



Sustainability Report
2017

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CHIEF EXECUTIVE OFFICER’S LETTER

It is a great pleasure to introduce the fourth edition of the Sustainability Report, which documents the actions we have taken in respect of the environment, the professional growth of our team, and the promotion of the development of local areas.

These aspects have always represented an integral part of the identity of Lefay Resorts. Since the opening of Lefay Resort & SPA Lago di Garda in 2008, the Company has combined its commitment to sustainability with excellence in luxury hospitality. In 2017, almost ten years later, the concept of sustainability continues to permeate all our activities. We are happy that the measures and actions taken since the beginning have led us to achieve great success, year after year, demonstrating that responsible corporate culture is a way to generate value in the present by investing in the future.

This year the Resort has further improved its economic performance with a 6% rise of turnover compared to 2016, thanks to the increase in occupancy, which exceeded the record number of 50,000 Guest nights, and their average spending. The uniqueness of the stay experience is reconfirmed in the overall satisfaction rate of the Guests, which remains stable at 95% and in the 16 international awards obtained (the highest number in nine years). Among these, we highlight the accolades as “Best SPA in the World” and “Best SPA in Europe” conferred respectively by the World Boutique Hotel Awards and the European Health & SPA Award. For the fourth consecutive year, the complete compensation of total CO₂ emissions has also



been implemented, reconfirming the “Carbon Neutral” identity of Lefay.

The past year has been a significant one for our Company. In 2017, works began on the second Resort in the Collection, located in the splendid setting of the Dolomites, listed as a UNESCO “World Heritage Site”, whose opening is scheduled for summer 2019. Within the context of the Lefay Resort & SPA Dolomiti project, the Group will launch Lefay Wellness Residences, luxury residences with integrated hotel services. We are taking our first steps into “Serviced Branded Residences”, becoming the first Resort in the Italian market to offer residences of this kind within a SPA Destination.

We hope that this Sustainability Report, drawn up according to the G4 guidelines of the Global Reporting Initiative and certified by the independent TÜV SÜD certification institute, can continue to be an incentive to spread a responsible and innovative business culture for everyone who joins us each day 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 Air Dolomiti 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 flag carrier. Thanks to the agreement with the German company, 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, 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.

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 Awards”. 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

Thanks to a unique wellness experience, Lefay Resort & SPA Lago di Garda confirms its identity as a global SPA Destination with two additional awards: “Best SPA in the World” at the World Boutique Hotel Awards and “Best SPA in Europe” at the European Health & SPA Award. An original philosophy that is also found in the renewed Lefay SPA Cosmetics Line, created with full respect for the environment and certified Vegan OK and Cruelty Free. During the same year, the construction of the second Resort of the Collection, Lefay Resort & SPA Dolomiti began, located in the Madonna di Campiglio ski area, in Pinzolo.

2018

On the tenth anniversary of the first Resort, the Group takes its first steps into “Serviced Branded Residences” within the new Lefay Resort & SPA Dolomiti, becoming the first Resort in the Italian market to offer residences of this kind within a SPA Destination.

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 area and the professional growth of the company's Staff.

To communicate in a clear and transparent manner the commitment made to its stakeholders, from 2014 Lefay summarises the results achieved by the Group in the economic, social and environmental fields and the objectives for future improvement in the Sustainability Reports published annually.

The 2017 Sustainability Report is thus the fourth, and like those of previous editions, 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 SÜD. As in the previous year, the 2017 Sustainability Report was also prepared on the basis of the new corporate structure that the Lefay Group assumed at the end of 2015. Starting from 2016, the activities carried out up to the previous year by a single company are carried out by two distinct entities: Lefay Resorts S.r.l., which essentially performs as a holding and management company, and Lefay Resort Garda S.r.l., which owns and manages Lefay Resort & SPA Lago di Garda.

The 2017 Sustainability Report, in line with the 2016 document, presents data from Lefay Resorts S.r.l. and Lefay Resort Garda S.r.l., paying particular attention to the data of the latter company, the most interesting and significant from an economic, environmental and social point of view.

The complete Assurance Report is published at the end of this document. By engaging its stakeholders, Lefay Resorts endeavoured to understand their expectations and 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;
- Development and promotion of 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 2016, the sources of data and the rate of collection remained unchanged, in particular:

- The 2017 edition refers to the period 1st January – 31st December 2017. The Sustainability Report is published annually.
- The results of the global satisfaction of Guests are updated annually on the basis of a monthly analysis of the completed surveys.

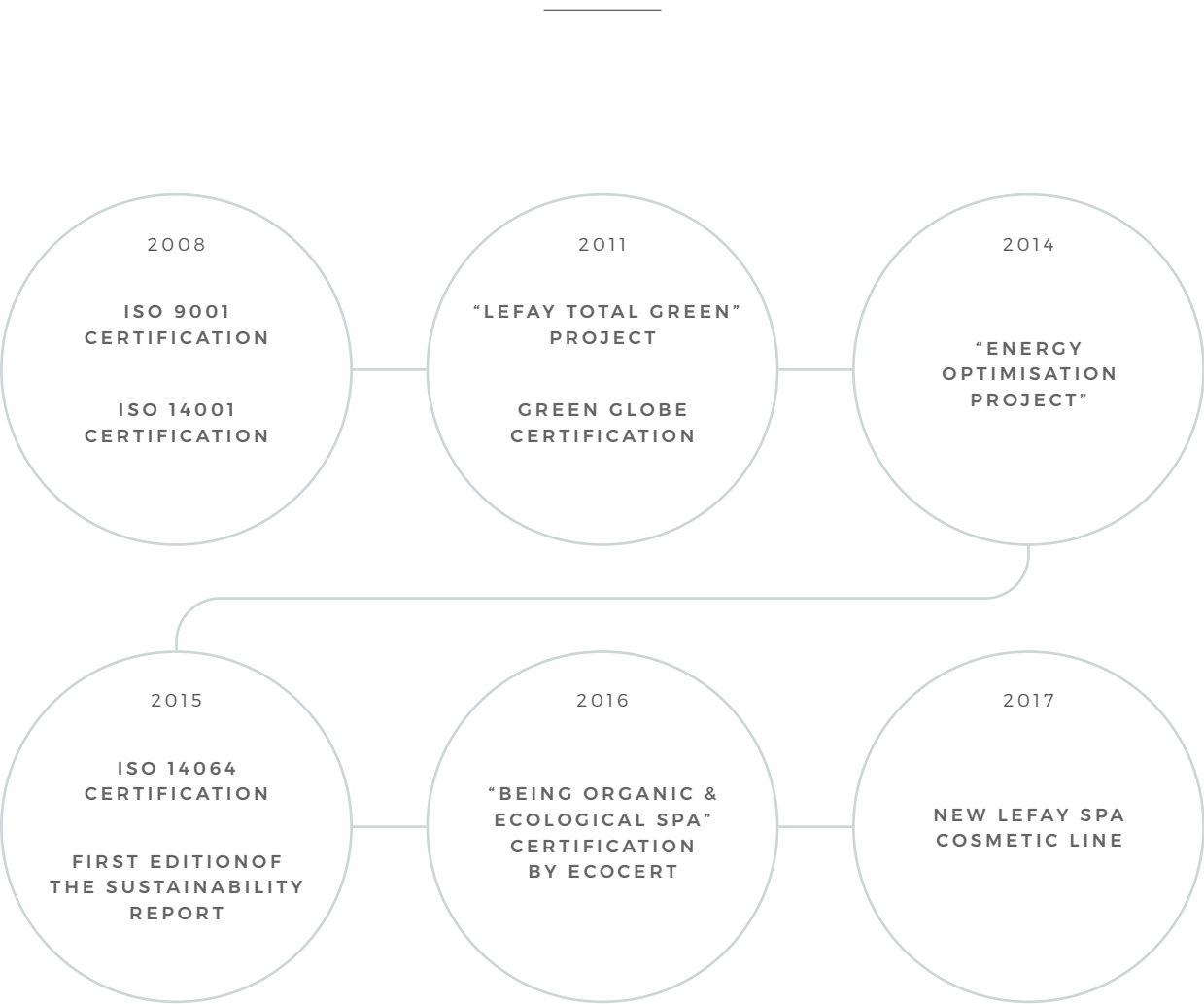


- Energy and water consumption figures are updated yearly on the basis of the monthly readings taken by the maintenance department and refer to Lefay Resort & SPA Lago di Garda, while the consumption figures of Lefay Resorts are to be found at the end of the document in a specific Addendum.
- The calculation of CO₂ emissions is updated every year and validated by TÜV SÜD. Monitoring activities began in 2011, while the first year when 100% of emissions were offset was 2013. When the emissions are calculated, Lefay

Resorts purchases CERs, which are required to fully offset of the annual emissions.

- In the event the methods of calculation are the same and data are comparable, the Report also shows the data of the previous years, to provide evidence of past trends.
- This year's Staff data both for Lefay Resorts S.r.l and Lefay Resort Garda S.r.l are displayed together. Figures report both aggregated data concerning 2016 as well, so that a comparison between 2016 and 2017 can be made (at the beginning of 2016, the new structure has been defined).

