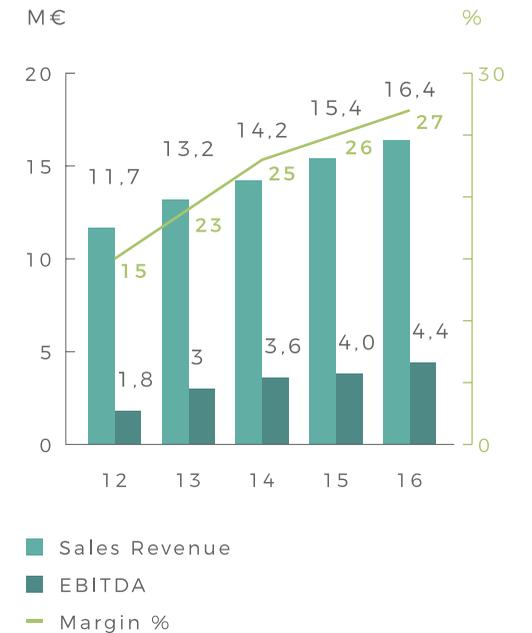
The establishment of Lefay on the international market is also testified by the origin of Guests: also in 2016 almost 75% came from foreign markets.

TOTAL NUMBER OF GUEST NIGHTS



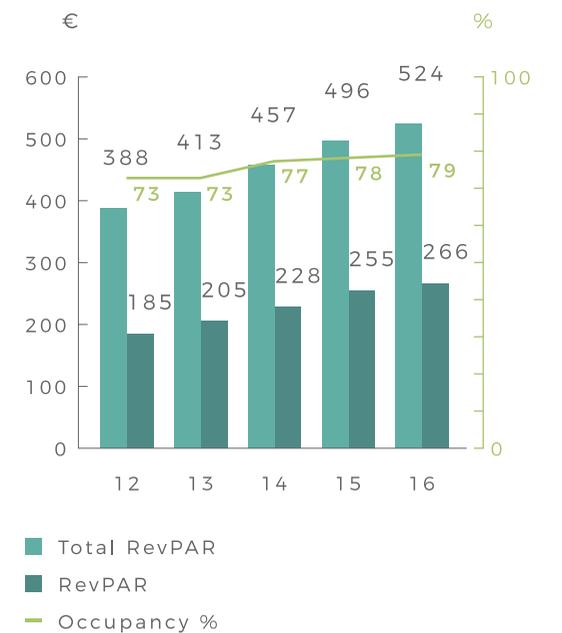
The total number of Guest nights has significantly grown during the years. In 2015 and 2016 almost 50,000 were reached during the 11 months of opening.

PRINCIPAL ECONOMIC DATA



The graph shows the strong growth in turnover of the Resort, despite the economic crisis which has affected recent years. The EBITDA margin generated in 2016, equal to 27%, testifies to Lefay's commitment towards the continuous improvement of its economic performance.

OPERATING PERFORMANCE INDICATORS



In 2013, with the opening of the Royal Pool & SPA Suite, the number of rooms available at Lefay Resort & SPA Lago di Garda went from 90 to 93.



LEFAY RESORT & SPA LAGO DI GARDA: LEFAY SPA

Lefay SPA is divided into three areas: the "World of Water and Fire", which includes all areas connected to swimming pools, saunas, grottos and small lakes; "Nature and Fitness", which consists of a large gym fitted out with all the latest equipment for training and a fitness studio for courses and fitness activities; "In Silence and among the Stars: Trilogy in the Air", which is made up of all the outdoor areas equipped for sporting activities and trails dedicated to wellness and relaxation.

Lefay, in cooperation with a team of physicians recognised internationally in different holistic disciplines, has created the Lefay SPA Method, which combines the principles of Classical Chinese Medicine with Western Scientific Research. By means of health treatments and programmes, this innovative method of achieving wellness restores balance, fully rejuvenates the body, soul and spirit and allows Guests to rediscover a more healthy and discerning lifestyle.

This union is the basis of the Lefay SPA Method Health Programmes, customised according to individual needs, to achieve a complete mental and physical wellness with various objectives: weight, relieving stress, getting into physical shape and assisting posture, treating insomnia, combating the signs of ageing and detoxifying the body.

Lefay SPA treatments have been created combining traditional massage techniques to stimulate energy points and meridians, and are tailor-made for the individual's physical and mental state, for a deep and long-lasting result. The Signature offer includes: energy massages, energy aesthetic rituals for face and body, special treatments using perfumes and essences from the local area and the non-invasive aesthetic medicine treatments.

Lefay SPA also offers a medical section for check-ups, Western and natural medicine treatments, physiotherapy and osteopathy and a rich menu of à la carte treatments: Western and Eastern massages, thalassotherapy treatments and rituals for body and face, corrective aesthetic, treatments carried out using innovative aesthetic equipment and sensual Eastern rituals. For couples, our two enchanting Private SPAs offer exclusive wellness paths.

All the treatments are carried out using the Lefay SPA Cosmetic Line "Tra Suoni e Colori" Cosmetic Line, created according to the Lefay SPA philosophy in accordance with the principles of nutraceuticals; a "smart" product line that combines nature and science with a visible and immediate effect. Products can be purchased in the Lefay SPA Shop and online at le fayshop.com.

“BEING ORGANIC & ECOLOGICAL SPA: LEVEL EXCELLENCE” CERTIFICATION



Lefay SPA has obtained the new prestigious “Being Organic & Ecological SPA: Level Excellence” certification issued by Ecocert, a French body acknowledged worldwide in the certification of cosmetic products and well-being facilities which distinguish themselves in the area of environmental sustainability.

The exclusive Lefay SPA temple of wellness has not only confirmed its compliance to the 50 strict criteria envisaged for achieving the basic certification level, but has also reached the “Excellence” level thanks to its innovative concept of global wellbeing, which is distinguished by three fundamental aspects:

- the unique quality of Lefay SPA Method health treat-

ments and programmes and the commitment to the training and professional development of its Staff;

- the exceptional comfort in the treatments cabins, providing Guests an incomparable experience;
- the measures put in place for a sustainable management of the building.

Furthermore, in order to obtain this certificate at least 50% of the treatments proposed in the facility had to use certified organic cosmetic products. This required a rigorous review of the protocols and the products used for each massage, and led to the Lefay face and body oil line being certified.

With “Being Organic & Ecological SPA: Excellence Level” certificate, Lefay SPA promotes a guarantee that conveys a well-being proposal to its Guests and the general public that operates in harmony with the environment and a business culture where sustainability represents one of its fundamental values.

The certificate for the SPA will be added to the other certificates already obtained, further strengthening the brand’s position in the worldwide context of sustainability.

NEW LEFAY SPA COSMETIC LINE “TRA SUONI E COLORI”



During 2016, big efforts were made to renovate the Lefay SPA Dermatological Cosmetic Line “Tra Suoni e Colori”. The products were revisited and modulated into five specific lines which together include 50 individual products.

All these products are made in a totally environment-friendly way, according to the principles of nutricosmetics and make use of the most precious and experimented medicinal plants. They are formulated to allow the skin to breathe and enable it to reacquire its innate luminosity.

Of major importance is the fact that all the Lefay SPA Signature treatments are performed using products from the new line, combined with the effectiveness and manual skills which stimulate the body meridians.

The entire line is based on five fundamental principles:

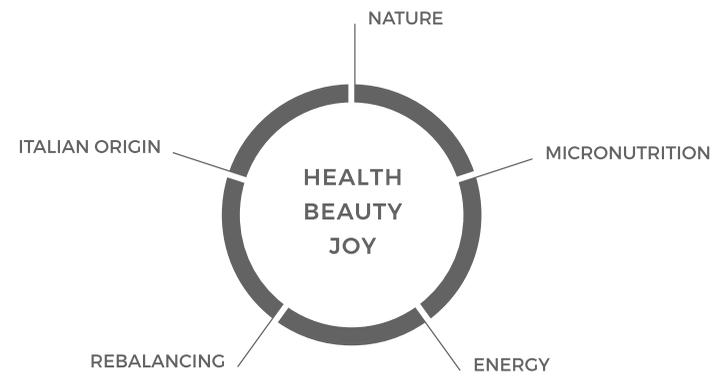
NATURE - Clean and sustainable products made with respect for the environment and people.

MICRONUTRITION - A high concentration of vitamins, minerals, sugars, proteins and phyto-complexes extracted through the most modern technologies.

ENERGY - Activating the body’s immune system to give energy and vitality to skin and protect it from ageing.

REBALANCING - Using the strongest naturally occurring antioxidants to protect DNA and the immune system.

ITALIAN ORIGIN - Italian scientific research, Mediterranean active substances and use of homegrown organic olive oil.



Sustainability is fundamental to the Lefay Resort & SPA Lago di Garda identity and has also been given huge importance when developing the Lefay SPA Cosmetic Line. Products have been made to the demanding standards of leading international environmental certification bodies, these include:



VEGAN OK

A body certifying the non-use of materials of animal origin or obtained through the exploitation of animals.



COSMOS ORGANIC

(For Lefay SPA Cosmetic Oils.)

The standard which certifies the observance of the principles of Green Chemistry and sets the requirements for organic cosmetic products concerning the entire production cycle.



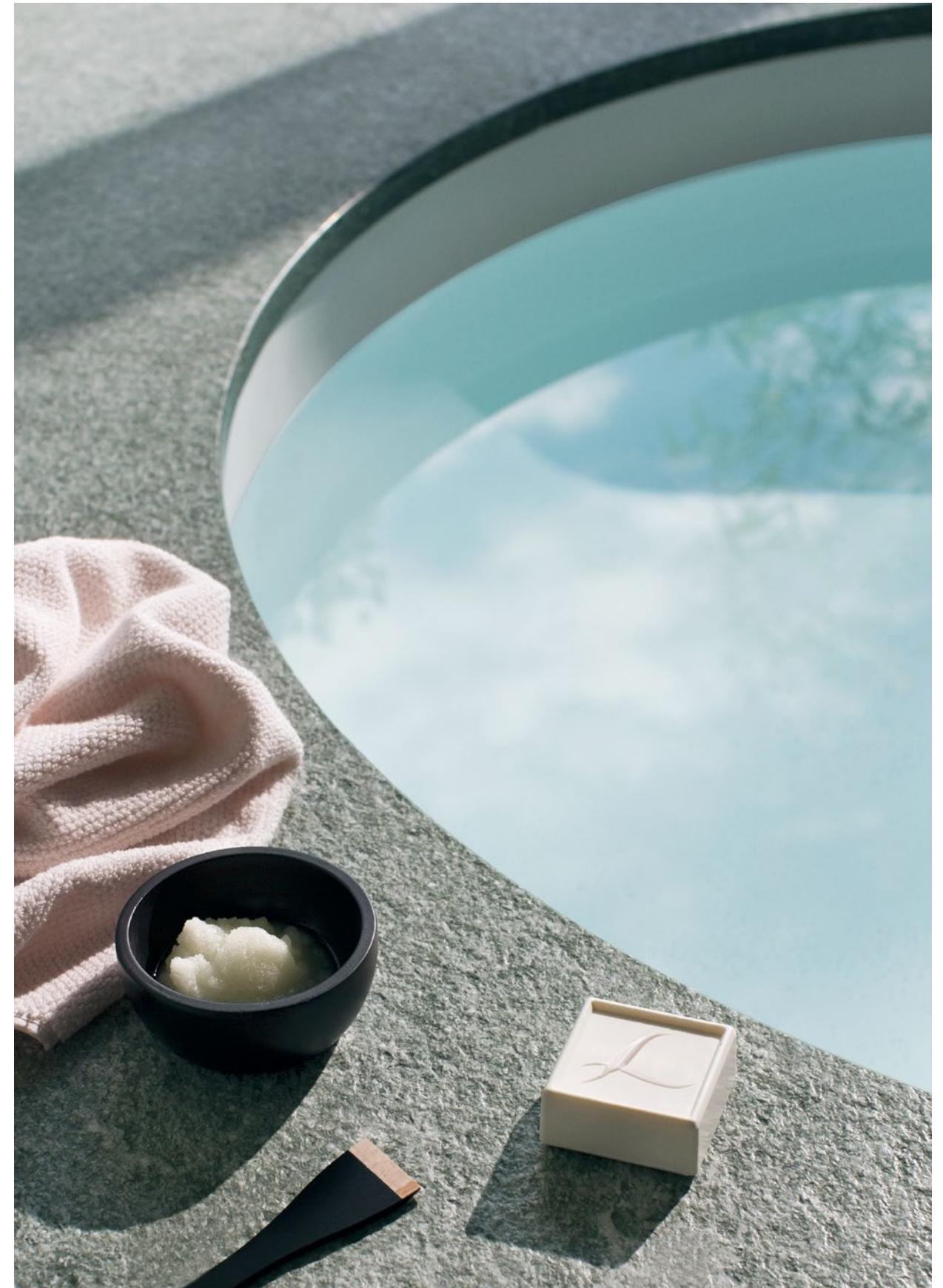
CRUELTY FREE INTERNATIONAL

The international standard "stop testing on animals" guaranteed by the anti-vivisection league and certified by ICEA (Environmental and Ethical Certification Institute).



NICKEL TESTED (Less Than 0,00001%)

All the products have been dermatologically tested by Ferrara University and are free from parabens, SLES, colourings, preservatives and added parabens.





LEFAY VITAL GOURMET

“Even food may become food for the soul.”

Food is integral part of a wellness path, this is why Lefay Vital Gourmet privileges its health aspects combining fresh ingredients, extra virgin olive oil, citrus fruits from the lake and locally grown herbs. This culinary concept focuses on the Mediterranean Diet in which extra virgin olive oil reigns supreme.

Executive Chef Matteo Maenza conveys these principles in the “La Grande Limonaia” Restaurant, which offers the most sophisticated

Italian recipes and in the typical “Trattoria la Vigna”, offering regional flavours.

Part of this philosophy is also the Lefay SPA Menu, inspired by the principles of the exclusive Lefay SPA Method wellness concept, and is a tasty, light, detoxifying and healthy way of eating that uses simple ingredients and short cooking times so that the organoleptic qualities of the foods remain unchanged.

THE 5 PRINCIPLES OF LEFAY VITAL GOURMET SUSTAINABLE CUISINE

The Lefay Vital Gourmet sustainable cuisine is characterised by compliance with five principles:

MEDITERRANEAN DIET - cereals, fruit and vegetables, fish, meat and low-fat dairy products are the key elements of this diet, enhanced by the use of Lefay extra-virgin olive oil.

SEASONAL NATURE - the ingredients used to prepare the dishes are in harmony with the changing seasons.

ITALIAN SPIRIT - all of our dishes are inspired by local gastronomic excellences and enhance Italian products in a different way.

ETHICS - Lefay Vital Gourmet undertakes not to use endangered animal and fish species in its preparations or products obtained using violent methods.

SUPPLIERS - we privilege local suppliers, preferably suppliers which adopt an organic agricultural production system, consistent with Lefay's philosophy.



GUESTS' SATISFACTION

As a way to exceed Guests' expectations, Lefay Resorts has created a method of service based on combining internationally renowned standards of excellence and an innovative offer that is unique in the industry. It is precisely for this reason that Lefay Resorts has chosen to implement a quality and environment management system.

This system utilises various tools that each day help to maintain continuous control over the level of quality of the services offered and full compliance with legislation regarding health and safety, HACCP and privacy.

