

CO₂ EMISSIONS

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 greenhouse gas emissions. This agreement is divided into two 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. Since 2015 Lefay has developed an internal calculation system in accordance with ISO 14064.

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:

Scope 1: Direct sources

Scope 2: Consumption of electricity and heat purchased (indirect source)

Scope 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 is the base year.

The efficiency of the method used for monitoring CO₂ and the results obtained are validated by the certifying body TÜV SÜD, in full compliance with the provisions of the ISO 14064 standard. This year an update was made of the calculation of the CO₂ emitted, taking into consideration the data of the year 2019: the calculation highlighted an increase of 6% compared to 2018 with a CO₂ emission of 10.287,96 t eq.

The increase was mainly due to the increasing trend of international Guests and, as a consequence, to the increase in the distance covered to reach the Resort on Lake Garda. Even though transport (air transport in particular) produces a lot of CO₂ emissions and represents a significant portion of the total emissions produced, Lefay has no means of influencing it in order to reduce it. Without counting the CO₂ emissions of Guests transportation, the Resort emissions would record a decrease by 0,42% compared to the previous year.



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 them 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 UN, in compliance with the provisions of the Kyoto protocol to foster the implementation of project aimed cutting CO₂ emissions and other greenhouse gases in both developing and

other countries. To compensate the emissions relating to 2019, Lefay Resorts chose to support four international projects related to CO₂ emissions and to the promotion of social & economic development in local communities.

The first project is "Baspas Hydroelectric" and includes the construction of a hydroelectric power plant to provide renewable energy to local communities in Kuppa, India. The project will produce environmental benefits by reducing emissions and contributing to the conservation of nature reserves and climate change mitigation, reducing dependence on fossil fuels. The main economic-social benefit will be the generation of employment

during both the construction and operational phases. This will help to alleviate poverty and reduce emigration. In addition, the project will improve and increase the number of local infrastructures such as roads, hospitals, schools, etc.

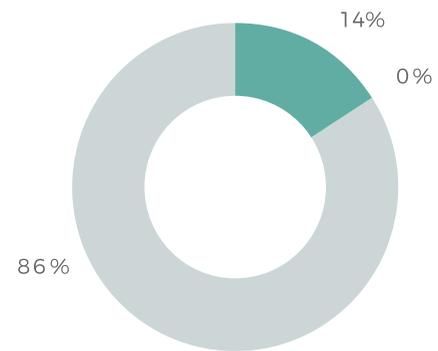
The second ("Süleoğlu Wind Power Plant") and the third ("Balabanlı Wind Power Plant") project involves the construction of a wind farm, the first in Asian Turkey and the second in European Turkey. The projects aim to reduce emissions of greenhouse gases and other pollutants from the extraction, processing, transport and combustion of fossil fuels for the generation of electricity. The projects will help to accelerate the growth of the energy sector and stimulate the production of renewable energy technologies throughout the country. The projects aim to counter Turkey's growing energy deficit and to diversify the electricity generation mix by reducing the gradient from imports, in particular of natural gas. The projects will also provide many social and economic benefits: in the areas around the project sites, in fact, structural work will be carried out to ensure and improve rural development and new job opportunities will be created during the con-

struction and operation of the wind farms. Both projects are Gold Standard certified. The fourth project is "Water is Life" and proposes the construction of a network of 50 wells in Tulear, Madagascar. In this area, 80% of the population has no direct access to drinking water and is forced to make long daily trips to reach water sources. In addition, it is necessary to boil the water using wood or coal to make it drinkable. This generates substantial greenhouse gas emissions and the deforestation of ever larger areas. The project aims to provide drinking water for domestic use, reducing CO₂ emissions, improving hygiene and health conditions and, generally, the quality of life of local people. The project is Gold Standard certified.

In 2019, Lefay confirmed its participation in the DHL GoGreen project, which allowed the Group to neutralise (through certified compensation) the CO₂ emissions into the atmosphere generated by the logistics services required, and in the "CO₂ Emission Zero" program, which is promoted by Rete Clima and allowed the company to neutralise the emissions generated by the site according to the page view.



**LEFAY LAGO DI GARDA
CO₂ EMISSIONS PER SCOPE**



- Scope 1: Emissions arising from the generation of heat, steam or electric energy by burning fuels.
- Scope 2: Consumption of electricity and heat purchased (indirect source).
- Scope 3: Activities associated to the transportation of Guests, transportation of Staff members and transportation of goods purchased etc... The production of Food & Beverage goods purchased for the Resorts' activities and services; the management of water consumption; the management and disposal of waste.

**LEFAY LAGO DI GARDA
EMISSIONS PER SOURCE 2019 VS. 2018**

SOURCE	YEAR 2018	YEAR 2019	DELTA % 2017 - 2018
	EMISSIONS [T CO ₂ EQ]	EMISSIONS [T CO ₂ EQ]	[%]
Energy	1,445,18	1,464,25	1,32
Refrigerant gas	-	-	-
Company cars	1,09	1,16	6,88
Staff commute	49,06	52,20	6,39
Raw materials	552,10	535,53	-3,00
Waste	37,60	23,23	-38,22
RESORT TOTAL CO₂ EMISSIONS	2,085,03	2,076,38	-0,42
Guests' Transport	7,604,48	8,211,58	7,98
TOTAL CO₂ EMISSIONS	9,689,51	10,287,96	6,18

In 2019 the emissions of CO₂ increased by 600 t. This has been mainly due to the increasing trend of Guests with international origin and, therefore, to the consequential increment in the distance to reach the Resort.