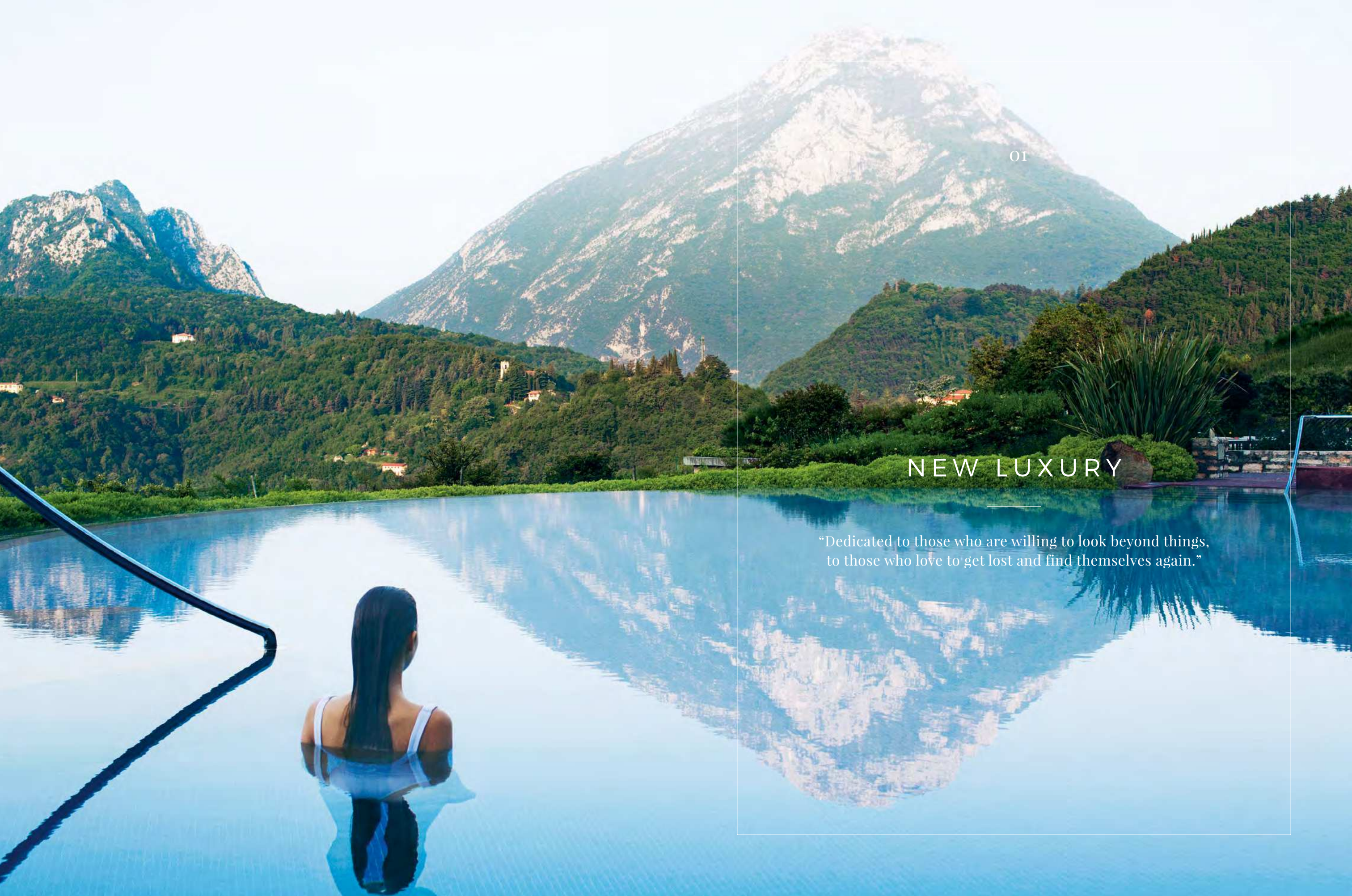
OUR PATH TO SUSTAINABILITY





KEY FIGURES
FOR 2017

50.106	68%
Overnight Guests	of the Staff is local
17.600.000	100%
€ turnover	of CO ₂ neutralization
164	2
Staff members	new certifications: the organic certification for Lefay's extra virgin olive oil Cuveè and Monocultivar Gargnà and the IGP registration for extra virgin olive oil Toscano
95%	16
Guests' level of satisfaction	accolades, among which "Best SPA in Europe" by European Health & SPA Award and "Best SPA in the World" by World Boutique Hotel Awards



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

The Lefay group operates in the following business segments:

- Design, Construction and Management of luxury eco-sustainable wellness resorts;
- Design, Construction and Marketing of branded serviced luxury residences within the Group Resorts;
- Creation and marketing of cosmetics and products related to relaxation, bearing its own brand.

Lefay distinguishes itself through a fully integrated business model, which starts from the conceptualization and construction up to the management of the accommodation facilities.

Each of the Lefay's Resorts stands out for the following features:

LOCATION

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

PRODUCT

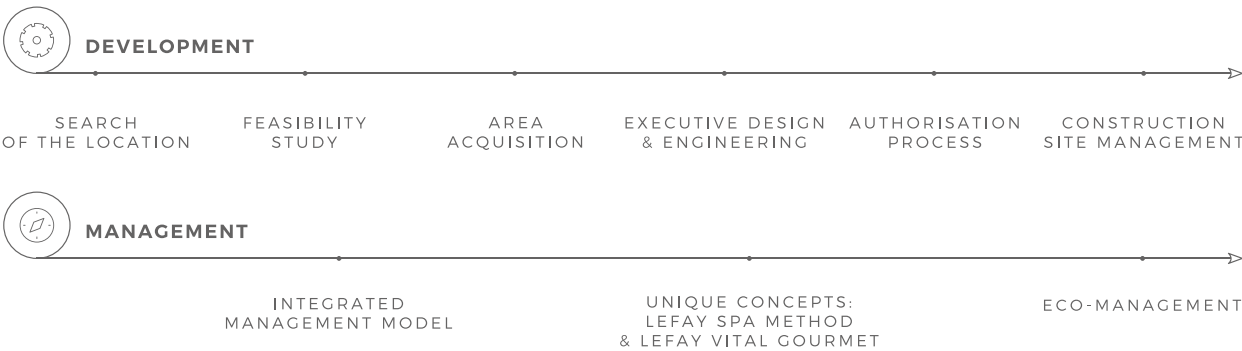
- New or recently built infrastructure
- 60 -100 Guestrooms of approximately 50 sqm and residences (Villas/Luxury Apartments)
- Central location of the SPA (min. 2,000 sqm)

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



EXPANSION STRATEGY

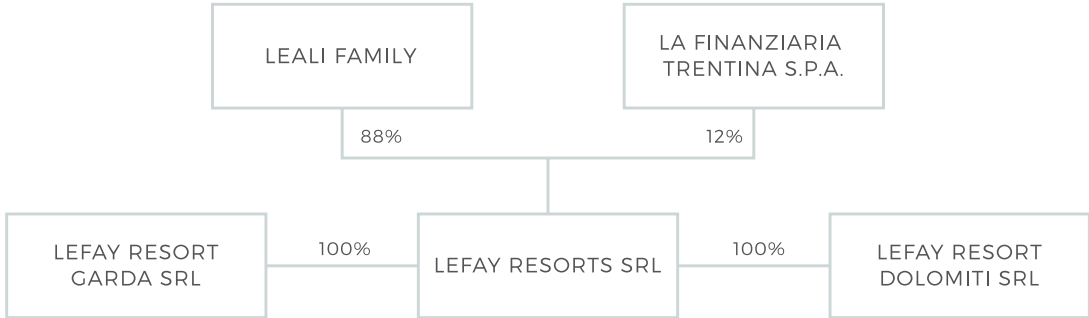


The first phase of the Lefay expansion project involves the completion of the Italian portfolio with three owned properties in Italy and the search for further ones in Central Europe to be operated under management or lease contracts, in collaboration with partner inves-

tors who share our same corporate values and objectives.

The second and third units in Italy are envisaged in the mountains (Dolomites) and in the countryside (Tuscany), respectively.

CORPORATE STRUCTURE



Lefay Resorts S.r.l., controlled by the Leali family, is the parent company of the “Lefay Group” and holds the ownership of Lefay Resort Garda S.r.l. and Lefay Resort Dolomiti S.r.l. The parent company Lefay Resorts S.r.l. acts as an operating holding company and as a management company for the Lefay brand; specifically, the Company deals with the development and promotion of the brand (which it owns) and provides the following services to subsidiaries that hold the ownership of the Resorts:

- hotel management services through management & licensing contracts;
- project development & management services for the conceptualization and implementation of new properties;

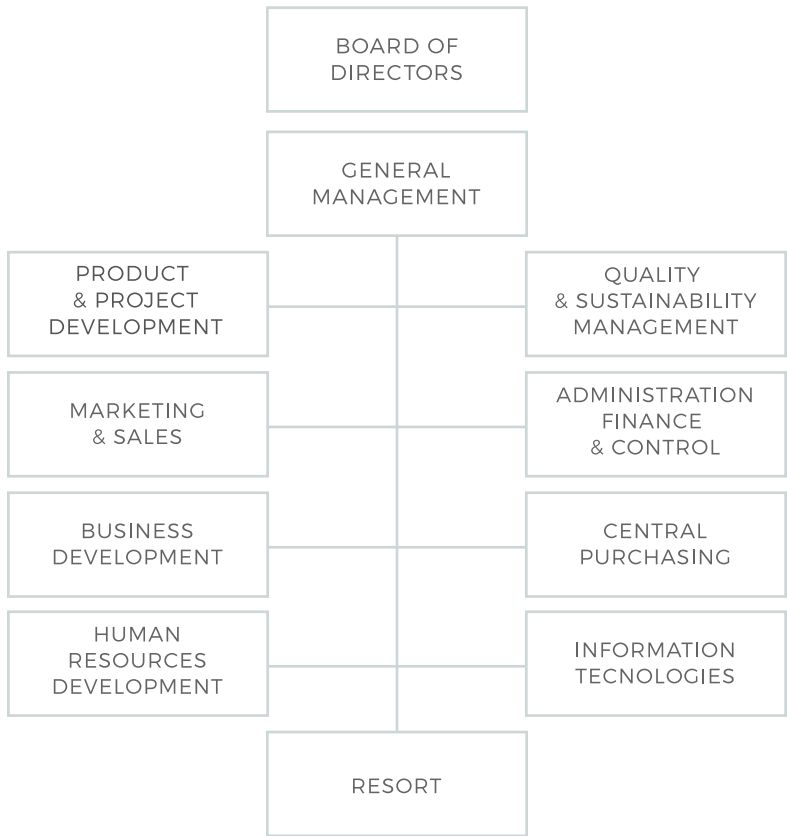
- central group services including sales & marketing, administration, finance and control, IT services and centralized purchases;
- supply of Lefay branded cosmetics and products.