First of all, to verify the level of satisfaction perceived by the Guest, a system of measuring customer satisfaction was defined, which was fully computerised to avoid wasting paper. This system enables the Guest to assess and give his/her opinion on various aspects of their stay. These include, in particular, an overall assessment of their experience while staying at the Resort, the rapidity and precision of booking and check-in, the cleanliness and comfort of the guestrooms, the quality of the food in the various dining outlets (breakfast, lunch, dinner and bars), the quality of the SPA treatments and the courteousness and professionalism of the Staff. The company undertakes to provide a prompt and timely response to all Guests who make an express request.

Feedback also comes from Guests by continuously monitoring comments published on some of the main travel websites: Tripadvisor, Holi-

daycheck, Booking.com etc..., and through the principal social networks.

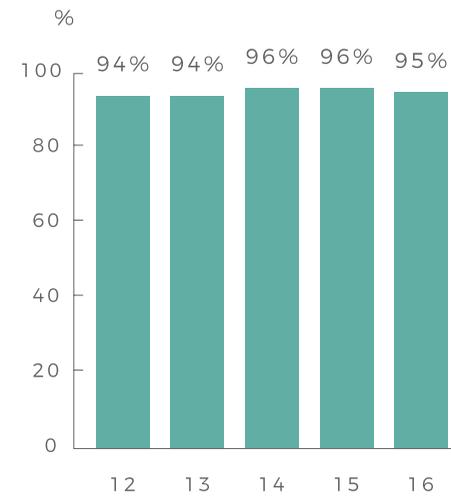
Another useful tool for identifying any problems and putting in place improvement actions involves inspections and audits. At the beginning of the year, a monthly schedule is defined which envisages: inspections conducted by suitably trained Staff or by external consultants, checks made by our Product Manager to assess the conformity of the standards of service, and visits by Mystery Guests.

Periodically, all the comments left by Guests through the different channels available and the results of the inspections are analysed by Management and monitored together with the various departments in order to identify the causes of dissatisfaction and specific criticisms.

Through this information management system and thanks to the focus of the company on continual improvement, Lefay Resorts takes specific actions to resolve any problems and continue to maintain high levels of satisfaction of its Guests, creating not just a positive word-of-mouth, but also excellent results in terms of loyalty: in fact, for the year 2016, the percentage of repeat Guests was 26%, while in 2015 it was 25%.

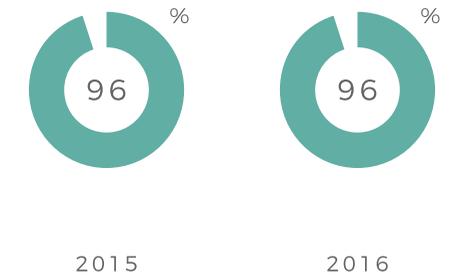
Lastly, it is important to emphasise that in 2016, as in 2015, the number of documented complaints during 2015 regarding breaches of privacy and the loss of consumers' data corresponded to 0.

OVERALL GUESTS' SATISFACTION



Source: Guest Surveys
Starting from 2012, the customer satisfaction survey system has been revamped, passing from a survey based on paper questionnaires to a digital system. Since 2016 two queries have also been included relating to the environmental management of the facility.

WEB REPUTATION



■ Guest satisfaction

Source: Revinate.
The graph shows the level of satisfaction expressed by the users of the main travel review websites (Tripadvisor, Booking.com; Expedia etc...)

QUALITY CONTROL TOOLS



In 2016, 45 audits were carried out, in particular:

- 31** Internal Audits: inspections of the Quality and Environmental system, product audits and mystery Guests.
- 01** Product Mystery Audit according to Lefay standards
- 02** Mystery Audit on standards relating to FHR and SLH affiliations
- 11** External Audits: conducted by certification Bodies.

BRAND COMMUNICATION



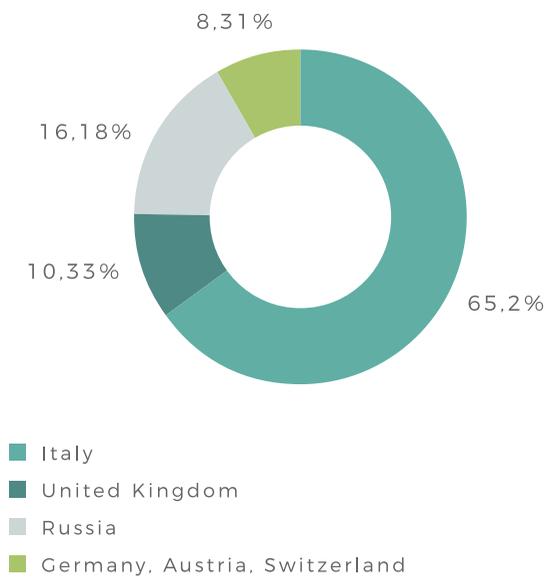
Brand identity, values, proposals, innovations, services: a communication strategy is planned each year to disseminate all the aspects of Lefay Resorts to the best advantage; the communication strategy is designed to highlight the activities and the commitment dedicated to sustainability, based on targeted actions oriented towards national and international markets. In particular, Lefay Resorts is able to reach multiple counterparties, thanks to a dense network of dynamic and multifaceted relations, supported by the partnerships with prestigious PR and news agencies in Italy, the United Kingdom, Germany, Austria, Switzerland and Russia.

MEDIA EVENTS AND PRESS REVIEW

National and international journalists and bloggers from different media channels in line with the company's positioning were invited during 2016 in order to communicate the Lefay wellbeing concept and its proposals in the best way possible.

This represented an intense promotional activity that enabled the brand to achieve important media coverage on both online channels and in paper-based publications: a total of 454 articles were circulated solely in 2016. Respectively, the data for the principal markets is distributed as follows: 353 articles for Italian media; 39 articles for German, Austrian and Swiss media; 55 in the United Kingdom and 7 in Russia. A further major goal concerns the "La Grande Limonaia" Restaurant recognised by the most prestigious Italian Food & Wine guides: it has distinguished itself in the Guida Ristoranti d'Italia Gambero Rosso 2017 with "Due Forchette" and the special "Gusto & Salute" award, dedicated to the promotion of the local area. It also once again received the "Primo Cappello" awarded by Guida Ristoranti d'Italia L'Espresso 2017. Both the publications were released at the end of 2016.

PRESS COVERAGE PER MARKET 2016



In 2016, almost 450 articles were published thanks to the support of important press agencies in Italy and abroad.

DIGITAL MEDIA

Lefay Resorts has strengthened its presence on the main social channels in the digital world, thanks to the creation of an online community of followers and the development of a virtuous circle of interactions. In 2016 the Lefay Resorts profile on Facebook achieved more than 36,700 likes, while the Instagram account exceeded 7,500 followers after just a short time. The Lefay Resorts profile is followed by more than 1,700 persons on the Twitter



social network, and approximately 1.160 links can be counted on the LinkedIn platform.

Lefay Resorts has used these digital communication tools to develop the themes which make up its identity, for example, health, cuisine, persons and the environment, and to disseminate its vision.

A resonance that, in addition, benefits the enhancement of the local area and local events, is among the most important aspects of the "sustainability" value.

In 2016 Lefay Resorts renewed the digitalisation commitment of its communication materials; more specifically, the digital version of the Lefay Club Magazine has been prepared once again, sent to all the Guests and to registered users only via newsletters, avoiding the paper-based printing of more than 10,000 copies.

ENVIRONMENTAL COMMUNICATION

Consistently with the "Lefay Total Green" project, a series of communication tools have been developed to raise Guest and public awareness of the activities carried out by the company to reduce its environmental impact and to neutralize its carbon footprint.

Among these, the introduction of the "Lefay Total Green" brand on various communication materials (e.g. green book, brochures, etc...) and on the materials used within the Resort.

Also, the Green Book has been introduced, an environmental communication tool that each Guest finds in his/her bedroom illustrating the measures being implemented by Lefay Resort & SPA Lago di Garda to reduce its impact on the environment.



NEW PROJECTS

LEFAY RESORT & SPA DOLOMITI

The second Resort of the Lefay Collection will be located in Trentino-Alto-Adige, in the Madonna di Campiglio ski-area (Municipality of Pinzolo), one of the most famous skiing destinations of all the Alps, surrounded by the splendid Dolomites, mountains which are listed as a UNESCO world Heritage Site.

The Lefay Resort & SPA Dolomiti has 84 rooms and 25 residences, and reinterprets the traditional architecture of the location, rediscovering those elements of mountain constructions (wood, stone, rigorous simplicity of the finish), which constitute Lefay's tribute to the natural perfection of the Dolomites.

Opening estimated for: 2019

LEFAY VILLAS LAGO DI GARDA

The first Lefay Villas will be built inside the 11-hectares grounds of Lefay Resort & SPA Lago di Garda and will be managed according to the model of "Branded Serviced Residences": the owners of the villas, during their stay, can enjoy all the services of the Resort (Food & Beverage, SPA, Concierge, Engineering, Housekeeping) and, when not occupying the villas, benefit from a very advantageous rental programme managed directly by Lefay Resorts.

Opening estimated for: 2020

EXCELLENCE IN SUSTAINABILITY

“There are places where the atmosphere is perfect
because the environment is uncontaminated.”

INTRODUCTION

For Lefay Resorts sustainability means developing a business model that is aimed at achieving financial-economic results, creating “value” and therefore paying greater attention to environmental and social responsibility.

Everything that to date has been considered “luxury” has been surpassed by a new concept of overall wellness, which lies at the heart of the Lefay philosophy. The “New Lefay Luxury” goes beyond ostentation, opulence and aesthetic taste as an end in itself, and instead is allied to ethical values. For this reason, since 2008 Lefay Resorts has been certified for the activity of “design and management of architectural solutions for innovative and eco-compatible structures” according to the ISO 14001 and 9001 standards. Great attention was paid during the building of the first Resort to the respect for the surrounding environment by developing a building that blends perfectly into its surroundings, utilising advanced tech-

nological solutions that help to reduce water and energy consumption and using clean, renewable energy sources.

Social sustainability for Lefay Resorts also means developing people through professional growth, satisfaction of our Guests, supporting our local communities and developing the local area and cultural activities. Hence the Management Company is ISO 14001 and ISO 9001 certified for the conception and development of architectural solutions for innovative and eco-compatible hospitality facilities and for the management and development of luxury brands in the hospitality and wellness industries. Every year, the Company draws up an inventory of CO₂ emissions according to ISO 14064.

Lefay Resort & SPA Lago di Garda has obtained important environmental certifications that are recognised internationally, such as:

ENVIRONMENTAL CERTIFICATIONS



ISO 14001:2004 - issued by TÜV Italy for the provision of the tourist accommodation service characterised by respect for nature and the environment.



GREEN GLOBE - issued by the Green Globe certification body, active in more than 83 countries worldwide, regarding compliance with more than 250 standards relating to sustainability, and applicable to companies operating in the tourism sector. Lefay Resort & SPA Lago di Garda was the first facility in South Europe to be awarded in 2011.



ISO 14064 - issued by TÜV Italy and referring to the annual CO₂ emissions monitoring system.



BEING ORGANIC AND ECOLOGICAL SPA - issued by Ecocert, a French certification body. Lefay Resort & SPA Lago di Garda is the first property in Italy and the fourth in the world to be awarded this new certificate with the Level Excellence that presupposes a daily commitment in compliance with criteria which protect the environment.



THE ENVIRONMENT



Personal wellbeing should never overlook environmental wellbeing. For this reason, during the design and construction stages of our Resorts, we take into account environmental sustainability, impact on the landscape and clean, renewable energy sources. Our first efforts to achieve this objective were carried out in the design stage. Lefay Resort & SPA Lago di Garda is situated in one of the most beautiful and unspoilt settings of the area: the Parco dell'Alto Garda Bresciano. The surrounding countryside is abundant with biodiversity and features different habitats that are home to native species of international wildlife importance.

The area in which the Resort is located is also considered a "protected area" by the Natura 2000 Network, a network distributed throughout the area of the European Union, which was set up according to "Habitat" Directive 92/43/EEC to guarantee the long-term preservation of natural habitats and species of flora and fauna.

Attention to the protection of this unique landscape and the desire to create an efficient structure from an environmental and energy point of view were the first challenge for our designers.



BIODIVERSITY

The property is located in a protected natural park, the Alto Garda Bresciano Park, a Special Protection Zone (SPZ) of the Natura 2000 Network, the main tool for preserving biodiversity in the European Union.

Established in 1989, the Park occupies an area of approximately 38,000 hectares and includes the territories of the municipalities of Salò, Gardone Riviera, Toscolano Maderno, Valvestino, Magasa, Gargnano, Limone sul Garda, Tignale and Tremosine.

Unlike other landscaped parks in perfectly homogeneous areas with a high naturalistic interest, the Garda Park is characterised by strong contrasts in terms of the environment, altitude -from the 65 metres of the lake to nearly 2,000 in the highest mountains (Mount Caplone, 1976 m)- climate and vegetation - from the Mediterranean maquis shrubland to the typical short vegetation of the alpine foothills.

Created to ensure the long-term maintenance of endangered natural habitats and threatened

or rare species of flora and fauna, the Park is rich in exceptional biodiversity, both plant and animal. As we have already said, it is full of Mediterranean type environmental contexts along the lakeshore with alpine scenarios in the immediate hinterland. Within just a few kilometres we pass from lemon and olive groves, typical Mediterranean plants, to hornbeam and oak forests, and even higher up to beautiful beech and pine woods.

Wildlife too is extremely diversified due to the different environments present in the Park. These include water fowl such as loons or coots, "woodland" birds such as tits, wood grouse and jays. Mammals are represented by several ungulates: chamois, deer, roe deer and carnivores such as foxes, weasels, martens and wild boars. The most characteristic animals of the Park are insects, the Lepidoptera (butterflies), the 959 species of which account for about half of all those present in Italy.

MITIGATION OF ENVIRONMENTAL IMPACT



Lefay Resort & SPA Lago di Garda was not designed as a single compact building, but as various individual units set into the hillside, which blend harmoniously with the morphological features of the landscape.

ARCHITECTURE AND MORPHOLOGICAL INTEGRATION

Thanks to roofs covered in vegetation seen from above, the rooms are almost indistinguishable from the surrounding countryside. The peculiarity of this project involved a considerable commitment during the construction stage. However, these efforts have been repaid with a result that goes far beyond expectations. As a matter of fact, the Resort blends

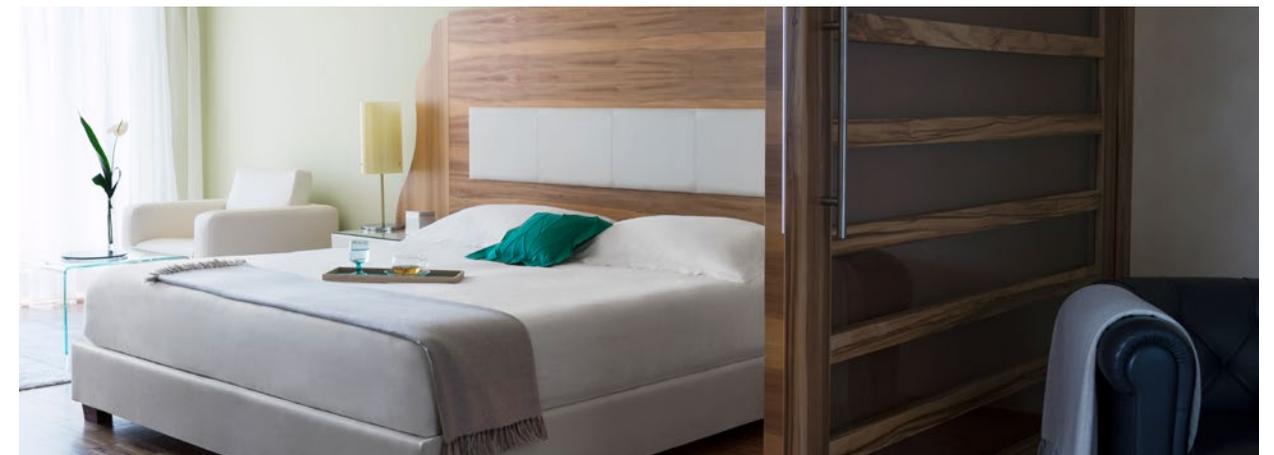
perfectly into the surrounding landscape and has a visual impact from the lake that is far lower compared to that of other pre-existing buildings of smaller size. In terms of architecture, it was decided from the very beginning not to adopt a type of construction that focused on a design unconnected and in contrast with the surrounding environment. For this reason, our designers, with great humility, looked around and found inspiration in the limonaie (lemon-houses), constructions that are typical of the Upper Garda region, which are made of stone pillars and wood and used to cultivate lemons. The final result is a structure that is both innovative and fully integrated.

THERMAL INSULATION

The buildings are perfectly set into the hillside, thereby allowing for less dispersion of heat and energy towards the outside. The Suites and SPA area face south and the windows are made of insulating glazing which provides a high level of thermal insulation: from the cold in winter, through the passive production of solar energy, and from the heat in summer, thanks to mobile system of shading installed on the front part of the balconies. The heating and cooling of the rooms and common areas is achieved through low temperature radiant systems installed within the ceilings and the floors. This system prevents air draughts and noise, thereby ensuring the maximum comfort of Guests.

NATURAL MATERIALS

Lefay Resort & SPA Lago di Garda's respect for the beauty of its location and the surrounding countryside is also reflected in the interior design, which features natural materials mostly coming from the local area. This is seen in particular in the care given to the selection of materials and furnishings. The materials used in the guestrooms are olive wood for the parquet floor, Italian walnut for the furniture, red Travertine for entrance floor and bathroom and red Verona marble for sink and tub. All the textiles, including bed linen, are made from natural cotton fibre without any chemical treatments. In addition, the bedlinen has been selected with the GOTS (Global Organic Textile Standard) certificate that attests the composition of the organic fibres and production in compliance with demanding environmental criteria. Chemical-free water paints have also been and are continuously used for the painting operations.



Lefay Resort & SPA Lago di Garda. View on the energy plant.



REDUCTION OF ENERGY CONSUMPTION

The use of advanced technological solutions that reduce energy consumption gave us the opportunity to combine luxury and all the amenities and services with the utmost respect for the environment. This was made possible by an efficient use of energy and the intelligent utilisation of clean, renewable energy sources. Our commitment to achieving a maximum reduction in environmental impact led our designers to construct a real power plant, which is situated behind the Resort and contains some of the most modern systems for producing electrical energy, heat and air conditioning. The plant room contains three main systems:

BIOMASS SYSTEM

This system is fed by wood chips and generates thermal energy. This type of plant considerably reduces carbon dioxide emissions and enables the use of logging waste to be optimised, thereby reducing the environmental impact to a minimum. In 2016, it covered about 50% of heating demand.

MICROTURBINE COGENERATION

This is a cogeneration plant for the combined production of electrical and thermal energy by burning natural gas.

ABSORPTION COOLING

This machine, one of the few examples present in Italy, generates cooling by using the exchange heat of the microturbines and biomass boiler.

Tri-generation is achieved with this type of energy generation that is based on co-generation, namely, a single energy source is exploited to generate electricity, heating and cooling. This enables the potential of the plants installed to be fully exploited.

Photovoltaic panels of 11 kw peak output and extremely advanced software help to reduce the amount of artificial lighting when sufficient natural light is available, as well as during night. The "energy optimisation project" was launched in 2014 with the aim of optimising the facility's energy consumption; the results of the project led to substituting the pump inverters in 2015, and therefore, resulting in a greater overall energy efficiency of the system. In 2016, one of the microturbines was replaced and this produced a substantial increase in electricity and heat production efficiency.

These projects involve both external professionals and Staff Members from the Engineering and Maintenance department. The results that came to light following careful monitoring of the systems and their operation gave rise to several measures implemented in 2016 to better cater to the ongoing need to reduce the facility's energy needs. In 2016 the share of renewable energy sources used by Lefay Resort & SPA Lago di Garda was the following: 75%, 1 percentage point less than in 2015 and one more than in 2014.

REDUCTION OF WATER CONSUMPTION

In 2016 the share of self-produced electricity by means of cogeneration and photovoltaic increased by 10% compared to the year before, accounting for 40% of the Resort's total energy demand. The remaining 60% is purchased through "Green Certificates" that guarantee the provenance from renewable sources.

As always, energy consumption was recorded monthly and periodical meetings were held with Management to make comparisons and determine the possibility of any direct future intervention.

The concept based on pursuing comprehensive environmental protection is not just limited to the production and use of energy, but also includes water consumption, which is one of the major concerns of the local authority. As a matter of fact, Riviera dei Limoni suffers from water shortages throughout the summer months. The main activities carried out by Lefay Resorts to optimise water consumption are as follows:

RAINWATER COLLECTION

All rainwater falling on the Resort's surfaces is channelled by a dedicated collection system, conveyed to a tank with a capacity of 300 m³ and used to irrigate the gardens.

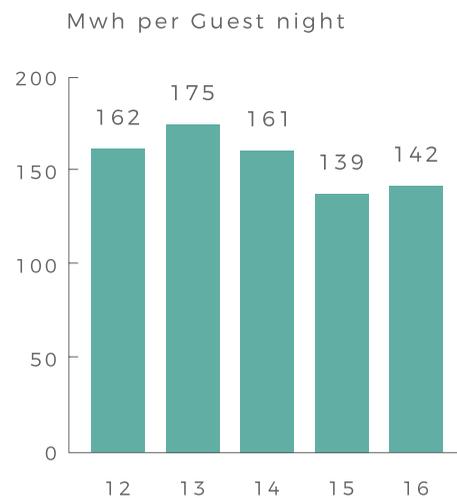
MANAGEMENT SOFTWARE

To dramatically reduce water consumption from the mains water supply, the water supply system has been calibrated and designed in minute detail. All toilet flushing systems and bath taps regulate the water quantity in output through devices that help save water consumption by 50% compared with standard facilities. Swimming pool facilities have a water refilling system based on the number of people using the relevant swimming pool.

LAUNDRY MANAGEMENT

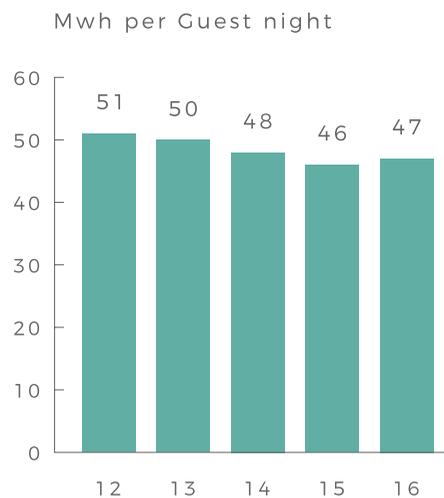
The laundry is one of the areas where considerable use of both water and energy for drying and ironing of all the Resort's linen is made. The actions taken to reduce this consumption concern raising awareness among Guests and Staff (for example, changing Guests' linen only when they make a specific request).

THERMAL ENERGY CONSUMPTION



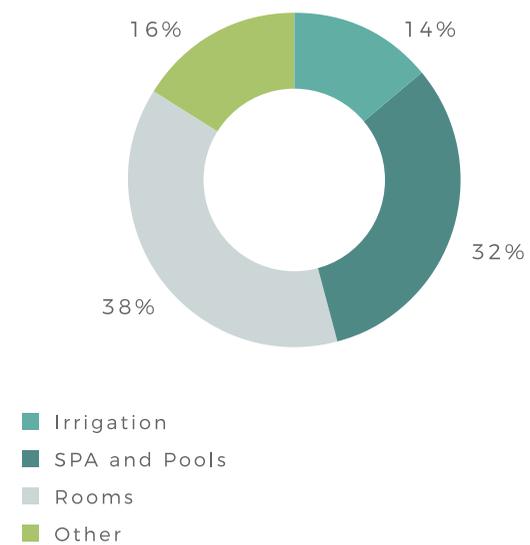
The analysis of energy and thermal consumption is carried out by taking into consideration, primarily, the indicator of consumption per Guest night. This allows us to understand the effectiveness of the management of energy requirements compared to the level of occupancy of the Resort. In the last few years, thanks to implemented energy efficiency programmes, consumption figures have gradually dropped. In 2016, a slight increase was recorded considering the SPA area was extended with a new sauna which requires further thermal energy.

ELECTRICAL ENERGY CONSUMPTION



Electricity consumption per Guest is stable at around 47 Mwh/Guest. Thanks to an analysis of consumption per area, the critical areas where intervention is needed have been identified. For the SPA, restaurants and bedrooms areas, a plan has been defined to replace the light bulbs with a low-consumption type.

WATER CONSUMPTION PER SOURCE



The plants dedicated to pools provide a water refill regulation system according to the number of bather's present.

WASTE MANAGEMENT

CONSUMPTION ANALYSIS

Analysis of water consumption is carried out by taking into consideration, primarily, the indicator of consumption per Guest night; this allows us to understand the efficiency in managing energy needs based on the level of occupancy in the Resort.

With regard to the trend of consumption per Guest night, the comparison of several years is irregular, being influenced in particular by the following events:

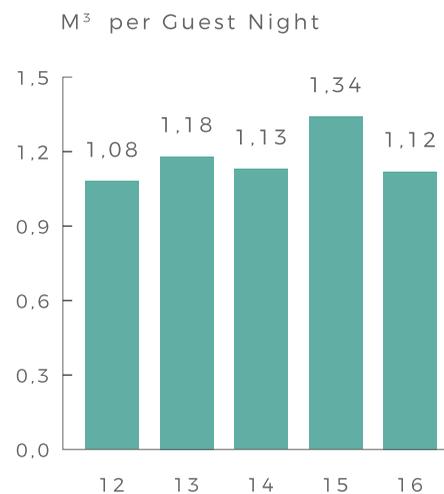
- rainfall (very important with regard to irrigation of the 11-hectare gardens);
- inauguration of the Royal Pool & SPA Suite with new pool in 2013;
- increase in the number of treatments carried out at the Lefay SPA, with the consequent increase in washing of the linen used;
- possible water losses which can only influence the consumption for a limited period of time before being resolved.

The most critical areas were analysed carefully in 2015 and 2016 to reduce the water consumption and a number of improvement actions were implemented, thanks to the monitoring of flow reducers installed in the points of highest withdrawal.

MONITORING WATER DISCHARGES

Lefay Resorts commissions an accredited laboratory to perform analyses every year in order to monitor the values of the discharge water. This enables the environmental aspect to be monitored and to intervene if one or more values exceed the limits.

WATER CONSUMPTION



It must be highlighted how all the swimming pools feature water reintegration regulation directly proportionate to the number of bather's present. This helps the Resort cut water consumption.

The management of waste is another key element for reducing the environmental impact of a property which, due to its size and the nature of its activities, produces large quantities of organic and inorganic waste.

Lefay Resort & SPA Lago di Garda reduces the environmental impact of the waste it produces by the following important actions:

- Separate waste collection;
- Use of recycled materials and re-use of materials;
- Special waste managed correctly.



SEPARATE WASTE COLLECTION

Separate waste collection involves the following types of waste: paper, glass and metals, plastic, cans, organic waste and not recycled. In compliance with the collection methods defined by the municipality of Gargnano and applied by Staff of the Resort according to the standards established by the Quality and Environment Management System. This separation is carried out at source in all areas of the Resort, except in the guestrooms where the waste is separated in a subsequent stage by the Housekeeping department.

The data relating to the production of household wastes have been estimated according to the waste collected by the appointed company and to the number and volume of available containers. For 2016, the max estimated figures are: Paper and Cardboard 55 tonnes; Plastic 3 tonnes; Glass and metals 36 tonnes; Organic Waste 48 tonnes and non-recyclable 40 tonnes.



NEUTRALISATION OF CO₂ EMISSIONS

USE OF RECYCLED MATERIALS

Consistent efforts have been made to use recycled and/or biocompatible materials such as:

- FSC certified, recycled paper for all Guests' letters and for paper materials (e.g. breakfast forms, badge holders, room directory, menu, etc...) and, in the near future, for all office activities;
- glass bottles to limit the use of plastic and an agreement with the supplier to return the empty bottles; total elimination of aluminium cans by all Resort departments with the only exception of the summer pool bar (for safety reasons);

Since 2013 the Resort gives its Guests at check-out a bottle of water purchased from a supplier adhering to the Programme of the Italian Ministry of the Environment for the "Carbon Footprint Assessment".

Lefay Resorts has also been trying to optimise all office processes in order to reduce the unnecessary use of paper as much as possible. Our hotel management software (Property Management System) has enabled us to reduce paper archives, the paper exchange between the departments, and all paper exchange to Guests all offers and/or order confirmations are made by phone or by email.

SPECIAL WASTE

As regards the management of waste classified as "special", Lefay Resort & SPA Lago di Garda works with companies specialised in the transport and disposal of the same and verifies that they are duly registered in the National Register of Environmental Operators.

The main types of special waste are ash, toners and spent vegetable oil. In addition, there is sanitary waste produced by the SPA that is managed as special hazardous waste, with authorised suppliers and via the national SISTRI (waste Tracking System).

| TYPE OF SPECIAL WASTE (T.) | 2015 | 2016 |
|--|--------------|--------------|
| Metals | 0,78 | / |
| Wood | 0,4 | / |
| Sanitary Waste | 0,011 | 0,08 |
| Ash | 5,26 | 1,3 |
| Exhaust toners with hazardous substances | 0,025 | 0,014 |
| Neon tubes | 0,06 | / |
| Neon tubes with hazardous substances | 0,045 | 0,029 |
| Frying oil | 2,47 | 3,8 |
| Hazardous WEEE equipment out of order | / | 0,014 |
| WEEE equipment out of order | / | 0,192 |
| TOTAL | 9,051 | 5,429 |

Since 2011 Lefay Resorts has dedicated great efforts to the issue of CO₂ emissions. In the same year, on 20th December in Rome, the Company signed a voluntary agreement with the Ministry of the Environment and Protection of Land and Sea for the promotion of common projects aimed at assessing the environmental footprint and, in particular, at calculating the carbon footprint and reducing the greenhouses gas emissions.

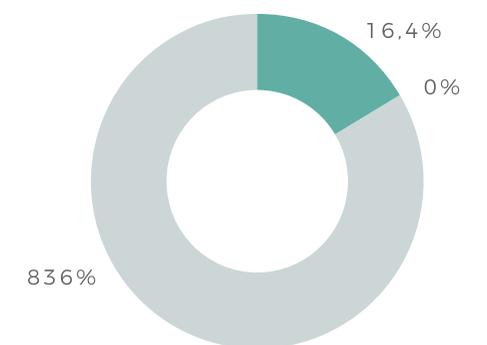
These projects are taking on an increasingly important role in strengthening the actions envisaged by regulations and government policies within the context of the Kyoto Protocol and the "Energy-Climate Package" adopted by the Council of the European Union in 2008. This agreement is divided into 2 stages:

STAGE 1 - Definition of the monitoring system of the CO₂ emitted and the respective calculation.

STAGE 2 - Definition of the actions to reduce and/or neutralise the CO₂ emitted.