Furthermore, the parent company handles the research and development of new projects to be carried out under the Lefay brand. Lefay Resort Garda S.r.l. owns and manages Lefay Resort & SPA Lago di Garda, the first Group’s property opened in 2008 in Gargnano (BS). Lefay Resort Dolomiti S.r.l. owns and manages the second Resort Lefay Resort & SPA Dolomiti, currently under construction in the Madonna di Campiglio ski area, in Pinzolo (TN).



ORGANISATIONAL STRUCTURE

LEFAY RESORTS



Board of Directors:

Executive Chairman:
DOMENICO ALCIDE LEALI

Executive Directors:
LILIANA BRESCIANI LEALI
ALCIDE LEALI
MASSIMILIANO LEALI

Directors:
GIOVANNI RIZZINI
MASSIMO FEDRIZZI

Supervisory Board:

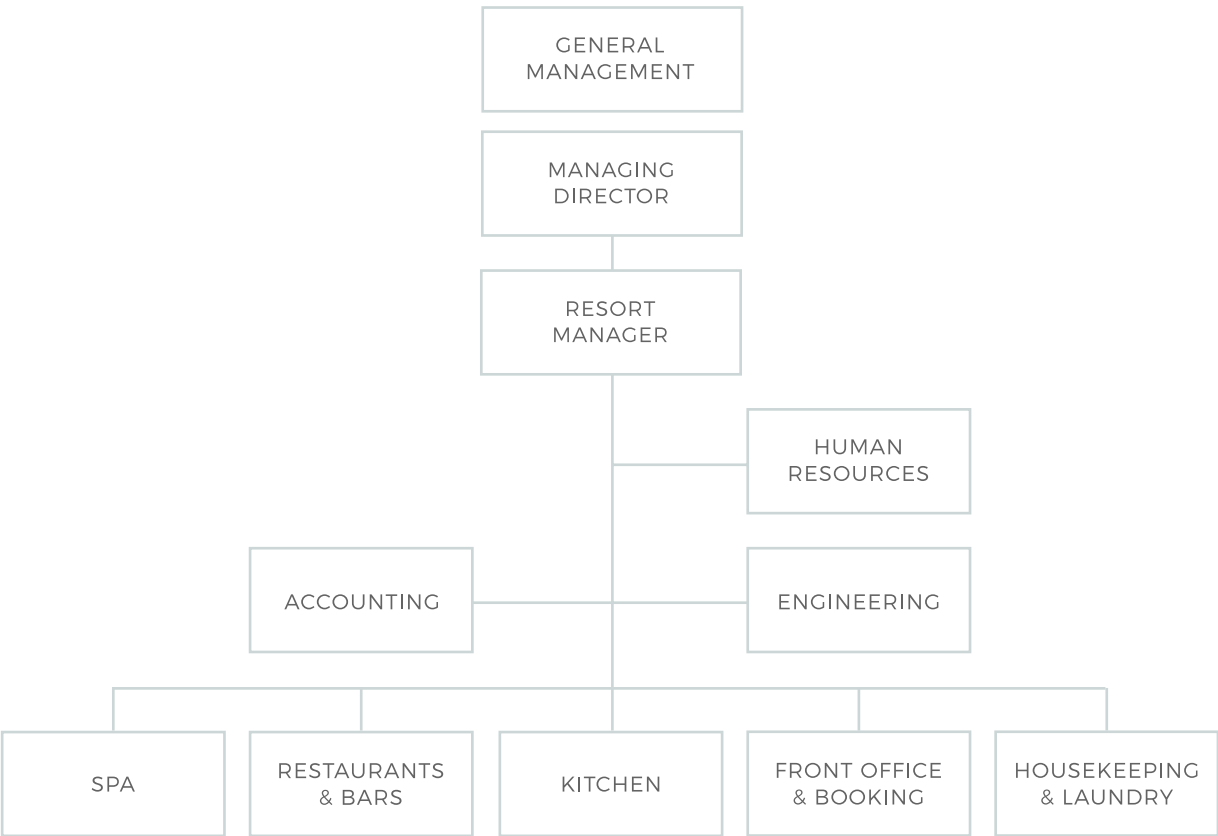
President:
NEVIO DALLA VALLE

Auditors:
CLAUDIO ZORZAN
ENRICO POLLINI

**Independent Auditing
Company:**

BDO ITALIA S.P.A

LEFAY RESORT & SPA LAGO DI GARDA



STAKEHOLDERS

Lefay oriented its strategies towards a sustainable business model, capable of creating competitive advantages for the company, integrating economic and financial objectives with social and environmental aspects from the beginning. To reach these objectives, it was decided to involve the company's stakeholders, i.e. structuring a Stakeholder Management process consisting of four phases.

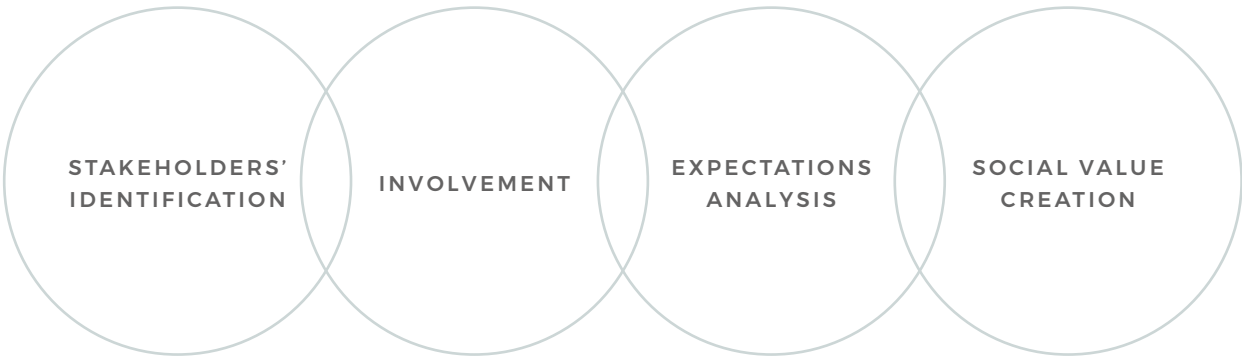
First, all the company's stakeholders have been carefully identified, in light of their ability to influence and/or be influenced by company activities. Subsequently, a dialogue between the stakeholders and the company was established, through the use of various methods and tools for involvement, such as meetings, questionnaires, events, direct

and indirect feedback analysis, etc ...

Through the involvement process it was possible to know and analyse the expectations of stakeholders (interests, needs, perceptions, critical issues, etc ...).

The first three phases of the Stakeholder Management process actively supports the creation of social value: Lefay integrated what emerged from the analysis and involvement of stakeholders in the development of its corporate policies and operational actions. These policies and actions aim to strengthen the company's competitiveness by promoting the issues emerged, such as the protection of the environment, the development of local communities, the creation of shared value.

STAKEHOLDER MANAGEMENT PROCESS

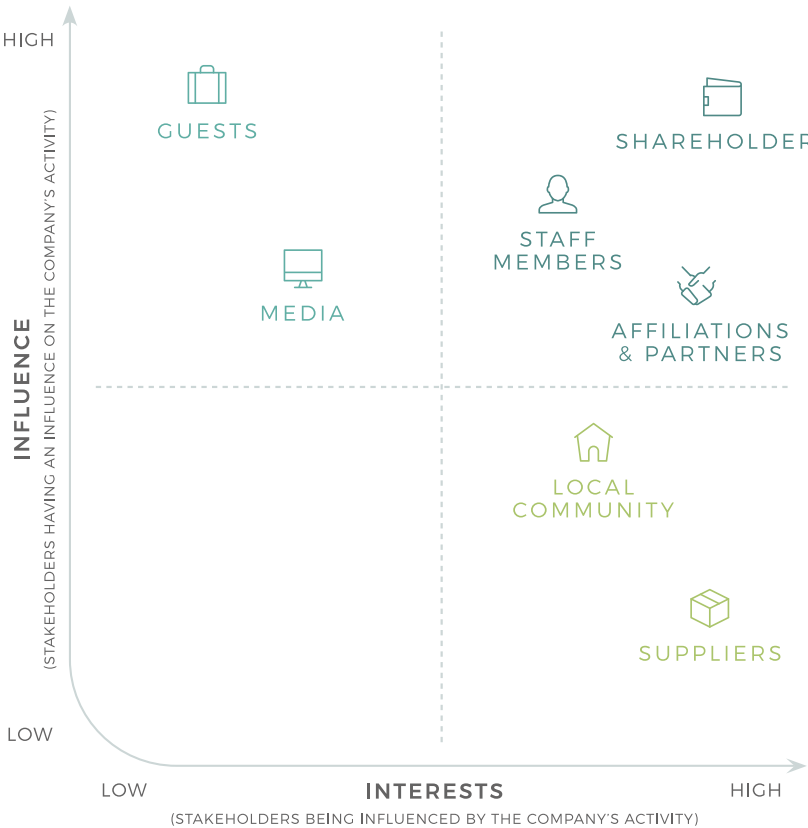


IDENTIFICATION

Through a series of focus groups attended by members of the Executive and Management of the Lefay group, company stakeholders were

identified, and subsequently classified according to their ability to influence and/or be influenced by company activities.