The system of monitoring of emissions and the subsequent definition of the actions needed to neutralise them by 100% led to the launch of the Lefay Total Green project. Lefay Resorts has supplied a series of data to the Ministry referred to both 2011 and 2013 which have enabled the technicians of the industry, appointed directly by the MATTM (Ministry of the Environment and Protection of Land and Sea), to prepare the inventory of CO₂ emissions using a calculation system based on specific software. From 2015 the Voluntary Agreement with the Ministry of the Environment, although still in force,

DIVISION OF CO₂ EMISSIONS PER FIELD 2016



- Field 1: emissions arising from the generation of heat, steam or electrical energy by burning fuels;
- Field 2: consumption of electricity and heat purchased (indirect source);
- Field 3: activities associated to the transport of Guests, transport of staff and transport of goods purchased etc...; the production of goods purchased used for the Resort's activities and services; the management and disposal of waste.

no longer envisages support to calculate the emissions. However, Lefay Resorts has decided to continue to measure data useful in preparing the inventory of CO₂ emissions relating to the 2015 reference year and to develop an internal calculation system to be able to validate the inventory with an external certification body as in previous years, in accordance with ISO 14064. Therefore, the changes to the methodological system do not allow a linear comparison of the 2015 inventory with previous inventories.

COMPARISON OF EMISSIONS PER SOURCE FOR THE YEARS 2015 AND 2016

DATA CERTIFIED BY TÜV ITALIA ACCORDING TO ISO 14064

| SOURCE OF EMISSION | YEAR 2015 | YEAR 2016 | DELTA % 2016 VS 2015 |
|---------------------------|-----------|--------------|----------------------|
| Energy | 1.295 | 1.334 | + 3 % |
| Staff Mobility | 73 | 74 | + 0,7 % |
| Guests' Transport | 6.322 | 6.058 | -4,2 % |
| Raw Materials | 494 | 508 | + 3 % |
| Waste | 60 | 58 | -3,3 % |
| Tonnes of CO ₂ | 8.244 | 8.032 | -2,6 % |

In 2016, the emission of CO₂ dropped by about 3%. This was also due to activities implemented to reduce consumption, minimise waste production and increase in the number of local suppliers.

STAGE 1: DEFINITION OF THE MONITORING SYSTEM OF THE CO₂ EMITTED

The main principles followed for defining the carbon footprint monitoring system are: credibility, transparency and uniformity, in compliance with that envisaged by the ISO 14064 standard. Lefay Resorts does not only analyse direct emissions, but has also quantified indirect emissions, focusing its attention, in particular, on emissions from the transport of Guests, which are particularly significant. The sources of emissions of Lefay Resort & SPA Lago di Garda have been classified according to the following fields:

Field 1 - Direct sources.

Field 2 - Consumption of electricity and heat purchased (indirect source).

Field 3 - Indirect sources.

It is common practice for the majority of companies to select a single year in order to report the greenhouse gas emissions. For Lefay 2015 will be the base year, considering that the calculation method has been reviewed in order to internalise the method.

The Resort undertakes to update the emissions calculation once a year instead of every two years starting from 2015, in order to monitor the entity of the emissions and to define possible improvement actions in the industries with the highest emissions. The efficiency of the method used for monitoring CO₂ and the results obtained are validated by the certifying body TÜV Italia, in full compliance with the provisions of the ISO 14064 standard. In April 2017 an update was made of the calculation of the CO₂ emitted, taking into consideration the data of the year 2016.

This update shows a reduction of 211 tonnes of CO_{2eq} compared to 2015. The reason for such drop is mainly due to a number of good practices which have been introduced, as well as to outside temperatures which above all affect consumption.

STAGE 2: DEFINITION OF REDUCTION AND/OR NEUTRALISATION ACTIONS OF THE CO₂ EMITTED

After calculating the emissions of CO₂, Lefay Resort & SPA Lago di Garda, by means of the Lefay Total Green project, undertook to offset this by purchasing an equal number of credits on the international market. The first year of compensation was 2013. Compensation is made by discounting the outstanding share of carbon emissions against the purchase of CERs credits recognised by the UNO, in compliance with the provisions of the Kyoto protocol to help implement projects which allow cutting the emissions of CO₂ and other greenhouse gases in both developing and other countries. To compensate the emissions relating to 2016, Lefay Resorts chose to finance three international projects. The first, "Metro Delhi, India", aims at building a rapid and efficient public transport system called Mass Rapid Transit System (MRTS) in the city of Delhi, which has a population of around 14 million and is experiencing strong growth with regards to the number of motor vehicles and a major increase in the demand for transport. The saving on emissions associated with the project – considering that this means of transport will be used by over one million people every day – is based on a reduction in the use of traditional means of transport

(cars) and is due to a change in the level of city jams and journey times. Considering that the largest share of emissions of Lefay Resorts comes from transport, we thought it only right to compensate with a project in the same field, and add another in the energy sector: the "Santo Antonio Hydropower Project" developed to satisfy Brazil's growing thirst for energy through renewable energy sources. This project does in fact use hydroelectric energy produced by the river Madeira near the city of Ponte Velho, in the State of Rondonia, to reduce the emissions of greenhouse gas caused by the production of electricity using coal. Furthermore, the project is in line with the "Equators Principles" standards because it ensures social development and the environmental sustainability of the populations and of the territory in which it has been developed.

The last project, "Improved Cookstoves in Chamanculo C., Maputo" was embraced in Africa and has strong repercussions of an environmental and social nature, as well as cutting carbon dioxide emissions. It is certified Gold Standard by the WWF: this means the project satisfies the highest requirements in terms of sustainability, transparency and positive social effects. It is being developed in one of the poorest neighbourhoods of Maputo, in Mozambique and envisages the replacement of current coal stoves, which are also very dangerous for human health, with stoves among the most efficient in the world which make it possible to promote energy efficiency, preserve natural resources and upgrade the living conditions of 5,000 families.



PEOPLE

The key success factor in luxury hospitality is unquestionably the quality of human resources, which allows us to go beyond Guests' expectations every day and to create a unique and valuable offering. This is the reason why

the growth of our Staff constitutes the core of Lefay's values and strategy, it's instrumental in turning our brand into the Italian reference brand in the international market of luxury wellness holidays.

THE QUALITY AND ENVIRONMENT SYSTEM

The jewel in the crown of the Lefay Resorts organisation is the management of the Quality and Environment System, which delivers exclusive service that is perfectly aligned with the environmental and quality standards we guarantee our Guests to ensure they can enjoy the ultimate holiday experience in harmony with nature and the local environment.

Right from the design stage Lefay considered it vital to establish an integrated Quality and Environmental Management System shared with everyone through clear and precise work tools. Standards and procedures are clearly documented and shared at all levels of the organisation. All employees are given an operational manual illustrating both customer service and environmental procedures and standards. The observance of these standards is verified every day by department heads and periodically during inspections conducted by specially-trained employees or external consultants. Any non-compliance is brought to the attention of Senior Management and the corrective action needed to solve the issue definitively is decided on together with the managers in charge.

Our quality and environment system means Lefay is run in full compliance with the concept of "Continual Improvement", a concept that lies at the heart of the success of our company. Twice a year, the Management Review takes place to assess the efficacy of the Quality and Environment Management System by verifying together with the department managers, that the objectives defined have been reached, making comments on the results of inspections and defining any corrective actions, preventive actions or opportunities for improvement.

A specific position, namely, the Quality and Sustainability Manager, was introduced at the end of 2015 to control the Management Systems, the quality of the processes and the existing environmental projects. This position belongs to the Lefay Resorts Staff and has the task of supporting the Management Company, the Resort Manager and department heads in performing their duties in line with the requirements set out in the documents and in the System Procedures.

STAFF'S SATISFACTION

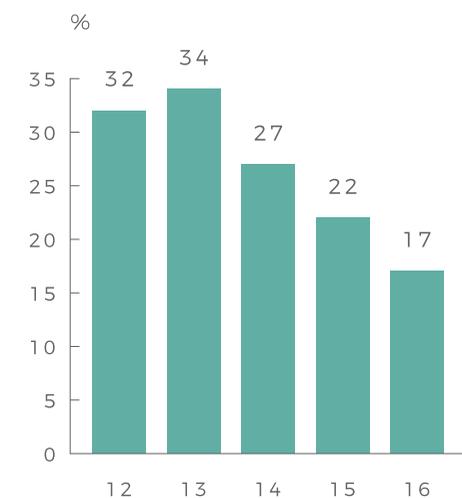
SHARING GOALS

The company's goals, in terms of financial aspects, quality and efficiency, are defined each year, for each department. Meetings of Senior Management, departmental heads and other Staff are held periodically to monitor the progress of the objectives set out at the beginning of the year, propose new standards of service and solve any problems encountered during daily activities. These meetings help to align the efforts of everyone in achieving the company's strategic goals, strengthening the sense of belonging and fostering Staff management skills.

EMPLOYEES' SATISFACTION

In addition to achieving financial and quality targets, Lefay Resorts believes that the level of satisfaction of its Staff is an equally important variable, which should be continuously monitored. For this reason in 2012 we introduced the "Employee Satisfaction Survey". Once a year all Staff complete the survey, which measures their level of satisfaction in terms of motivation, shared Corporate Values, the quality of the staff canteen and staff accommodation, opportunities for professional growth and the level of transparency in the management of Human Resources. This tool helps the company to achieve three specific benefits: improve communication between manager and Staff, support organisational development and link individual contributions to the realisation of the company's strategic plan.

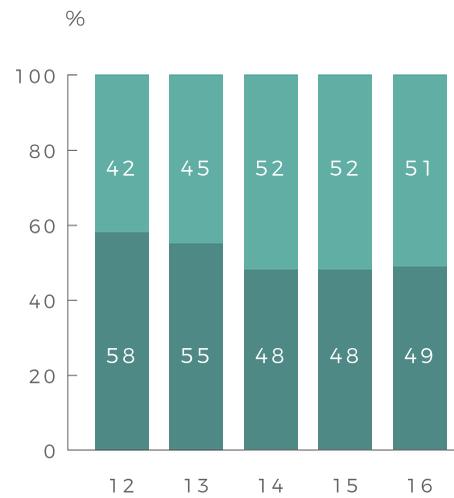
TURNOVER RATE OF STAFF



In 2016, the trend was confirmed relating to the turnover rate, which was around 17%, a figure much below the industry average, and a sign that the policies implemented to ensure the loyalty of collaborators have been successful.

This tool was also implemented in 2016, and the areas for improvement on which to work in the future were also identified based on the answers given by the Staff.

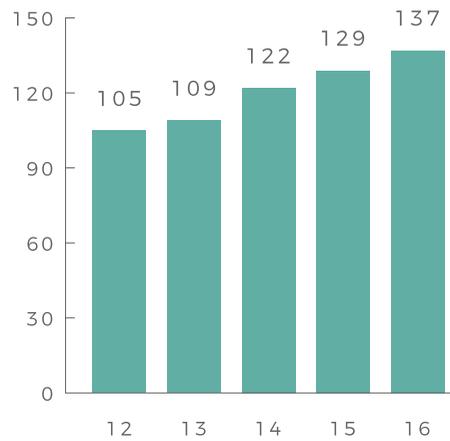
MALES VS FEMALES



■ Females
■ Males

In 2016, the percentage of women workers hired dropped with respect to 2015. Generally, the applications received for the various departments showed a clear preference on the part of female workers for the Reception & Booking, SPA and Housekeeping Departments, while Food & Beverage attracted more male applicants.

NUMBER OF STAFF IN THE RESORT



The average yearly number of Staff calculated based on the monthly number which changes according to the season, again increased in 2016, going from 129 to 137 people, 4 of which belong to protected categories.

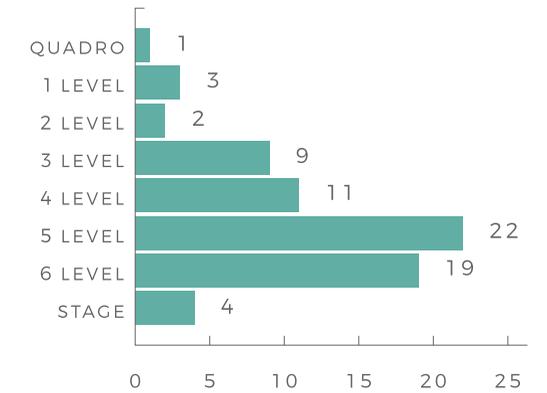
Some data arising from an analysis of the results are detailed below:

- 90% filled and returned the survey in an anonymous form;
- on average 81% were satisfied or very satisfied with their job;
- the Reception & Booking Department is the department where satisfaction is highest (93%).

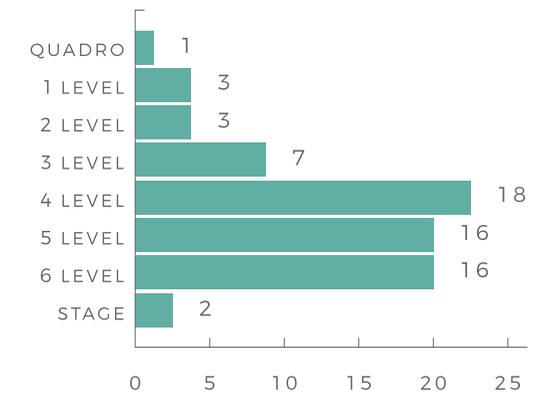
EMPLOYMENT AND REMUNERATION POLICY

All Staff of Lefay Resorts are employed according to the conditions envisaged by the National Labour Contract, Tourism industry. All professional positions in the Resort are grouped into macro-categories, which are based on the employment levels of the National Labour Contract, without discrimination of any kind with regard to gender. Our Staff are paid more than the levels stipulated by the National Labour Contract for the Tourism industry, on average by 10%. In addition to the basic salary, an allowance is given to all those who live a certain distance from the Resort, allowances are provided for particular roles and an incentive system has been set up, which is linked to the objectives shared at the beginning of the year. In 2014 an important organisational decision was taken, in sharp contrast to recent trends in the sector: the internalisation of the room cleaning service. This decision, aimed at further improving the quality of the service to Guests, resulted in a considerable increase in the number of employees, particularly female staff. A training course was given to all new employees, which was completed during the year.

FEMALE EMPLOYEES' LEVEL



MALE EMPLOYEES' LEVEL





Based on the results of the customer satisfaction analyses and from the employees' satisfaction survey, we can affirm that the decision to internalise the service has been totally positive. We are also particularly satisfied with the trend concerning the percentage of new open ended contracts. Since 2011, the percentage passed from 35% to 56%.

The trend in Staff turnover has also improved over the years, passing from 32% in 2011 to 17% in 2016. The reduction in the rate of turnover was the result of different activities carried out over the years, connected to the professional development of our Staff, which are aimed at strengthening the sense of belonging and sharing of the values of Lefay Resorts.

BENEFITS

Based on the assumption that to request superior service from our Staff towards Guests, the company must be equally good to its Staff, we have implemented a series of unique benefits in the sector in Italy:

Work hours: the company has drawn up guidelines for work hours so that they are standardised in all departments, sustainable and above all compliant with legislation in the matter.

Holidays: each member of Staff has the right to benefit from the holidays envisaged by the National Labour Contract for the Tourism industry while the Resort is closed (usually in January) and may request another two holiday periods of his/her choice throughout the year.

Remuneration: Lefay Resorts applies the National Labour Contract, Tourism industry, to all employees, with contractual status linked to their role in the company, on a permanent or temporary basis according to the specific characteristics and requirements of the position available. All aspects of their position (e.g. holidays, days off, shifts) are managed in a clear and transparent manner by the Human Resources Office and can be continuously monitored by each member of Staff.

THE "NOI" RESTAURANT

All Staff members can eat free of charge at their own restaurant. The "Noi" Restaurant, managed and looked after directly by Lefay Vital Gourmet Staff, offers breakfast, lunch, dinner and afternoon snacks for the different shifts, allowing all Staff to make use of the service according to the activities and needs of their department with specific attention paid to preparing the menu and its variation following the seasonal changes of the food.

HOUSING

All Staff who make a request will be offered housing free of charge within the structure or in a special residence. The accommodation facilities have been recently built and are very comfortable. Staff not requesting housing will be given a payment in addition to their salary.

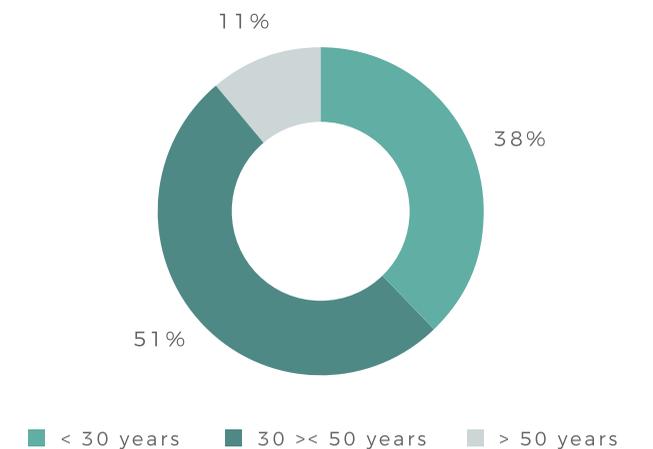
UNIFORMS

When starting their job, each member of Staff is given a set of uniforms for their department. Lefay also offers a free laundry service for the uniforms.

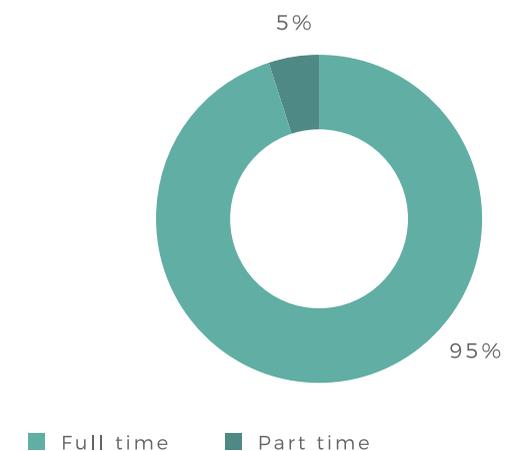
DISCOUNTS ON PURCHASES OF LEFAY BRAND PRODUCTS AND SERVICES

Lefay Resorts gives discounts to all its Staff on the purchase of holidays at the Resort and on Lefay SPA, Lefay Style and Lefay Vital Gourmet brand products for sale at the Lefay Shop inside the SPA area.

STAFF BY AGE GROUPS



FULL TIME / PART TIME



PROFESSIONAL DEVELOPMENT

Consistently with the Company's values, Lefay dedicates a great attention to its Staff, especially concerning their professional growth. For this reason, when a new position is needed in the Resort's Team, a careful research among the current Staff Members is carried out before selecting new people. In this way, those human resources that, following a career promotion could perform the vacant position, may be selected.

Lefay Resorts applies, in a clear and transparent manner, the National Labour Contract, Tourism industry, and promotions are given based on merit and the skills of each member of Staff. In addition to the roles typical of the sector, the company has created specific roles for its requirements, for example:

- Lefay SPA Method Training Manager;
- Lefay SPA Method Trainer;
- Eco-Manager.

For each role a training course is planned, and the goals, responsibilities and duties are identified and summarised in a job description. The fundamental stages that accompany the path of professional growth within Lefay Resorts are as follows:

- Selection process;
- Performance assessment;
- Recognition.

For Lefay Resorts training is particularly important in the context of professional development.

SELECTION PROCESS

We are always looking to attract the best talents by illustrating the factors that differentiate a work experience with Lefay from other competitors. In 2013 we began using a new software to manage the applications and have included the new section "Careers" on the website www.lefayresorts.com so that candidates can view the positions available and examine the benefits offered by the company to its Staff. It is a transparent selection system that has increased the influx of highly interesting applications, making the selection process more efficient and simplifying and accelerating the selection management procedure.

PERFORMANCE ASSESSMENT

In order to make the path of growth and development of Staff clearer and more objective and structured, Lefay Resorts decided to introduce an impartial and objective system of assessment of human resources.

All Staff are involved in this process, which includes the following stages:

- self evaluation by each Staff Member;
- evaluation and feedback interview with the Management and the related Head of Department.



During the process the following skills are evaluated:

- **cross-cutting** requested for all roles, such as flexibility, motivation, focus on quality;
- **specific** according to the professional role covered, such as linguistic and technical abilities;
- **managerial** only for department heads and deputies.

ACKNOWLEDGEMENTS

Each month, Lefay Resorts appoints an employee of the month, with this acknowledge-

ment, recognition is given to employees who manage to surprise Guests by going above and beyond their expectations or who demonstrate total dedication and team spirit while carrying out their work. In particular, the sharing of company objectives is strengthened by the use of incentive systems specifically created for roles that are considered strategic.

INTERNAL COMMUNICATION

Lefay Resorts communicates with its Staff in a constant and transparent manner using the following tools:

Corporate Identity Booklet: distributed every year to all Staff, it explains the company's vision, mission and values, the Lefay code of excellence, awards and acknowledgements.

Internal communication: any updates on product standards or changes in internal procedures are communicated to the heads of department and then shared with all Staff.

Periodic meetings: both departmental and cross-cutting meetings are held periodically to discuss news, events and the running of the resort.

Institutional communication: the Management of Lefay Resorts issues prompt announcements to let Staff know about any successes (awards or acknowledgements achieved) and any news published in the press thanks to the company's PR work.

THE DECALOGUE OF EXCELLENCE

RESPECT FOR COLLEAGUES - we are extremely good to the people we work with, in the same way we are with our Guests, respecting their differences and commending their unique qualities.

COMMUNICATION - we always communicate with a discreet tone and quiet voice, trying never to intimidate interlocutors.

HOSPITALITY - we welcome our Guests as we would if they came to our home.

STYLE - we take care of our appearance, uniform and posture because these aspects are the first expression of Lefay's New Luxury.

TEAM - we always use the word "us" and never "I", we are successful thanks to the people that stand by our side day after day.

BEING PROFESSIONAL - we are committed to learning and applying the Lefay standards of excellence.

A SMILE - we express every day the passion, joy and motivation that distinguish us.

RESPECT FOR THE ENVIRONMENT - we are committed to respecting the environment, with small daily gestures.

BEING AN EXAMPLE TO OTHERS - we are aware that any instruction, if not accompanied by example, is useless.

EXCELLENCE THAT GOES ABOVE AND BEYOND - we try to anticipate the needs of our Guests and always go above and beyond their expectations!



TRAINING

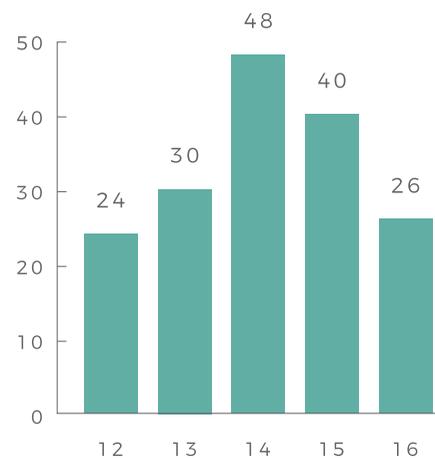
The key to the success of Lefay Resorts is the excellence of people: for this reason, our Staff members, once they have entered the Lefay world, become part of a Team that is driven and motivated to achieve excellence, have the opportunity to increase their professional preparation and enjoy a series of benefits that are unique in this sector in Italy.

The attitude and skills of our Staff have a direct impact on the excellent quality of the service, which we must ensure is as perfect as possible for our Guests day after day. Lefay training is divided into three categories.

INTRODUCTORY COURSE

Each new member of the Lefay Staff goes on a two-day introductory course so that they can fully embrace Lefay's values, learn their way about the work place and discover the operational standards expected in their department. An entire module of this programme is dedicated to the facility's sustainability, to the environmental certificates implemented, to the environmental improvement objectives and the related actions, and to the good environmental practices to be adopted during everyday work.

AVERAGE NUMBER OF HOURS OF TRAINING PER STAFF MEMBER



In 2016, hours of training dropped compared to 2015 as a result of the continuous drop in turnover and consequent reduction in training hours for newly-engaged Staff (8 hours per person).

PROFESSIONAL TRAINING COURSES

During the year each member of Staff also attends special training courses as required (eg. foreign language courses, customer relations courses and management of Guests suffering from celiac disease) in order to develop or improve the specific skills required by their role. In addition to these, other courses are held on specific topics: Health and Safety, HACCP and Privacy, waste management and management of allergies.

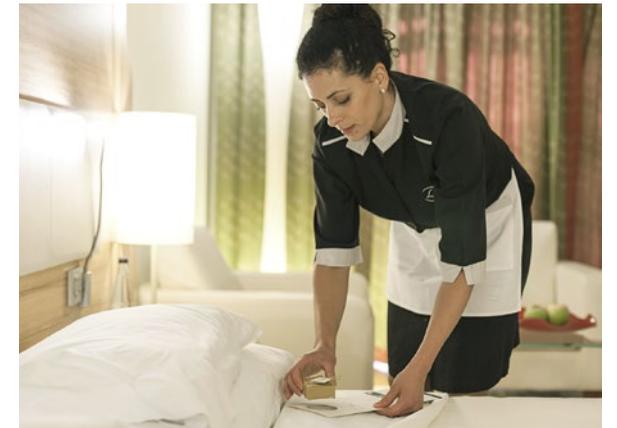
Each member of Staff of the SPA department attends a specific training course, which involves the Lefay SPA training coordinators, medical experts and representatives specialised in the various holistic disciplines.

Each Staff member is given a training manual, which summarises the theory courses attended, the number of on-the-job training hours carried out to achieve the necessary qualifications to perform treatments on Guests and the assessments given following periodic inspections, which evaluate the level of preparation and respect of Lefay SPA's standards.

A professional certificate is given at the end of this course.

MANAGEMENT COURSES

Lastly, department managers follow a training path designed to develop their management abilities and the skills needed for achieving success in their role.



INTRODUCTORY COURSE - for all new Staff that became part of the Lefay Team



PROFESSIONAL TRAINING COURSE - to improve the knowledge and technical abilities of all Staff



MANAGEMENT COURSES - courses dedicated to specific roles, to improve managerial skills in different areas



THE LOCAL AREA

The Resort is nestled among the hills of the old town of Gargnano, in the heart of the Upper Garda Nature Reserve, and offers a marvellous view of the largest and brightest expanse of water in Italy: Lake Garda, also known as Benaco. The brightness of the environment, the mildness

of the climate, the lush vegetation and the wonderful scenery, which are the setting for interesting historical sites and numerous cultural and folklore events, make Lake Garda a unique destination for visitors and enthusiasts of holidays filled with relaxation, sport, fun and fine food.

RESPONSIBLE MANAGEMENT OF SUPPLIES

PURCHASE POLICY

Respect for the value of social and environmental sustainability is also reflected in the Resort's purchase policy, which has been focused on environmental sustainability and area provenance ever since the resort opened. In this regard, we give preference to companies which operate according to the standards envisaged by international environmental and quality certification systems.

We choose our suppliers on the basis of the criteria listed below in order of priority:

- possession of the necessary mandatory authorisations, licences and/or qualifications;
- possession of sector-specific references and experience and/or experience with eco-compatible projects;
- possession of environmental, quality or product/service sustainability certifications in their field (and we ask to see a copy just to make sure);
- the supplier's operating centre to privilege collaboration with local suppliers in order to reduce the impact of transport emissions and to favour the development of the local area;
- cost effectiveness.

Lefay Resorts is committed to developing long-term relationships with its suppliers, also sharing its quality and environmental policy, in the belief that only a relationship involving mutual exchange and growth ensures the quality of the products which Lefay Resort & SPA Lago di Garda proposes to its Guests.

In addition to this, consistent with the commitment to reduce CO₂, 66% of food product turnover is tied to local suppliers from the province of Brescia, 19% from neighbouring provinces within 150 km (Milan, Verona, Padua) and the remaining 15% from central or northern Italy.

SELECTION OF PRODUCTS

Since its opening, Lefay Resort & SPA Lago di Garda has favoured the use of natural, eco-compatible materials to complement the natural beauty of its setting:

Interior Design: we have used as many locally-sourced natural materials as possible, like olive wood for the parquet, Italian walnut for the furniture, and Verona red marble for the flooring of the reception area and bathrooms. All our fabrics are made of untreated natural cotton fibre. And we have used water-based, non-chemical paint on the walls.



EMPLOYMENT OF LOCAL PEOPLE

SPA: we have created a line of personalised dermatological cosmetics for face and body that are rich in natural active ingredients without any addition of petroleum products, artificial colours, parabens and surfactants (sodium lauryl ether sulphate).

Food & Beverage: preference is given to local suppliers, especially those who adopt organic farming methods, consistent with the Lefay Vital Gourmet philosophy. Organic vegetables "dall'Orto di Domenico", local meat from the "Alpe del Garda" farm, dairy products from "Al Franet" in Tremosine, the truffle of Monte Baldo: these are just some examples of the excellent products of our area and which are available in our restaurants.

RESEARCH AND DEVELOPMENT

Each year, Lefay Resorts invests in research to constantly improve its wellness range, innovating products and treatments. During 2016, the company invested in the renewal of the Lefay SPA Dermatological Line, completely revamped with 50 new products split into 5 specific lines, without added parabens, colourings and preservatives dermato-

logically tested, nickel tested (< 0.00001%) and Vegan OK and Cruelty Free certified. Along with the introduction of these new products, used in the Lefay SPA Signature Treatments, a major study was dedicated to the enhancement of the Lefay SPA wellness offer, which since 2017 has introduced exclusive Anti-Age treatments as part of the Energy Aesthetics Beauty Rituals: the use of the Lefay SPA Cosmetic Line is combined with manual firming and drainage techniques and advanced equipment that helps tone up the tissues, such as cupping and press-massaging. As far as services are concerned, in 2016 Lefay joined the Green Road Revolution with the "Tesla Destination Charging" programme, the new service provided to Guests and which joins the facility to a rapidly expanding network dedicated to charging electric vehicles. Inside the garage, Tesla connectors are available, capable of providing a range of 100 km/60 miles every hour by charging the car battery during the night and ensuring all the convenience and efficiency which Tesla owners are normally accustomed to.



Lefay Resorts is committed to employing Staff members who are resident in neighbouring municipalities, depending on the professional skills required. The percentage of "local" Staff Members (resident in the province of Brescia) grew from 55.5% in 2015 to 60% in 2016; many however come from the nearby Trentino region. The commitment of Lefay towards the development

of the local community is also seen in the courageous decision to keep Lefay Resort & SPA Lago di Garda open all year in this typically seasonal destination (March-October). A choice however rewarded by the presence of a significant number of Guests throughout the opening period, in fact, the Property's average occupancy rate reached 79% in 2016.