INFLUENCE/INTEREST MATRIX FOR THE STAKEHOLDERS' IDENTIFICATION



INVOLVEMENT

The most suitable methods and tools for structuring a process of involvement were studied for each stakeholder.

Lefay manages actively relations with all of its stakeholders and has established a continuous dialogue with them.

METHODS OF INVOLVEMENT OF STAKEHOLDERS AND MAIN TOPICS

STAKEHOLDER	INVOLVEMENT METHOD	MAIN TOPICS
GUESTS	<ul style="list-style-type: none">• Satisfaction survey	<ul style="list-style-type: none">• Guest Satisfaction• Sustainability policy adopted by Lefay
AFFILIATES AND PARTNERS	<ul style="list-style-type: none">• Fam Trip• Showcase, Workshop e Sales Call• Marketing promotion materials	<ul style="list-style-type: none">• Promotion of local heritage• Guest Satisfaction• Sustainable practices adopted by Lefay
STAFF	<ul style="list-style-type: none">• Employee satisfaction survey• Annual meeting for the evaluation of results• Development of the career development plan	<ul style="list-style-type: none">• Sustainability policy adopted by Lefay• Compensation & benefits• Professional development• Health and safety in the workplace• Training
SUPPLIERS	<ul style="list-style-type: none">• Meetings to discuss the principles and criteria of the supply chain• Drawing up of agreements with local producers	<ul style="list-style-type: none">• Sustainability policy adopted by Lefay• Economic performance• Eco-efficiency• Certifications• Organic productions / products• Water savings• Environmental protection• Protection of biodiversity• Quality of products• Safety and Security of supply
MEDIA	<ul style="list-style-type: none">• Stays at the property• Sending information• Organization of interviews	<ul style="list-style-type: none">• Eco-sustainable tourism• Sustainability policy adopted by Lefay• Promotion of local heritage (cultural, historical, environmental, etc ...)• Sponsorship of local initiatives (cultural, sporting, etc.)
LOCAL COMMUNITY	<ul style="list-style-type: none">• Membership of Local Associations, including the Gargnano Relax Tourist Consortium, and A.I.B. (Associazione Industriale Bresciana)	<ul style="list-style-type: none">• Impact on the local community (positive and negative)• Acquisition & Retention of local talent• Promotion of local heritage (cultural, historical, environmental, etc.)• Development of local communities• Sponsorship of local initiatives (cultural, sporting, etc.)
SHAREHOLDERS	<ul style="list-style-type: none">• Shareholders' annual meetings	<ul style="list-style-type: none">• Economic performance• Efficiency and eco-efficiency• Risk assessment and monitoring• Reputation



GUESTS - Lefay pays the utmost attention to protecting the privacy of its Guests and, at the same time, uses various tools to identify their level of satisfaction and their interest in the Company's sustainability policy to ensure a transparent dialogue.



AFFILIATES AND PARTNERS - Lefay manages directly the relationship with its affiliates such as Small Luxury Hotels of the World, Virtuoso and Healing Hotels of the World. It also handles relationships with Tour Operators and Travel Agencies that choose the Resort for business conventions.



STAFF - Expectations and the level of satisfaction of the Staff are monitored annually through specific questionnaires and during the annual performance assessment meeting; specific career plans are developed for each Staff Member.



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. The company organizes meetings with its suppliers to discuss critical issues, news, areas for improvement, etc...



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.



MEDIA - Lefay Resorts manages the relationship with Media via the Marketing Department and with the collaboration of international PR through various public relation and communication activities.



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

EXPECTATIONS ANALYSIS

Over the years, thanks to the various channels of communication, Lefay has identified and monitored the expectations of its stakeholders, trying to find a balance between the various interests, sometimes in conflict with each other. Lefay has also developed a system of stable and lasting relationships with them, in order to create shared value. Lefay Resorts undertakes to disseminate the

Sustainability Report and its contents by means such as, targeted emails and individual meetings with the stakeholders. These actions are aimed at involving them in order to have a feedback about the presented data and understanding in turn whether further information is needed to complete the document and make it even more transparent.

ANALYSIS OF STAKEHOLDERS' EXPECTATIONS

STAKEHOLDER	EXPECTATIONS
 GUESTS	<ul style="list-style-type: none">· Excellence of service offered· Respect of privacy
 AFFILIATES AND PARTNERS	<ul style="list-style-type: none">· Commitment to complying with the standards and to fulfil specific requests· Data from clear sources, preferably certified by third parties· Continual improvement of the company's economic performance
 STAFF	<ul style="list-style-type: none">· Improvement of information, communication and consultation between departments to gather new inspiration and ideas· Professional training and growth
 SUPPLIERS	<ul style="list-style-type: none">· Increase in turnover of local suppliers· Development of the partnership to foster the search for new products and therefore new business opportunities.
 MEDIA	<ul style="list-style-type: none">· Constant and transparent communication.· Participating in meetings and educational initiatives to raise awareness of the Lefay Experience and to promote the territory's landscape and cultural heritage known
 LOCAL COMMUNITY	<ul style="list-style-type: none">· Motivated economic development of the area· Respect for the environment
 SHAREHOLDERS	<ul style="list-style-type: none">· Creating profit by increasing the social and environmental value generated by the activities performed· Transparency in external relation

SOCIAL VALUE CREATION

The business model developed by Lefay Resorts is designed to create social value by taking into account 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 Members 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 support to cultural and sustainable initiatives.



SHAREHOLDERS - Shareholders benefit from an increase in economic, social and environmental value generated by the Company's activities.

MATERIALITY

PROCESS TO DETERMINE MATERIALITY

The materiality of the aspects taken into account in 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 structured a process to identify the material issues through sharing at the highest decision-making levels, and their integration in all the company processes.

Specifically, the starting point is the identification of the issues highlighted in the GRI guidelines, considered representative of the outlook outside the company as identified in multi-stakeholder comparison contexts at the international level. These issues were then contextualised with respect to business scenarios of Lefay. Most recently, the material issues were analysed in light of three main perspectives:

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 Guests.

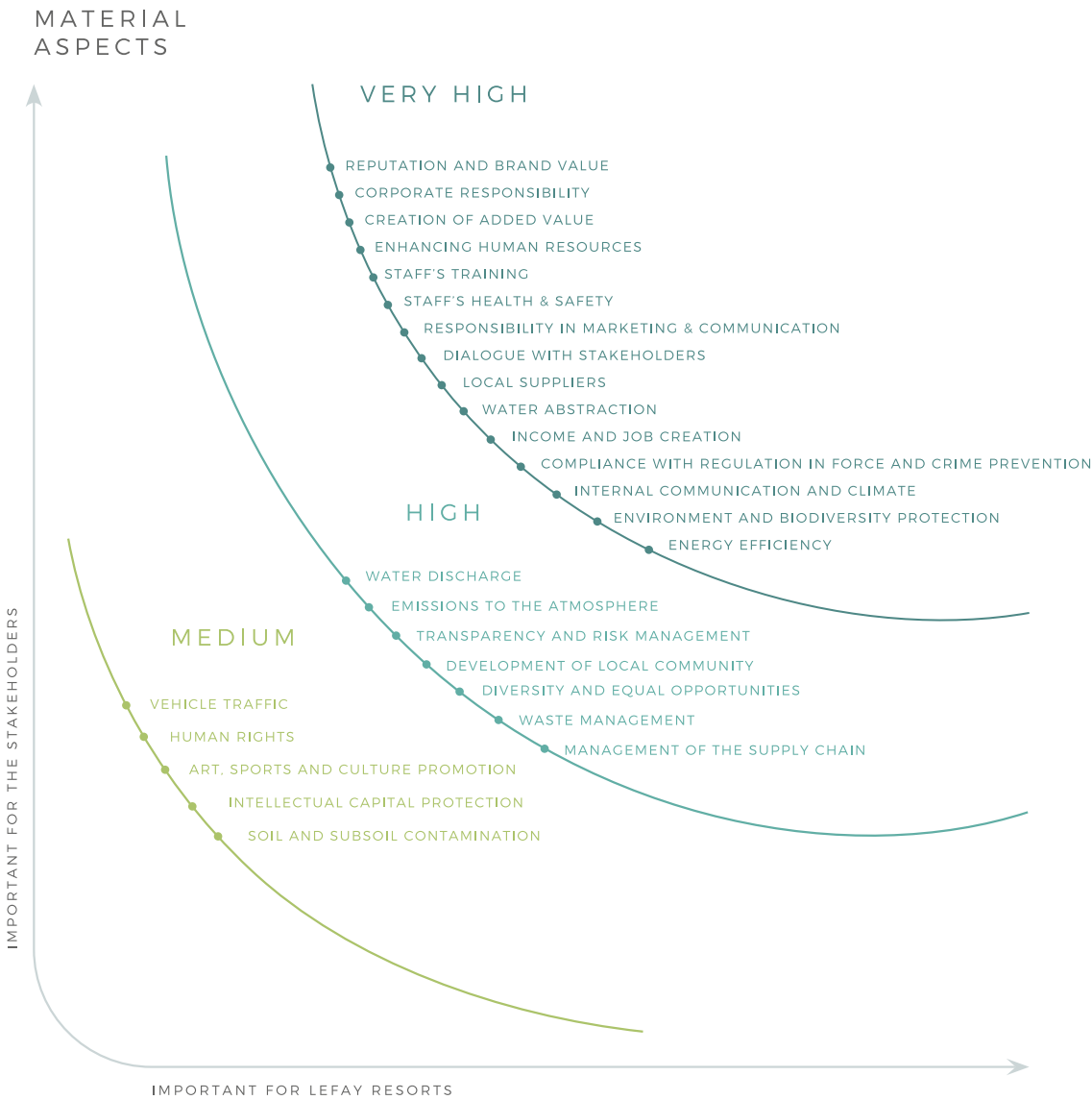
STAFF'S SATISFACTION AND SUGGESTIONS

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 rare considered to be significant in the existing Quality and Environmental Management System.

The process of determining materiality therefore combined two different perspectives. Regarding the first, the Senior Management, starting from the themes of the GRI guidelines, evaluated the importance of each issue for the purpose of creating value, considering the significance of environmental, health and safety aspects. Regarding the second perspective, the analysis of internal surveys (Staff) and external surveys (Guests) highlighted for each topic the importance perceived by the various types of company interlocutors.





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



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.

- THE RESORT FEATURES:**
- 93 Suites 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
 - Energy Therapeutic Garden
 - 2 Restaurants:
 - Restaurant La Grande Limonaia
 - Trattoria La Vigna
 - 2 Bars:
 - Lounge Bar
 - Pool Bar
 - Gardens of 11 hectares for outdoor activities with running and walking trails
 - 3 meeting areas with a capacity of 10 to 60 people

LEFAY WELLNESS RESIDENCES

In 2018 the Group officially entered the “Serviced Branded Residences” segment (luxury residences with integrated hotel services), thus becoming the first SPA Destination in Italy to offer this kind of solution.

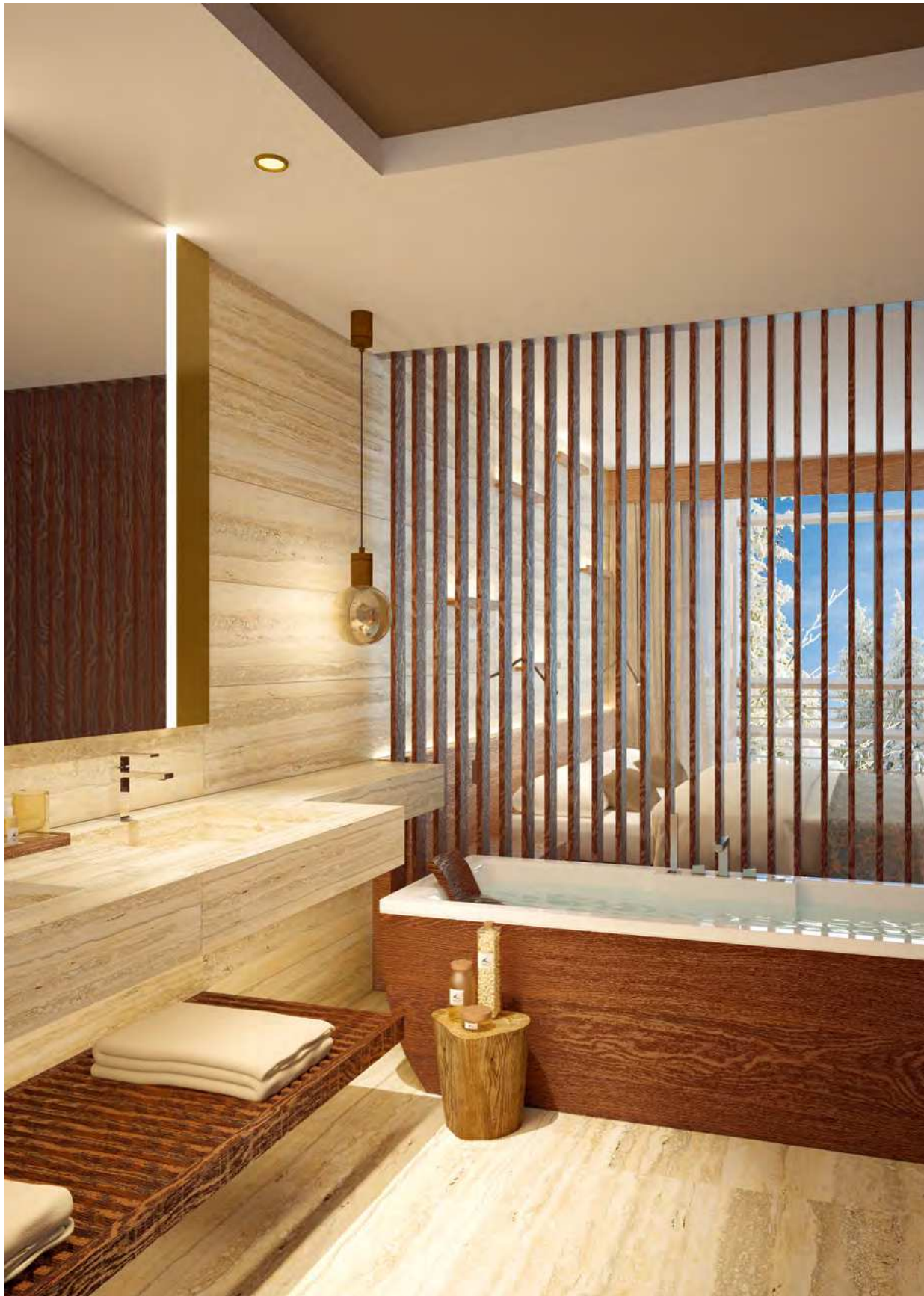
Lefay Wellness Residences are the perfect union of the Brand’s values: new luxury, holistic wellness, sustainability and the exclusivity of 5 star services.

Owners may match the privacy of being at home with all the Resort’s services, including the multi award-winning Lefay SPA, the Lefay Vital Gourmet restaurants, the lounges and the concierge service. The interior design will feature local materials combined with

the uniqueness of the Made in Italy design and will be equipped with low environmental impact technology.

In addition to this, Lefay Wellness Residences also represent an investment opportunity that guarantees value over time and offers a range of valuable benefits. Owners can sign up to the Rental Programme, a solution that allows them to make their residence available to the Resort when not in use, thereby receiving the return generated by the sale revenue. This allows Owners to flexibly organise their holidays and, at the same time, maximise the income of their unit, knowing that it is fully taken care of by the Resort staff and in perfect condition upon arrival. The first Wellness





Residences will be built at Lefay Resort & SPA Dolomiti, in the wonderful ski area of Madonna di Campiglio in Pinzolo, surrounded by the spectacular scenery of the Dolomites, declared by UNESCO a "World Heritage Site". Lefay Wellness Residences Dolomiti will feature materials such as glass, wood, stone, high quality leather and Italian wools. Furniture is tailor-made and mixes artisan expertise with Italian creativity, in an environment where well-being and luxury exist in harmony. Each single unit has been studied to offer an excellent home experience in full respect of the environment, thanks to building energy class A certification and the use of renewable energy sources. It will also offer state of the art entertainment technologies. Owners will have direct access to the Resort's

services from their residence, among which a 5,000 sqm wellness area (one of the largest Spas in the Alps) including the sports swimming pool and the indoor & outdoor pool (both year-round heated); the zone for saunas and steam baths of varying temperatures; an entire floor reserved for spa treatments and the Fitness Centre; two restaurants and other services such as a bar, ski & bike room, lounge and Concierge.

The Residences will be available in four types starting from 98 sqm up to the exclusive 275 sqm Penthouse. Sales will start in July 2018 and units will be delivered by September 2019.

Details are available on the new website: le fayresidences.com.

LEFAY SPA: THE EXCLUSIVE TEMPLE TO HOLISTIC WELLNESS

Innovation, natural spirit and a unique method are the principles of Lefay SPA, awarded over the years with the most prestigious international accolades. It is an exclusive temple to wellness where mind and body regenerate through the rediscovery of the most authentic emotions and harmony with oneself. A concept that stands out thanks to innovative guidelines that head the Brand towards the creation of a place where East and West blend in perfect harmony with the surrounding environment: the wide surface of the spaces, the sustainable management of the structure, the exceptional comfort of the treatments cabins, the use of the exclusive Lefay SPA Cosmetics Line and, above all, the creation of Lefay SPA Method.

LEFAY SPA METHOD

The Lefay SPA Scientific Committee has created an innovative wellness method that stems from the blending of Classical Chinese Medicine with Western scientific research. 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

Lefay SPA treatments stand out through the Signature treatments that 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. Each treatment is listed and described in detail in the Lefay SPA technical protocols, used for the entire staff training process. These include energy massages, energy aesthetic rituals for face and body, and the non-invasive aesthetic medicine treatments.

"TRA SUONI E COLORI"

DERMATOLOGICAL COSMETICS LINE

The Lefay SPA cosmetic line was created according to the Lefay SPA philosophy in accordance with the principles of nutricosmetics. Products are without colourings, preservatives, and parabens and Vegan OK and Cruelty Free certified. Formulations with a high concentration of antioxidants, vitamins, phytocomplexes and organic olive oil allow it to deeply treat the skin's imbalance and guarantee the results over time. The 50 individual products, classified into five specific lines (Face and Body, Anti-Age, Cosmos Organic Certified Oils, Men's and Bath Line) were created with a strong orientation to ethics formalized by the most important international environmental certifications.