PROMOTION OF THE LOCAL AREA

PRESS AND PUBLIC RELATIONS

Lefay Resorts contributes actively to the development and promotion of Lake Garda both in Italy, and abroad, thanks to the contacts and the network of relations with international and national counterparties, and thanks to the constant teamwork with prestigious communication agencies in Europe. Press visits were organised during 2016 for more than 70 national and international journalists and approximately 450 articles were published referring to the Resort and to the Lake Garda area, with the consequent promotion of the culture, tourism and local products.

SPONSORSHIPS AND COLLABORATIONS

Lefay Resorts enthusiastically supports some cultural and sporting initiatives promoted by the Local Community, by sponsoring different events. Among these we may find events promoted by local associations, sailing competitions organised every year on Lake Garda or races promoted by local sports clubs. Of interest is the "Transbenaco" regata staged every year by the "Circolo Nautico di Portese", which regularly receives our support; in 2016 it celebrated its thirtieth anniversary. With regards to cultural initiatives, Lefay Resorts sponsors concerts and musical events, including the prestigious "Fes-

stival Tener-a-Mente", staged during the summer months in the Amphitheatre of the Vittoriale degli Italiani in Gardone Riviera, involving the participation of leading names of international music.

ASSOCIATIONS

Lefay Resorts is member of Local Associations, such as the "Consorzio Turistico Gargnano Relax" (Gargnano Relax Tourist Consortium), active in the promotion of tourism in the local area, "A.I.B - Associazione Industriale Bresciana" (Brescia Industrial Association), one of the most representative business association in Italy and a member of the Confindustria System that numbers more than 1,200 companies.

CULTURE AND NATURE

A stay at Lefay Resort & SPA Lago di Garda is completed with the numerous experiences in the quest to discover Lake Garda, and promoted to present to the Guests the main cultural and landscape heritage of the surrounding area. This is achieved thanks to the organisation of guided visits to the main sites of historical/cultural interest (for example: the "Vittoriale degli Italiani" and the Arena of Verona) and to the sites of naturalistic interest (mountain bike excursions, hiking or trekking in the "Parco dell'Alto Garda" Upper Garda Park).

ARTISTS



Lefay Resorts aims to involve its Guests emotionally and intellectually in the local area by showcasing local artists. Since our opening, we have developed strong relationships with local artists and commissioned them to produce unique works of art, such as paintings and photographs which pay tribute to the wonderful surroundings of the Resort. Inside Lefay, Guests can enjoy some works of art by Renato Missaglia, an artist from

Brescia, who has produced art representing the seven elements found in the Garda area: the olive tree, the bougainvillea, the bay tree, the vineyard, the lemon, the lake and the lemon-house. Our Royal Pool & SPA Suite features works of art by Antonio Mazzetti, an eclectic artist from Brescia, while in all common areas of the Resort Guests can enjoy pictures taken by Pino Mongiello of the lake and the lush lakeside countryside.

03

IMPROVEMENT OBJECTIVES

“There are places where wellness is everywhere.”

LEFAY RESORT GARDA SRL

ENVIRONMENT

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|--|---|---------------|---|
| To reduce or neutralize CO ₂ emissions | TCO ₂ | Calculate and offset Lefay Resort Garda SRL emissions and assess projects for the purchase of CER certificates | JUN 2013-2015 | COMPLETED For 2013, 2014 and 2015 |
| To increase internal recycling and re-use activities | % single-use products | At least 50% of single-use products for the SPA (caps and pants) must be made of recycled or recyclable material | DEC 2015 | COMPLETED 100% of single-use products for the SPA are made of recycled or recyclable material |
| To reduce the use of printed materials | Number of paper printouts | Replace paper pay slips with email dispatch | JUN 2016 | COMPLETED Replacement completed |
| | | Start of TEAMSYSTEM management procedure to computerize the request process for supplies from the various resort departments avoiding the complication of introducing paper forms | JUN 2016 | COMPLETED Training started |
| To promote the use of electrical private means of transport | Number of recharge points placed at the disposal of Guests | TESLA project for the installation of 2 electric vehicle recharge points inside the Resort garage | DEC 2016 | COMPLETED 2 points put at the disposal of our guests |
| 2% reduction in energy requirements per Guest | KwH/Guest Night | Submit the Lefay Resort & SPA Lago di Garda property to energy control | OCT 2015 | COMPLETED Energy requirements per Guest in 2015 dropped by 4.2% compared to 2014 |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|----------------------|--|----------|---|
| To promote an environmental sustainability culture associated with the world of wellness and cosmetics. | YES/NO | Obtain the "Being Organic and Ecological SPA" certification for Lefay SPA (verified through an external audit carried out by an accredited institute) and achieve the maximum compliance level | DEC 2015 | COMPLETED Certification achieved with excellence level |
| | | Obtain the "Cosmos Organic" certification for the Cosmetic Oil Line for Face and Body through an external audit by an accredited institute | FEB 2016 | COMPLETED Certification achieved for face and body oil line |
| To increase the use of certified materials with lower environmental impact | % amenity containers | At least 50% amenity containers made from certified or recycled materials | FEB 2017 | COMPLETED 100% of the new cosmetic line containers are made of recycled and FSC certified paper |
| To increase energy efficiency | Self-produced kWh | Replacement of one of the micro turbines forming part of the cogeneration plant | JUN 2016 | COMPLETED |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|-----------------------------------|--|---|---|
| To reduce or neutralize CO ₂ emissions | TCO ₂ | Calculate and offset the Lefay Resort Garda emissions, assessing local projects for the purchase of CERs | EVERY YEAR BY JUNE | IN PROGRESS For the year of reference 2016 |
| To achieve a 2% drop in energy needs/per guest | KwH/Guest Night | Replacement of light bulbs with low-consumption type (LED) | DEC 2018 (replacement is made gradually as the light bulbs terminate their life cycle) | IN PROGRESS |
| To increase the use of certified materials with lower environmental impact | YES/NO | Introduce new certified FSC paper shoppers for the Lefay SPA Shop | MAR 2017 | IN PROGRESS |
| To promote an environmental sustainability culture associated with the wellness and cosmetics world | Number of certifications achieved | Obtain the "Cruelty Free" certification for the new Lefay SPA Cosmetic Line, which confirms that no animals were tested | MAR 2017 | IN PROGRESS |
| | | Obtain the "Vegan OK" certification for the new Lefay SPA Cosmetic Line, confirming that no animal by-products were used | MAR 2017 | IN PROGRESS |
| To promote children's awareness as regards sustainability issues | YES/NO | Compile a Green Book for children (type of animals, local plants, duration of waste degradability, etc.) | APR 2017 | IN PROGRESS |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|--|--|---|----------|-------------|
| To promote various types of local plants | Number of identified plants with tag/total of local plants present | Position small notices outside showing the names of the local plants inside the gardens | JUN 2017 | IN PROGRESS |
| To increase internal recycling and re-use activities | YES/NO | Purchase Composter for organic waste | DEC 2017 | IN PROGRESS |
| | | Check feasibility of introducing pre-sorted waste collection in Guests' rooms | DEC 2017 | NEW |
| To reduce use of printed materials | Number of paper printouts | Digitalization of notice cards for guests | FEB 2018 | NEW |
| To achieve a 2% drop in energy needs per Guest | KwH/Guest Night | Submit the Lefay Resort & SPA Lago di Garda facility for energy control | OCT 2017 | NEW |

PEOPLE

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|--|--|---|----------|---|
| To gather Guest feedback on environmental aspect of the Resort | YES/NO | Include questions relating to environmental aspects in post-stay Guest Surveys | FEB 2016 | COMPLETED Yes -two questions introduced |
| To improve knowledge of foreign languages | Number of training hours | Offer at least 10 hours of English language learning for all Staff members | DEC 2016 | COMPLETED In 2016 450 hours were dedicated to English language learning |
| To intensify technical-professional training | Number of training hours | Organise specific training courses for each department (as already provided for Lefay SPA Staff) | DEC 2016 | COMPLETED In 2016, professional courses were staged for the restaurant kitchen housekeeping and maintenance departments for a total of over 3,000 hours |
| To carry out F&B training on how to prepare dishes for coeliac suffers and how to manage allergens | Number of training hours | Follow the «Eating Out» guidelines of the AIC | DEC 2016 | COMPLETED 2 hours training performed in both kitchen and F&B departments |
| To foster the awareness of Staff Members on the sustainability issue | Number of training hours | Launching of the Lefay Total Green training programme with specific focus on waste management and the reduction of environmental impact | DEC 2016 | COMPLETED At least 2 hours training performed for each Staff Member |
| To offer Guests certified organic cosmetic products | Number of organic cosmetic products/ total cosmetic products | Select certified organic products for sale in Lefay SPA Shop | FEB 2016 | COMPLETED 25% of products sold inside the Lefay SPA Shop are certified organic |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|--|--|---|----------|--|
| To offer Guests SPA treatments using only certified organic cosmetics | Number of treatments with organic cosmetic products/ total cosmetic products | Use only certified organic cosmetic products to perform some of the treatments in the Lefay SPA range | FEB 2016 | COMPLETED 50% of the treatments performed use certified organic products |
| To improve the atmosphere in the "Noi" Restaurant | YES/NO | Assess wall colour, presence of plants, partitions to conceal stored objects | DEC 2016 | COMPLETED The Restaurant has been improved both in terms of food quality and overall quality of atmosphere including by adding a number of plants. |
| To implement the ethical awareness of employees and major stakeholders | YES/NO | Adoption and sharing at all levels of a company CODE OF ETHICS | MAR 2017 | IN PROGRESS |
| To upgrade knowledge of foreign languages | Number of training hours | Carry out at least 10 hours of English language learning for all Staff members | DEC 2017 | IN PROGRESS |
| To intensify technical-professional training | Number of training hours | Organise specific training courses | DEC 2017 | IN PROGRESS |
| To introduce new benefits for the Staff | Number of agreements started | Offer our Staff Members special agreements with local businesses | DEC 2017 | NEW |

TERRITORY

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|---|---|----------|--|
| To increase by 2% the turnover for local food product suppliers | Local supplier turnover/total turnover | Give priority as regards supply management policy to the following criteria: - local suppliers - choice of seasonal and local raw materials | DEC 2016 | COMPLETED Local supplier turnover in 2016 +1.8%. |
| To increase by 2% the turnover relating to the purchase of certified products for the sectors: FOOD | Certified product turnover/total turnover | Give priority to the choice of food products with: ORGANIC, DOC, DOP, ICP, STC, Slow Food, Fair Trade, Blue Marine Stewardship Council (MSC) | DEC 2016 | COMPLETED Certified product purchase in 2016 +2.1% for certified cheeses, slow food and organic fruit and veg. |
| To reduce water consumption per Guest | M3/Guest Night | Resort tap dispensing modulation | DEC 2016 | COMPLETED Drop in water consumption -16.4% |
| To increase turnover for the purchase of certified linen | Certified linen turnover/total turnover | Purchase certified Global Standard Textile linen | DEC 2016 | COMPLETED COTS linen turnover in 2016 14%. |
| To increase by 2% the purchase of certified cleaning products | Certified product turnover/Total turnover | Give priority to certified cleaning products: Ecolabel, Angelo Blu, EcoCert, Nordic Swan | JUN 2017 | IN PROGRESS |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|------------------------------------|---|----------|-------------------------------|
| To increase the purchase of sustainable products and/or with certifications for the FOOD sector | Number of purchased products | Join the WWF "Terre dell'Oasi" project by purchasing a certain number of products for Lefay SPA Shop and the Restaurants' menus | SET 2017 | NEW |
| To increase the % of renewable energy | Renewable energy/Total consumption | Installation of new solar/ photovoltaic panels | MAR 2018 | NEW With extension in 2018 |
| To increase the ethical and environmental culture of our Guests and in the Media | Number of partnerships begun | Start of partnerships with Italian companies particularly focused on ethical and environmental sustainability | DEC 2017 | NEW |
| | | Organise a Symposium at Lefay Resort & SPA Lago di Garda, during which specific issues related to the theme of sustainability may be discussed by a panel of selected Italian companies | APR 2018 | NEW |
| To reduce the environmental impact of washing which involves the consumption of water, electricity and detergents | YES/NO | Place makeup wipes in Guestrooms to reduce the intensive washing of linens stained by makeup | FEB 2018 | NEW |

LEFAY RESORTS SRL

ENVIRONMENT

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|--|--|--|----------|---|
| To reduce the use of printed materials | Number of paper printouts | Start of TEAMSYSYSTEM management to computerize the supply request process and avoid having to fill in paper forms | DEC 2016 | COMPLETED |
| | | Replace paper, pay slips with email dispatch | JUN 2016 | COMPLETED |
| To reduce or neutralize CO ₂ emissions | TCO ₂ | Calculate the emissions of Lefay Resorts SRL | JUN 2016 | COMPLETED For reference year 2015 |
| To increase pre-sorted waste collection | Number of types of collected wastes | Introduce pre-sorted collection for PLASTIC, HUMID, GLASS and METALS and notify this to all employees | JUN 2016 | COMPLETED |
| To increase the use of products with certification for the CLEANING sector | Number of products Total number of products | Give preference to cleaning/ toilet paper products with Ecolabel | DEC 2016 | COMPLETED 50% of the products used have environmental certification |

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|---|---|--------------------|-------------|
| To reduce or neutralize CO ₂ emissions | TCO ₂ | Quantify the emissions tied to the Lefay Resorts website and proceed to neutralize | DEC 2016 | IN PROGRESS |
| | | Calculate the emissions of Lefay Resorts SRL | EVERY YEAR BY JUNE | IN PROGRESS |
| To increase the use of certified materials with less impact on the environment | MKT prints on FSC paper/ Total MKT prints | Use of FSC certified paper for at least 80% of marketing activity printouts | DEC 2017 | IN PROGRESS |
| To increase awareness and attention for the environment on worksites by suppliers/contractors | YES/NO | Draw up an environmental and safety guideline on WORKSITES, for Lefay Resort Dolomiti building contractors to assure that operations are made in compliance with the value of sustainability. | JUL 2017 | IN PROGRESS |
| Involvement in environmental projects developed by suppliers/partners | YES/NO | Take part in DHL Go Green projects to reduce the impact of dispatches made yearly | DEC 2017 | IN PROGRESS |

PEOPLE

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|--|-------------------------------|--|----------|--|
| To intensify technical-professional training | Number of training hours | Organise specific training courses on the basis of specific duties (at least 8 hours of training per person) | DEC 2016 | COMPLETED Technical training performed on TeamSystem management system |
| To introduce a corporate role in charge of Human Resources | YES/NO | Identification of new resource | JAN 2017 | COMPLETED New HR Assistant introduced |
| To implement ethical awareness of employees and major stakeholders | YES/NO | Adoption and sharing at all levels of a company CODE OF ETHICS | MAR 2017 | IN PROGRESS |
| To introduce new benefits for Collaborators | Number of executed agreements | Stipulation of special agreements for our Staff members c/o local businesses | DEC 2017 | IN PROGRESS |
| To improve knowledge of foreign languages | Number of training hours | Organise at least 4 hours of English language learning course for all Staff members | DEC 2017 | IN PROGRESS |
| To intensify technical-professional training | Number of training hours | Organise specific training courses on the basis of specific duties (at least 8 hours training per person) | DEC 2017 | IN PROGRESS |

TERRITORY

| OBJECTIVE | KPI | ACTION | WHEN | STATUS |
|---|-------------------------------------|--|----------|-------------|
| To implement the support to non-profit or charity organizations in the fields of human or environmental safeguard | Number of subscriptions | Subscription to dedicated ethical business programmes promoted by non-profit organisations such as Médecins Sans Frontières, FAI, UNICEF | JUN 2017 | IN PROGRESS |
| To increase the use of products and services provided by local suppliers (within 60 km) | Local suppliers /total of suppliers | Manage provisions policies giving priority to the following criteria: - Products by local suppliers - Services by local suppliers | DEC 2017 | IN PROGRESS |