GREEN CUISINE: LEFAY VITAL GOURMET

“Even food may become food for the soul.”

Food is integral part of a wellness experience, 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.

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 FIVE PRINCIPLES OF LEFAY VITAL GOURMET CULINARY PHILOSOPHY

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.



GUEST'S SATISFACTION

As a way to exceed Guests' expectations, Lefay Resorts has created a method of service based on combining internationally renowned standards of excellence with 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 Guests to assess and give their 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 ask for a reply.

Feedback also comes from Guests by continuously monitoring of comments published on

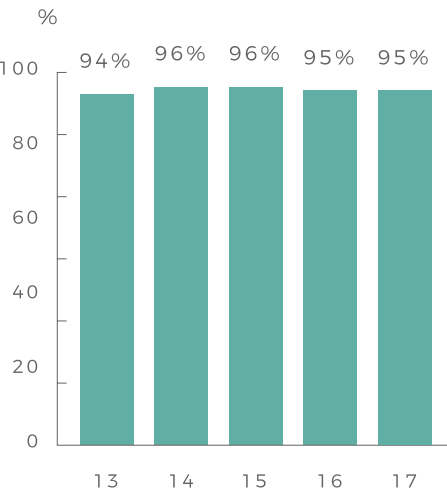
some of the main travel websites: Tripadvisor, Holidaycheck, Booking.com etc..., and through the principal social networks.

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. It includes 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 Senior 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 2017 the percentage of repeating Guests was 23%.

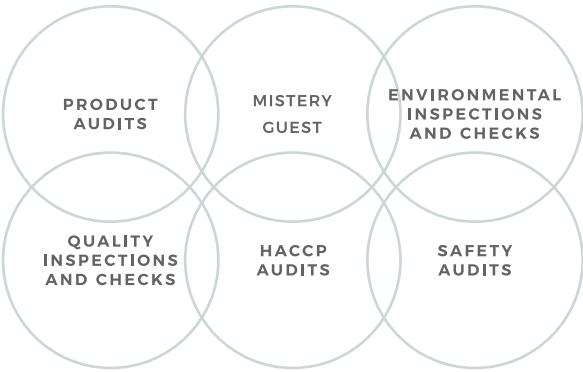
Lastly the number of documented complaints during 2017 regarding breaches of privacy and the loss of consumers' data corresponded to 0.

OVERALL GUESTS' SATISFACTION



Source: Guests' Surveys. Starting from 2012, the customer satisfaction survey system has been revamped, replacing surveys carried out by paper questionnaires with a digital system. Since 2016 two queries have also been included related to the environmental management of the Resort and since March 2017 a new question about the importance of sustainability has been introduced.

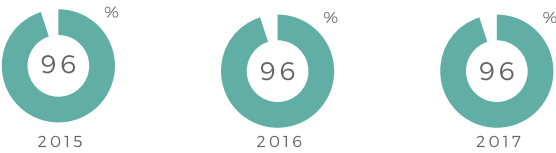
QUALITY CONTROL TOOLS



In 2017 42 audits were carried out. In particular:

- 28** Internal Audits: inspections of the Quality and Environmental system, product audits and mystery Guests.
- 02** Mystery Product Audits on Lefay's standards
- 02** Mystery Audits on the standards foreseen by FH&R and SLH affiliations
- 10** External Audits conducted by certification bodies.

WEB REPUTATION



■ Guest satisfaction

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

BRAND COMMUNICATION

Brand identity, values, proposals, innovations, services: a communication strategy is planned each year to disseminate all the aspects of Lefay Resorts at best. 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 2017 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 only in 2017, 633 articles were circulated overall (i.e. a 32% increase compared to 2016). Respectively, the data for the principal markets is distributed as follows: 446 articles for Italian media; 70 articles for German, Austrian and Swiss media; 61 in the United Kingdom and 56 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 2018" with "Due Forchette" increasing the score from 80/100 to 82/100 compared to the previous year and it also

once again received the "Primo Cappello" awarded by "Guida Ristoranti d'Italia L'Espresso 2018". Both publications were released at the end of 2017.

RESTYLING THE COMPANY IMAGE

Ten years after the opening of Lefay Resort & SPA Lago di Garda, the company has decided to invest ample resources to renew its image through an original creative work, aimed at describing the Lefay experience and painting its dominant features. The project has focused on online and offline tools: as far as paper promotional materials are concerned, all the Brochures, the Lefay Club Magazine edition and the Sustainability Report itself have been redesigned in terms of graphics and contents and printed on natural paper using certified inks. As regards the online presence, the websites of the Management Company and the Resort have been redesigned, including marketing tools for the Guest, among which the newsletters. Moreover, on this occasion, the Group's websites have been included in the "CO₂ Emission Zero" programme promoted by Rete Clima and aimed at neutralizing the emissions generated by the site per pageview.

DIGITALISATION AND WEB COMMUNICATION

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 2017, the Lefay profile on Facebook achieved more than 46,490 fans (almost 10,000 more than the previous year), while the Instagram account surpassed 14,000 followers (approximately double compared to the previous year). On the

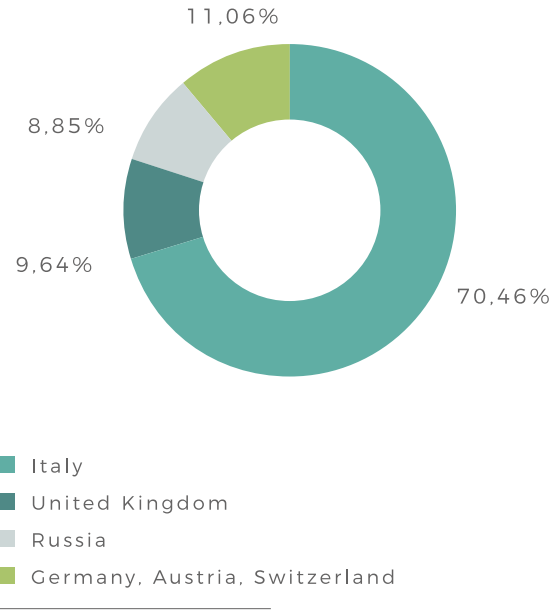
Twitter social network, the profile is followed by more than 1,800 people and there are about 1,500 connections on the LinkedIn platform.

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 2017 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 at 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 and inviting the Guest to contribute personally.

PRESS COVERAGE PER MARKET



In 2017 more than 600 articles were published thanks to the strong communication campaign carried out both nationally and abroad.

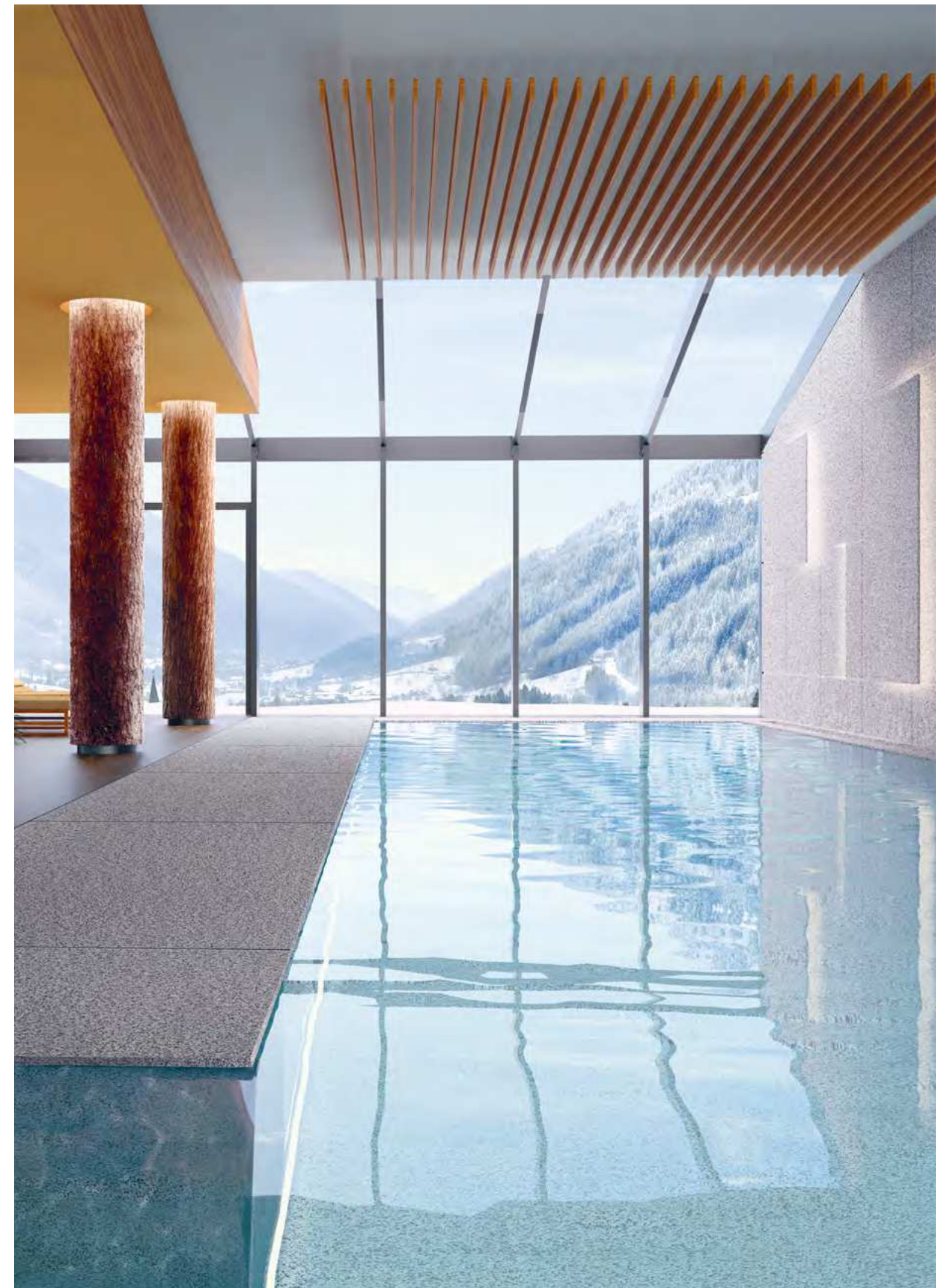
NEW PROJECTS



LEFAY RESORT & SPA DOLOMITI

The second jewel in the Lefay collection is located in the splendid scenery of the Dolomites, declared by UNESCO a "World Heritage Site". The Resort stands in the ski area of Madonna di Campiglio and is located in Pinzolo, the largest town in the Val Rendena, which includes part of the Val di Genova, also known as the "Valle delle Cascate" (Valley of Waterfalls). The entire mountain area is protected by natural parks established to conserve the extraordinary unspoiled beauty of the area: during winter, it is possible to ski from Pinzolo to Madonna di Campiglio with a single ski pass valid for the entire ski area, while in summer Dolomites provide the ideal setting for hikers of every level.

Set in the woods and perfectly in harmony with its surrounding landscape, Lefay Resort & SPA Dolomiti is consistent with the Brand's philosophy of reinterpreting the traditional architecture of the place and taking style inspiration from the local mountain buildings. All the materials chosen, from the wood, stone and the rigorous simplicity of the finishes, reflect the natural perfection of the Dolomites. The new Resort will feature 86 Suites starting from 57 sqm, two restaurants, and a list of dedicated services, including bars, ski and bike rooms and a lounge. Lefay SPA will be distinguished by a wellbeing area of over 5,000 sqm, including swimming pools, relaxation areas, saunas, fitness zone and treatment rooms. Opening is estimated for 2019.





LEFAY WELLNESS RESIDENCES LAGO DI GARDA

The Lefay Wellness Residences segment envisages the construction of residences managed according to the “Branded Serviced Residences” model, a real estate solution offering multiple advantages, including access to the ser-

vices of the Resorts and participation in the Rental Programme. After the construction of the first Residences at Lefay Resort & SPA Dolomiti, the company plans to introduce the same product in Gargnano, on Lake Garda, inside the 11-hectare natural park where the first jewel of the collection is located.

02

EXCELLENCE IN SUSTAINABILITY

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

INTRODUCTION



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. A thought that makes explicit the commitment of Lefay towards sustainability and comes to life in the practices with actions aimed at full respect for the environment: bio-architecture and exploitation of renewable energy sources, neutralization of emissions of CO₂, the promotion of the territory and professional development of Staff Members. Principles that guide the Management Company and can be found in the Group’s Resort and Residences, where the new luxury goes beyond ostentation, opulence and aesthetic taste as an end in itself, and instead is allied to ethical val-

ues and a philosophy of holistic wellbeing, according to which the wellbeing of the person cannot overlook the environmental one. At Lefay Resort & SPA Lago di Garda, the first jewel of the collection, luxury and environmental sustainability coexist giving life to a stay characterized by holistic wellbeing. The Resort’s activity has an ecological impact reduced to a minimum. The interventions implemented to achieve this goal are found in a design integrated in the landscape, in a management of the Resort that adopts measures and technologies dedicated to the optimal exploitation of natural resources, in the promotion of Lake Garda and the development of the Staff.

ECONOMIC
PERFORMANCE

LEFAY RESORTS GROUP

Starting from 2017, Lefay Resorts S.r.l. has begun to prepare the consolidated financial statements on a voluntary basis, the scope of which includes, in addition to the parent company, the subsidiaries Lefay Resort Garda S.r.l.

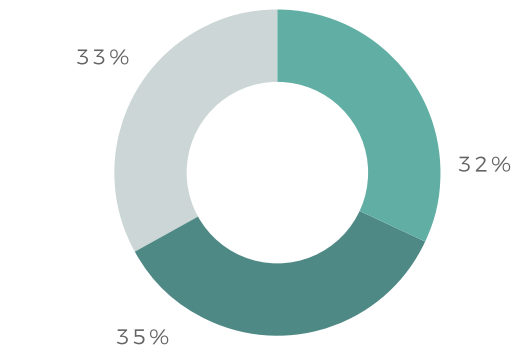
and Lefay Resort Dolomiti S.r.l. (as illustrated in the section Corporate structure).

The reclassified consolidated economic data for the 2017 financial year are shown below.

DATA IN EURO MILLION	2017
REVENUES FROM SALES	17.6
Change in inventory of work in progress, semi-finished and finished goods	1.8
Increases of fixed assets for in-house works	0.1
Other revenues	0.3
VALUE OF PRODUCTION	19.9
Consumption of raw materials	(2.3)
Costs of services	(6.1)
Rent and leasing expenses	(0.4)
Personnel costs	(6.3)
Other operating costs	(1.2)
EBITDA	3.7
Depreciation and amortization	(2.2)
EBIT	1.5
Financial income and expenses	(0.5)
EARNINGS BEFORE TAXES	1.0
Taxes	(0.4)
NET RESULT	0.6

LEFAY RESORT & SPA LAGO DI GARDA

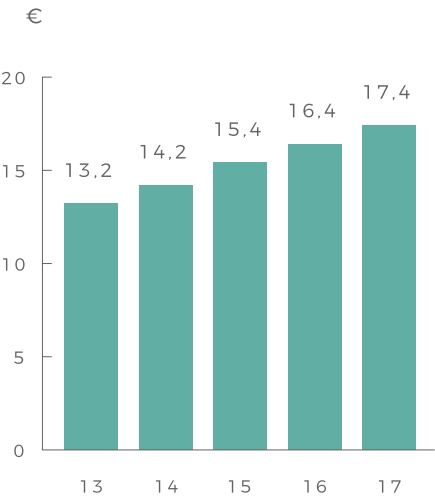
ORIGIN MARKETS 2017



- Italy
- Germany, Austria, Switzerland
- Rest of the World

Lefay Resort & SPA Lago di Garda's establishment on the international market is also witnessed by the fact that two-thirds of the Guests come from abroad.

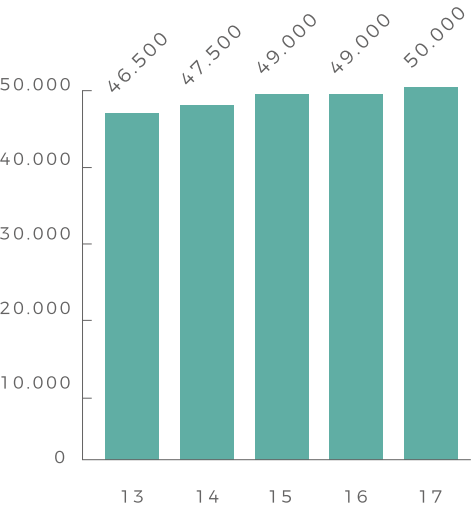
TURNOVER



- Revenues (M euro)

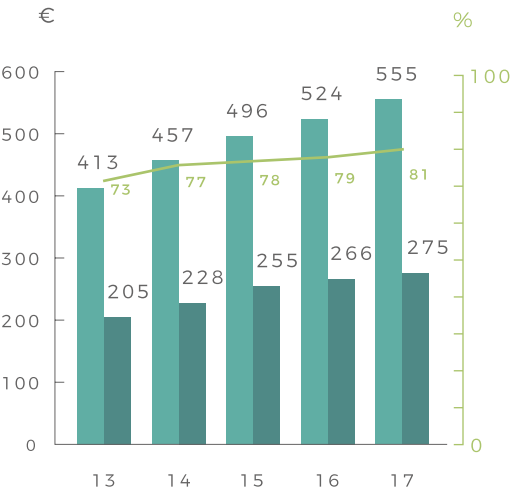
The graph shows the significant growth of the Resort's operational turnover in the last five years.

TOTAL NUMBER OF GUEST NIGHTS



The total number of Guest nights has significantly grown in 2017, going beyond 50.000.

OPERATING PERFORMANCE INDICATORS



- Total RevPAR
- RevPAR
- Occupancy %

The total 2017 revenue per available room has grown further, thanks to the increase both in the average price per room and in the Guests' individual spending in the SPA and Food & Beverage departments.

CERTIFICATIONS

Lefay intended to implement a Quality and Environmental Management System certified according to ISO 14001 and 9001 standards since 2008, for the “design and development of architectural solutions for innovative and environmentally friendly accommodation facilities” and for the management and development processes of hospitality and wellness companies. In the construction of the first Resort, great attention was paid to respect for the surrounding environment through an architectural project fully integrated in the existing landscape, the implementation of cutting-edge technologies that reduce the consumption of energy and water, and the use of clean and renewable energy. Hence in addition to the ISO 14001 and ISO 9001 certifications, Lefay Resorts S.r.l. and Lefay Resort Garda S.r.l. develop every year an inventory of CO₂ emissions according to ISO 14064 standard and offset 100% of emissions produced through the purchase of certified emissions credits. Lefay Resort Garda S.r.l. has also obtained two other important certifications: Green Globe and Being Organic and Ecological SPA. Green Globe is issued by the Green Globe certification body, active in 83 countries worldwide. It requires compliance with more than 250 standards relating to sustainability, and it is applicable to companies operating in the tourism branch. Lefay Resort & SPA Lago di Garda was the first Property in South Europe to be certified in 2011.