AWARDS

2016

European Health & SPA Award:
**“BEST SIGNATURE TREATMENT”
 TO “FARFALLA DI SETA”
 AND IL “FLUIRE DEL RUSCELLO” TREATMENTS**

World Luxury SPA Awards:
“LUXURY DESTINATION SPA IN ITALY”

Connoisseur Circle Hospitality Awards:
“BEST HOSPITALITY SPA HOTEL”

World SPA & Wellness Awards:
**“WORLDWIDE HEALTH & WELLNESS
 DESTINATION”**

Tripadvisor Travellers' Choice Awards:
“TOP 25 LUXURY HOTELS”

Condé Nast Johansens Excellence Awards:
“BEST SPA FACILITIES”

Guida “I Ristoranti d'Italia 2016” L'Espresso:
**PRIMO “CAPPELLO”
 TO LA GRANDE LIMONAIA RESTAURANT**

2015

Spafinder Wellness Travel Awards:
**“COUNTRY AWARDS – BEST SPA IN ITALY”
 AND “BEST FOR MIND & SPIRIT”**

Spa Traveller Awards:
**“BEST SPA RESORT (MORE THAN 50 ROOMS) IN ITALY”
 AND “MOST EFFECTIVE DE-STRESS PROGRAMME”**

Small Luxury Hotels of the World Awards:
“CLUB MEMBERS' HOTEL OF THE YEAR”

Condé Nast Traveller Readers' Choice Travel Awards:
“20 TOP DESTINATION SPA”

European Health & SPA Award 2015:
“BEST DESTINATION SPA”

World SPA & Wellness Awards:
**“RESORT SPA OF THE YEAR:
 WESTERN EUROPE & SCANDINAVIA”**

Condé Nast Johansens Excellence Awards:
**“BEST DESTINATION SPA
 EUROPE & MEDITERRANEAN”**

Tripadvisor Travellers' Choice Awards:
**“TOP 25 HOTELS”, “TOP 25 LUXURY HOTELS”
 AND “TOP 25 ROMANTIC HOTELS”**

Guida “I Ristoranti d'Italia 2015” L'Espresso:
**PRIMO “CAPPELLO”
 TO LA GRANDE LIMONAIA RESTAURANT**

2014

Condé Nast Traveller Readers' Choice Travel Awards:
“20 TOP DESTINATION SPA” AND “WORLD'S BEST 100”

Tripadvisor Greenleaders:
PLATINUM

European Health & SPA Award:
**“BEST SPA TREATMENT IN ITALY”
 TO LEFAY SPA “LA VITA NEI SENSI” TREATMENT**

EXPEDIA® INSIDERS' SELECT™ 2014

CNN:
9 DELUXE WEIGHT LOSS VACATIONS

Tripadvisor Travellers' Choice Awards:
**“BEST LUXURY HOTELS”
 AND “MOST ROMANTIC HOTELS”**

Trivago Hotel Awards:
“BEST HOTEL IN LOMBARDY”

2013

European Health & SPA Award:
“BEST DESTINATION SPA”

Spafinder Readers' Choice Awards:
**“FAVOURITE SPA IN EUROPE”
 AND “FAVOURITE SPA IN ITALY”**

Small Luxury Hotels of the World Awards:
“HOTEL OF THE YEAR”

Condé Nast Traveller Readers' Choice Travel Awards:
“20 TOP DESTINATION SPA”

EXPEDIA® INSIDERS' SELECT™ 2013

Green Good Design Award:
“GREEN ARCHITECTURE”

Busche SPA Diamond:
“INTERNATIONAL SPA RESORT”

World Luxury SPA Awards:
**“BEST LUXURY DESTINATION SPA”
 AND “BEST LUXURY WELLNESS SPA”**

2012

Spafinder Readers' Choice Awards:
**“BEST ECO-SPA”, “BEST ACCOMMODATIONS”
 AND “BEST INTERIOR DESIGN”**

Best of the Best Virtuoso Awards:
“MOST SOCIALLY RESPONSIBLE”

Condé Nast Johansens Excellence Awards:
**“MOST EXCELLENT SPA HOTEL
 EUROPE & MEDITERRANEAN”**

ADDENDUM 1

LEFAY RESORT GARDA SRL DATA

| TOTAL WORKFORCE | MALE | % | FEMALE | % | TOTAL | % |
|--|-------------|------------|-------------|------------|--------------|-------------|
| Total | 66,6 | 49% | 70,6 | 51% | 137,2 | 100% |
| BY REGION | | | | | | |
| EUROPE | 58,8 | 88% | 68,6 | 97% | 127,4 | 93% |
| ASIA | 3,1 | 5% | 1,0 | 1,5% | 4,1 | 3% |
| SOUTH AMERICA | 2,4 | 3% | 1,0 | 1,5% | 3,4 | 2% |
| AFRICA | 2,4 | 4% | 0,0 | 0% | 2,4 | 2% |
| BY EMPLOYMENT CONTRACT | | | | | | |
| Full-Time | 65,6 | 99% | 65,2 | 92% | 130,8 | 95% |
| Part -Time | 1,0 | 1% | 5,4 | 8% | 6,4 | 5% |
| BY EMPLOYMENT CATEGORY | | | | | | |
| Management | 4,0 | 6% | 4,0 | 6% | 8,0 | 6% |
| Line Staff | 53,5 | 80% | 55,5 | 79% | 109 | 79% |
| On-call workers | 2,4 | 4% | 2,6 | 4% | 5,0 | 4% |
| Season Workers | 4,3 | 6% | 4,7 | 7% | 9,0 | 7% |
| Trainee | 2,5 | 4% | 3,9 | 5% | 6,4 | 4% |
| BY AGE GROUP | | | | | | |
| Under 30 | 21,3 | 32% | 30,6 | 43% | 51,9 | 38% |
| 30 to 50 | 39,2 | 59% | 31,5 | 45% | 70,7 | 51% |
| Over 50 | 6,0 | 9% | 8,6 | 12% | 14,6 | 11% |
| BY CONTRACT LEVEL | | | | | | |
| Level "Quadro" | 1,0 | 2% | 1,0 | 2% | 2,0 | 2% |
| 1st level | 3,0 | 4% | 3,0 | 4% | 6,0 | 4% |
| 2nd level | 3,0 | 4% | 2,0 | 3% | 5,0 | 4% |
| 3rd level | 6,5 | 10% | 8,6 | 12% | 15,1 | 11% |
| 4th level | 18,1 | 27% | 11,1 | 16% | 29,2 | 21% |
| 5th level | 16,1 | 24% | 21,6 | 31% | 37,8 | 27% |
| 6th level | 16,4 | 25% | 19,4 | 27% | 37,7 | 26% |
| Internship | 2,5 | 4% | 3,9 | 6% | 6,4 | 5% |
| BY MINORITY GROUPS (PROTECTED CATEGORY) | | | | | | |
| Total | 2,3 | 4% | 1,8 | 3% | 4,1 | 3% |
| NEW COLLEGUES | | | | | | |
| Total | 33,0 | 50% | 21,0 | 30% | 54,0 | 39% |
| BY AGE GROUP | | | | | | |
| Under 30 | 20,0 | 61% | 11,0 | 52% | 31,0 | 57% |
| 30 to 50 | 13,0 | 39% | 8,0 | 38% | 21,0 | 39% |
| Over 50 | 0,0 | 0% | 2,0 | 10% | 2,0 | 4% |

| BY REGION | | | | | | |
|-------------------------------|--------------|------------|--------------|------------|--------------|-------------|
| EUROPE | 31,0 | 94% | 21,0 | 100% | 52,0 | 96% |
| ASIA | 0,0 | 0% | 0,0 | 0% | 0,0 | 0% |
| SOUTH AMERICA | 1,0 | 3% | 0,0 | 0% | 1,0 | 2% |
| AFRICA | 1,0 | 3% | 0,0 | 0% | 1,0 | 2% |
| TURNOVER | | | | | | |
| Total | 16,5 | 25% | 7,5 | 11% | 24,0 | 17% |
| BY AGE GROUP | | | | | | |
| Under 30 | 13,3 | 80% | 5,75 | 77% | 19,0 | 79% |
| 30 to 50 | 3,3 | 20% | 1,75 | 23% | 5,0 | 21% |
| Over 50 | 0,0 | 0% | 0,0 | 0% | 0,0 | 0% |
| BY REGION | | | | | | |
| EUROPE | 16,5 | 100% | 7,5 | 100% | 24,0 | 100% |
| ASIA | 0,0 | 0% | 0,0 | 0% | 0,0 | 0% |
| SOUTH AMERICA | 0,0 | 0% | 0,0 | 0% | 0,0 | 0% |
| AFRICA | 0,0 | 0% | 0,0 | 0% | 0,0 | 0% |
| INJURY BY REGION | | | | | | |
| Total | 7 | 70% | 3 | 30% | 10 | 100% |
| EUROPE | 6 | 86% | 2 | 67% | 8 | 80% |
| ASIA | 0 | 0% | 0 | 0% | 0 | 0% |
| SOUTH AMERICA | 1 | 14% | 1 | 33% | 2 | 20% |
| AFRICA | 0 | 0% | 0 | 0% | 0 | 0% |
| EXECUTIVE BOARD | | | | | | |
| Total | 2 | 50% | 1 | 50% | 3 | 100% |
| BY AGE GROUP | | | | | | |
| Under 30 | 1 | 50% | 0 | 0% | 1 | 25% |
| 30 to 50 | 1 | 50% | 0 | 0% | 1 | 25% |
| Over 50 | 0 | 0% | 1 | 100% | 1 | 50% |
| BY REGION | | | | | | |
| EUROPE | 2 | 100% | 2 | 100% | 4 | 100% |
| TRAINING HOURS | | | | | | |
| Total | 1.305 | 36% | 2.322 | 64% | 3.627 | 100% |
| BY EMPLOYMENT CATEGORY | | | | | | |
| Mangement | 117 | 9% | 91 | 4% | 208 | 6% |
| Line Staff | 952 | 73% | 1.791 | 77% | 2.743 | 76% |
| On-call workers | 8 | 1% | 54 | 2% | 62 | 2% |
| Season Workers | 127 | 10% | 140 | 6% | 267 | 7% |
| Trainees | 101 | 7% | 246 | 11% | 347 | 9% |

ADDENDUM 2

LEFAY RESORTS SRL DATA

| TOTAL WORKFORCE | MALE | % | FEMALE | % | TOTAL | % |
|--|----------|------------|-----------|-------------|-----------|-------------|
| Total | 5 | 28% | 13 | 72% | 18 | 100% |
| BY REGION | | | | | | |
| EUROPE | 5 | 100% | 13 | 100% | 18 | 100% |
| BY EMPLOYMENT CONTRACT | | | | | | |
| Full-Time | 5 | 100% | 12 | 92% | 17 | 94% |
| Part -Time | 0 | 0% | 1 | 8% | 1 | 6% |
| BY EMPLOYMENT CATEGORY | | | | | | |
| Management | 4 | 80% | 5 | 38% | 9 | 50% |
| Line Staff | 1 | 20% | 7 | 54% | 8 | 44% |
| Trainees | 0 | 0% | 1 | 8% | 1 | 6% |
| BY AGE GROUP | | | | | | |
| Under 30 | 2 | 40% | 3 | 23% | 5 | 28% |
| 30 to 50 | 3 | 60% | 8 | 62% | 11 | 61% |
| Over 50 | 0 | 0% | 2 | 15% | 2 | 11% |
| BY MINORITY GROUPS (PROTECTED CATEGORY) | | | | | | |
| Total | 0 | 0% | 0 | 0% | 0 | 0% |
| NEW COLLEAGUES | | | | | | |
| Total | 0 | 0% | 2 | 100% | 2 | 100% |
| BY AGE GROUP | | | | | | |
| Under 30 | 0 | 0% | 0 | 0% | 0 | 0% |
| 30 to 50 | 0 | 0% | 1 | 50% | 1 | 50% |
| Over 50 | 0 | 0% | 1 | 50% | 1 | 50% |
| BY REGION | | | | | | |
| EUROPE | 0 | 0% | 2 | 100% | 2 | 100% |
| TURNOVER | | | | | | |
| Total | 1 | 20% | 2 | 15% | 3 | 35% |
| BY AGE GROUP | | | | | | |
| Under 30 | 0 | 0% | 0 | 0% | 0 | 0% |
| 30 to 50 | 1 | 20% | 2 | 15% | 3 | 17% |
| Over 50 | 0 | 0% | 0 | 0% | 0 | 0% |
| BY REGION | | | | | | |
| EUROPE | 1 | 20% | 2 | 15% | 3 | 17% |

| EXECUTIVE BOARD | MALE | % | FEMALE | % | TOTAL | % |
|-------------------------------|-----------|------------|------------|------------|------------|-------------|
| Total | 4 | 80% | 1 | 20% | 5 | 100% |
| BY AGE GROUP | | | | | | |
| Under 30 | 1 | 25% | 0 | 0% | 1 | 20% |
| 30 to 50 | 2 | 50% | 0 | 0% | 2 | 40% |
| Over 50 | 1 | 25% | 1 | 100% | 2 | 40% |
| BY REGION | | | | | | |
| EUROPE | 4 | 100% | 1 | 100% | 5 | 100% |
| TRAINING HOURS | | | | | | |
| Total | 40 | 17% | 195 | 83% | 235 | 100% |
| BY EMPLOYMENT CATEGORY | | | | | | |
| Management | 0 | 0% | 107 | 55% | 107 | 46% |
| Line Staff | 40 | 100% | 88 | 45% | 128 | 54% |
| Trainees | 0 | 0% | 0 | 0% | 0 | 0% |

ECONOMIC DATA LEFAY RESORTS SRL

| | |
|---------------|-------------|
| REVENUES | € 2.200.286 |
| COST OF STAFF | € 818.187 |

SUSTAINABILITY REPORT IN ACCORDANCE WITH GLOBAL REPORTING INITIATIVE

ENVIRONMENTAL PERFORMANCE INDICATORS LEFAY RESORTS SRL

| ENERGY | UNIT | 2015 | % | 2016 | % |
|--|--------------------------|-------------|-------------|-------------|-------------|
| Pallet | T/unit | 1,24 | 100% | 2,52 | 100% |
| Green electricity | Mwh/unit | 3,45 | 88% | 2,48 | 72% |
| Solar electricity - autoproduction | Mwh/unit | 0,47 | 12% | 0,98 | 28% |
| TOTAL | Mwh/unit | 3,92 | 100% | 3,46 | 100% |
| WATER | UNIT | 2015 | % | 2016 | % |
| Water delivered through the supply network | m ³ | 2218 | 100% | 2528 | 100% |
| Water delivered through the supply network | m ³ /unit | 138,63 | | 120,38 | |
| TYPES OF WASTE | UNIT | 2015 | % | 2016 | % |
| Exhausted Toners with hazardous substances | T | 0 | 0% | 0,002 | 100% |
| Exhausted toners (CER 80318) | T | 0,02 | 100% | 0 | 0% |
| CO ₂ EMISSIONS | UNIT | 2015 | % | 2016 | % |
| Scope 1 | TCO _{2eq} | 13,8 | 55% | 17,7 | 53% |
| Scope 2 | TCO _{2eq} | 0 | 0% | 0 | 0% |
| Scope 3 | TCO _{2eq} | 11,4 | 45% | 15,5 | 47% |
| TOTAL | TCO_{2eq} | 25,2 | 100% | 33,2 | 100% |
| TOTAL EMISSIONS BY SOURCE SECTOR | | | | | |
| BY SOURCE SECTOR | UNIT | 2015 | % | 2016 | % |
| Electricity | TCO _{2eq} | - | 0% | - | 0% |
| Pellets | TCO _{2eq} | 2,14 | 9% | 5,71 | 17% |
| HFC Refrigerants | TCO _{2eq} | - | 0% | - | 0% |
| Company Cars | TCO _{2eq} | 11,68 | 46% | 11,97 | 36% |
| Wastes | TCO _{2eq} | - | 0% | 0,23 | 1% |
| Paper | TCO _{2eq} | 0,20 | 1% | 0,21 | 1% |
| Personal Cars | TCO _{2eq} | 11,17 | 44% | 15,09 | 45% |
| TOTAL CO₂ EMISSIONS | TCO_{2eq} | 25,2 | 100% | 33,2 | 100% |

GENERAL STANDARD REPORTING

| CRITERION | CORE | DETAILED DESCRIPTION | REFERENCE | ASSURANCE |
|--|------|--|---------------------------------------|-----------|
| STRATEGY & ANALYSIS | | | | |
| G4-1 | X | Statement by the CEO about the importance of sustainability to the company and the strategy to address sustainability. | CEO's letter | ✓ |
| PROFILO DELL'ORGANIZZAZIONE | | | | |
| G4-3 | X | Name of the organization. | Our story | ✓ |
| G4-4 | X | Primary brands, products and services. | Business model | ✓ |
| G4-5 | X | Location of the organization's headquarters. | Business model | ✓ |
| G4-6 | X | Countries where the organization operates. | Business model | ✓ |
| G4-7 | X | Nature of ownership and legal form. | Organisational structure | ✓ |
| G4-8 | X | Markets served | Indicators of economic performance | ✓ |
| G4-9 | X | Scale of the organization including: total number of employees, total number of operations, net sales or revenues, total capitalization, quantity of products or services provided. | Indicators of economic performance | ✓ |
| G4-10 | X | Total number of employees by: a) Employment contract and gender. b) Professional category and gender. c) Employment type and gender. d) Region and gender. | Staff satisfaction | ✓ |
| G4-11 | X | Percentage of total employees covered by collective bargaining agreements. | Staff satisfaction | ✓ |
| G4-12 | X | Describe the organization's supply chain. | Supply chain management | ✓ |
| G4-13 | X | Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including. | Our story | ✓ |
| G4-14 | X | Whether and how the precautionary approach or principle is addressed by the organization. | NA | ✓ |
| ORGANIZATIONAL PROFILE: INVOLVEMENT IN EXTERNALLY INITIATIVES | | | | |
| G4-15 | X | List externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses. | Guest satisfaction | ✓ |
| G4-16 | X | List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization has a position in the governance bodies; participates to projects and committees; provides significant financial resources despite the standard membership fee; considers its support as a strategic factor. | Promotion of the local area | ✓ |
| IDENTIFIED MATERIAL ASPECTS & BOUNDARIES | | | | |
| G4-17 | X | List all entities included in the organization's consolidated financial statements or equivalent documents. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the Report. | Business Model | ✓ |
| G4-18 | X | a) Explain the process for defining the report content and the Aspect Boundaries. b) Explain how the organization has implemented the Reporting Principles for Defining Report Content. | Introduction to the SR and boundaries | ✓ |

| CRITERION | CORE | DETAILED DESCRIPTION | REFERENCE | ASSURANCE |
|--|------|--|---------------------------------------|-----------|
| G4-19 | X | List all the material Aspects identified in the process for defining report content - Identified Material Aspects. | Identified Material Aspects | ✓ |
| G4-20 | X | For each material Aspect, report the Aspect Boundary within the organization. | Identified Material Aspects | ✓ |
| G4-21 | X | For each material Aspect, report the Aspect Boundary outside the organization. | Identified Material Aspects | ✓ |
| G4-22 | X | Effect of any restatements of information provided in previous reports, and the reasons for such restatements. | NA | ✓ |
| G4-23 | X | Significant changes from previous reporting periods in the Scope and Aspect Boundaries. | NA | ✓ |
| STAKEHOLDER ENGAGEMENT | | | | |
| G4-24 | X | List of stakeholder groups engaged by the organization. | Stakeholder | ✓ |
| G4-25 | X | Basis for identification and selection of stakeholders with whom to engage. | Stakeholder | ✓ |
| G4-26 | X | Organization's approach to stakeholders' engagement, including frequency of engagement by type and stakeholders' group. | Stakeholder | ✓ |
| G4-27 | X | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns. | Stakeholder | ✓ |
| REPORT PROFILE | | | | |
| G4-28 | X | Reporting period (such as fiscal or calendar year) for information provided. | Introduction to the SR and boundaries | ✓ |
| G4-29 | X | Date of most recent previous report (if any). | Introduction to the SR and boundaries | ✓ |
| G4-30 | X | Reporting cycle (such as annual, biennial). | Introduction to the SR and boundaries | ✓ |
| G4-31 | X | Contact point for questions regarding the report or its contents. | Introduction to the SR and boundaries | ✓ |
| REPORT PROFILE: GRI CONTENT INDEX | | | | |
| G4-32 | X | GRI Content Index | KPI Table - GRI 4 | ✓ |
| ASSURANCE | | | | |
| G4-33 | X | Organization's policy and current practice with regard to seeking external assurance for the Report. | TÜV Italia External assurance | ✓ |
| GOVERNANCE | | | | |
| G4-34 | X | Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental, and social impacts. | Organisational structure | ✓ |
| ETHICS & INTEGRITY | | | | |
| G4-56 | X | Organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics. | Vision and Mission, Company Values | ✓ |

| CRITERION | CORE | DETAILED DESCRIPTION | REFERENCE | ASSURANCE |
|--|------|--|--|-----------|
| SPECIFIC STANDARD DISCLOSURES | | | | |
| G4-DMA | | Narrative information on how an organization identifies, analyzes, and responds to its actual and potential material economic, environmental, and social impacts. | Identified material aspects | ✓ |
| ECONOMIC PERFORMANCE INDICATORS | | | | |
| G4-EC1 | | Directly generated and distributed economic value, including: earnings; operational costs; employee's salaries; donations or other investments to the local community; not distributed incomes; payments to investors and Public Administration. | Economic Performance Indicators + Addendum 2 | ✓ |
| G4-EC5 | | Comparison between the standard salary of new employees (by gender) and the minimum local salary in the most significant operational units. | Staff satisfaction | ✓ |
| G4-EC6 | | Percentage of senior management at significant locations of operation that are hired from the local community. | Staff satisfaction + Addendum 1 | ✓ |
| G4-EC9 | | Percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation. | Supply chain management | ✓ |
| ENVIRONMENTAL PERFORMANCE INDICATOR | | | | |
| G4-EN3 | | Energy consumption sources inside the Organisation. | Reduction of energy consumption + Addendum 2 | ✓ |
| G4-EN6 | | Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. | Reduction of energy consumption | ✓ |
| G4-EN7 | | Reductions in the energy requirements of sold products and services achieved during the reporting period, in joules or multiples. | Reduction of energy consumption | ✓ |
| G4-EN8 | | Total volume of water withdrawn from different sources. | Reduction of water consumption + Add. 2 | ✓ |
| G4-EN9 | | Total number of water sources significantly affected by withdrawal by type. | Reduction of water consumption + Add. 2 | ✓ |
| G4-EN10 | | Total volume of water recycled and reused by the organization. | Reduction of water consumption | ✓ |
| G4-EN11 | | Information for each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Environment | ✓ |
| G4-EN15 | | Direct greenhouse gas emissions (ghg) (scope 1). | Neutralisation of CO ₂ emissions + Addendum 2 | ✓ |
| G4-EN16 | | Direct greenhouse gas emissions (ghg) (scope 2). | Neutralisation of CO ₂ emissions + Addendum 2 | ✓ |
| G4-EN17 | | Other indirect emissions of greenhouse gas. | Neutralisation of CO ₂ emissions + Addendum 2 | ✓ |
| G4-EN19 | | Amount of ghg emissions reduction. | Neutralisation of CO ₂ emissions | ✓ |

| CRITERION | CORE | DETAILED DESCRIPTION | REFERENCE | ASSURANCE |
|--|------|---|---|-----------|
| G4-EN23 | | Total weight of hazardous and nonhazardous waste, by different disposal methods. | Waste + Addendum 2 | ✓ |
| G4-EN27 | | Quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. | Improvements objectives | ✓ |
| G4-EN30 | | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce. | Neutralisation of CO ₂ emissions | ✓ |
| SOCIAL PERFORMANCE INDICATORS - LABOR PRACTICES & DECENT WORK | | | | |
| G4-LA1 | | Total number and rate of new employee hires and total number and rate of employee turnover during the reporting period, by age group, gender, and region. | Staff satisfaction + Addendum 1 and 2 | ✓ |
| G4-LA6 | | Types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for the total workforce, by region and gender. | Staff satisfaction + Addendum 1 and 2 | ✓ |
| G4-LA9 | | Average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category. | Staff satisfaction + Addendum 1 and 2 | ✓ |
| G4-LA11 | | Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period. | Staff satisfaction + Addendum 1 and 2 | ✓ |
| G4-LA12 | | Percentage of individuals within the organization's governance bodies and percentage of employees per employee category by gender, age of group, minority groups and other indicators of diversity. | Staff satisfaction + Addendum 1 and 2 | ✓ |
| SOCIAL PERFORMANCE INDICATORS - HUMAN RIGHTS | | | | |
| G4-HR12 | | Number of complains related to the observance of human rights solved through the application of established formal procedures | | ✓ |
| SOCIAL PERFORMANCE INDICATORS - SOCIETY | | | | |
| G4-SO11 | | Number of complains related to the impacts on society solved through the application of the established formal procedures | | ✓ |
| SOCIAL PERFORMANCE INDICATORS - PRODUCT RESPONSIBILITY | | | | |
| G4-PR5 | | Results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period. | Guest satisfaction, Staff satisfaction | ✓ |
| G4-PR8 | | Total number of substantiated complaints received concerning breaches of customer privacy and total number of identified leaks, thefts, or losses of customer data. | Guest satisfaction | ✓ |

AUDIT REPORT



Scegli la certezza.
Aggiungi valore.

TÜV Italia srl - Sede - I-20099 Sesto S. Giovanni (MI) via Giosué Carducci 125

To the attention of:

LEFAY RESORTS Srl
LEFAY RESORT GARDA Srl
Via A. Feltrinelli, 136
25084 GARGNANO (BS)

Audit Report according to the "Global Reporting Initiative GRI G.4 CORE" Guidelines - LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl

This public report is related to the audit performed on the " LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl Sustainability Report" (Lefay Resorts Srl - Lefay resort Garda Srl is hereinafter referred to as "Organization" or "Lefay Resort") by TÜV Italy Srl (*) for the year 2016.

The perimeter of the LEFAY RESORTS - 2016 Sustainability Report contains information and data related to the administrative offices located in San Felice del Benaco (BS) and the site of Lefay Resort located in Gargnano (BS) – Garda Lake.

LEFAY RESORTS decided to exclude from the scope of this reporting some indicators summarized in the table GRI G.4 positioned at the end of the Sustainability Report, as required by the GRI guidelines.

In particular, the environmental data related to the consumption of the administrative headquarter of Lefay Resorts Srl located in San Felice del Benaco (BS) are reported in a specific attachment to the report because they are not relevant compared to those of the hotel sited in Gargnano (BS).

The verification process took place in accordance with the methodology and the phases below described.

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TÜV SÜD AG



Registro delle imprese di Milano
n. iscrizione e Cod. Fisc. 08922920155
R.E.A.: 1255140 - P. IVA 02055510966
Cod. Identificazione CEE IT 02055510966
Capitale sociale : Euro 500.000 int. Vers.



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The scope of the audit

The audit was conducted to assess, with a sufficient degree of confidence, that the techniques related to the collection, control and communication of the data are aligned with the requirements as in the guidelines applied to the reporting process by the Organisation, which is responsible of all the information contained in the Sustainability Report.

Please note that the economic data were only taken into account to check the compliance with the economic indicators provided by the GRI Guideline G.4.

Audit process

The audit process was divided into several phases conducted between the months of May and June 2017, both at the site of Gargnano (BS), in San Felice del Benaco (BS) site, and remotely for the documentation review.

The methodology applied made it possible to assess the compliance of the Sustainability Report with all the applicable requirements of the GRI Guideline G.4 and selected by the Organization.

Both the management and the operating staff were interviewed, it was performed a sampling of the evidence to support the disclosed indicators, it was decided to carry out a sample check of records and documents, as well as the analysis of the data collection and communication processes adopted by the Organization in the Sustainability Report.

The audit also assessed the reporting principles both those related to the content of the report and those connected to the quality and accuracy of the information. The tests performed by the Organization for the evaluation of the relevant issues (*materiality*) in line with the mapping and analysis of interested parties (*stakeholders*) were analysed very carefully.

The improvement path identified in the previous audit findings was also verified.

Conclusions

According to the adopted audit, it is possible to confirm that the methodology used by the Organization in writing, checking and processing the texts related to the Sustainability Report 2016 was consistent and reliable in relation to the GRI Guidelines G.4.

The organization demonstrated commitment to making the information contained in the Sustainability Report readable, comparable and presented in an orderly, organic and



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accurate way. Data source and responsibilities are well identified and clear, besides it is highlighted a high involvement of the staff at any levels in relation to the data collection and monitoring processes.

Compared to the previous edition of the Sustainability Report, a better identification of the stakeholders as well as a more detailed materiality assessment are highlighted.

On the base of the collected evidence, TÜV Italy Srl could verify that the "LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl Sustainability Report" - 2016 - is compliant with **the CORE level** of the Global Reporting Initiative (GRI - G.4).

Opportunity for Improvement

At the end of the activity, it was suggested to expand the reporting of some multiple indicators that are included in the GRI G.4 Guide Lines - even if they are not much relevant - on the occasion of the future editions of the report. It had been observed, nevertheless, that indicators are been increased in comparison to the past edition.

To enhance, in the reporting, actions already in place on the Human Resource management and development.

To verify the possible way to include in the materiality analysis, guests feedback.

During the audit, it was observed a strong commitment by the Organization for the next editions of the Sustainability Report, to consolidate the commitment and the methodology used to involve specific stakeholders on the sustainability issues; to deepen some indicators; to implement an internal process that ensures the verification of the completeness and comparability of all the accounted indicators at a temporary level.

Methodological note

This final report fulfils the criteria AA1000AS 2008 "Statement of Assurance". The report is public and can be used by LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl only in conjunction with the Sustainability Report, to which it refers.

The Organization cannot omit parts of the report provided by TÜV Italy Srl and it is responsible for all the information presented in its Sustainability Report.



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Independence and Information on the Assurance Provider

TÜV Italia Srl, a subsidiary of the international group TÜV SÜD, is an independent inspection and certification body accredited by the major organizations in the social and environmental areas. It has a valuable experience at international level in the certification and verification in the field of social responsibility, environment and carbon management.

On the occasion of the verification of the LEFAY RESORTS Sustainability Report, TÜV Italia Srl made use of a multidisciplinary team.

TÜV Italy Srl declares to have no conflict of interest towards LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl, nor against any other companies included in the scope of the reporting.

(*) This report is formalized on the basis of the information obtained during the Sustainability Report audit written in Italian.

Sesto San Giovanni (Milan), June 12th, 2017

Sara Brandimarti
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