Being Organic & Ecological SPA is a certification issued by Ecocert, a French certification body. Lefay SPA is the first property in Italy and the fourth in the world to be awarded this new certificate with the Level “Excellence” obtained thanks to three distinctive aspects: the uniqueness of the Lefay SPA Method treatments and health programmes together with the commitment dedicated to training and to the professional development of the Staff; the exceptional comfort of the cabins, which offer Guests an incomparable relaxing experience; the measures put into practice for a sustainable management of the wellness area. To obtain this certification at least 50% of the treatments offered on site must use certified organic cosmetics. To comply with this standard, Lefay undertook a strict review of the protocols and products used in the treatments, which led to the certification of the Lefay SPA face and body cosmetic oil line. Consistent with the philosophy that distinguishes Lefay, the Lefay SPA Dermatological Cosmetics Line was also designed with a strong focus on ethics and sustainability, as evidenced by the most important international environmental certifications: Vegan Ok certifying the non-use of materials of animal origin or obtained through the exploitation of animals; Cosmos Organic, released for the Lefay SPA line of cosmetic oils, 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, 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%), which confirms that all the products are dermatologically tested by Ferrara University and are free from parabens, SLES, colourings, preservatives and added parabens. Lefay, which aims at preserving and enhancing the idiosyncratic features of the territory, has also started the production of its own extra virgin olive oil. The olive groves are located on the Group’s farms, on the morainic hills of the Western Shore of Lake Garda, where the Cuvée and Monocultivar Gargnà are produced and in the heart of the Tuscan Maremma, where the Toscano is produced. Consistent with the sustainable philosophy of Lefay, the oil is made in respect of the environment and the territory. In addition, the Cuvée and Monocultivar Gargnà oils are certified organic by the CCPB, certification and control body for agricultural and “no-food” products in the field of organic, eco-compatible and eco-sustainable production. The Tuscan oil is recognised by the PGI brand, namely “Protected Geographical Indication”, conferred by the European Union to agricultural and food products for which at least one phase of the production process takes place in the area of origin.

LEFAY RESORTS



LEFAY RESORT & SPA LAGO DI GARDA

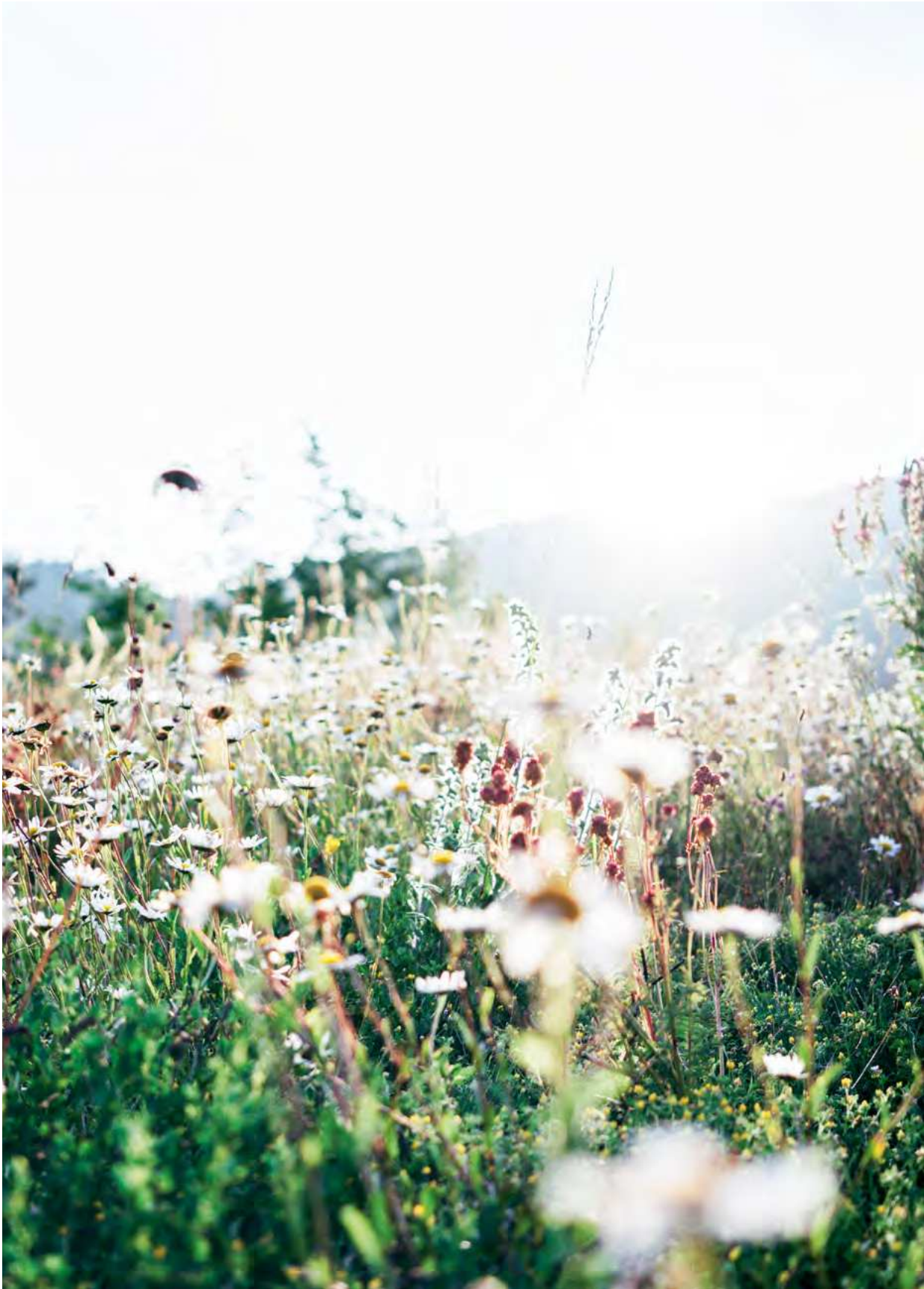


LEFAY SPA COSMETIC LINE



LEFAY VITAL GOURMET EXTRA VIRGIN OLIVE OIL





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.

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.

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 2017, 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-gener-

ENERGY

ation, 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, both the microturbines were 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. In 2017 the consumption of electric energy is 1 percentage point lower than in the previous year (with an increase in overnight Guests). In the same year, also the consumption of thermal energy for heating, cooling and hot water production has decreased compared to the previous year of 8 percentage point.

In 2017 the amount of electric energy produced using cogeneration and photovoltaic plants reached 42,43% of the electrical energy needed, with an increase of more than 6% compared to 2016. The remaining 57,57% has been purchased by Dolomiti Energia with certificates attesting its 100% origin from re-

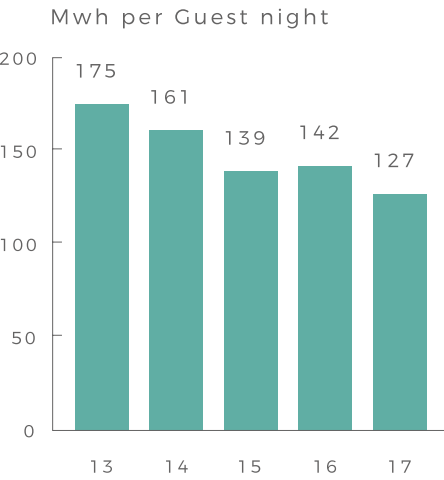


Lefay Resort & SPA Lago di Garda.
View on the energy plant.

newable energy sources. According to Dolomiti Energia's data of 2017, Lefay Resort & SPA Lago di Garda was able to avoid the emission of 587.3 tons of CO₂ in the atmosphere thanks to its green energy choices. As usual, energy consumption was recorded monthly and periodical meetings were held with Senior Management to make comparisons and determine the possibility of any direct future intervention.

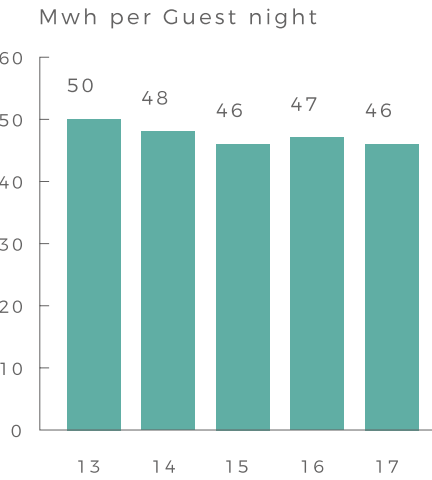
As far as services are concerned, in 2016 Lefay joined the Green Road Revolution with the "Tesla Destination Charging" programme, which collects the facility to a rapidly expanding network dedicated to charging electric vehicles. Inside the garage two Tesla connectors are available, capable of providing a range of up to 100 km / 60 miles per hour. In 2017, this philosophy was enhanced with the entrance of the Resort in the "BMW I Charge + i Pure Impulse Experience Program", which makes available to the Guests a BMW Wallbox for electric cars.

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 the implementation of energy efficiency programmes, consumption figures have gradually dropped. In 2017 the consumption figures have further decreased counting 127 Mwh per Guest night.

ELECTRIC ENERGY CONSUMPTION



Electricity consumption per Guest is stable; in 2017 it has dropped and settled at 46 Mwh per Guest night. Thanks to an analysis of consumption per area, the critical areas where intervention is needed were identified. For the SPA, restaurants and bedrooms areas, a plan was defined to replace the light bulbs with a low-consumption type.

WATER

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).

CONSUMPTION ANALYSIS

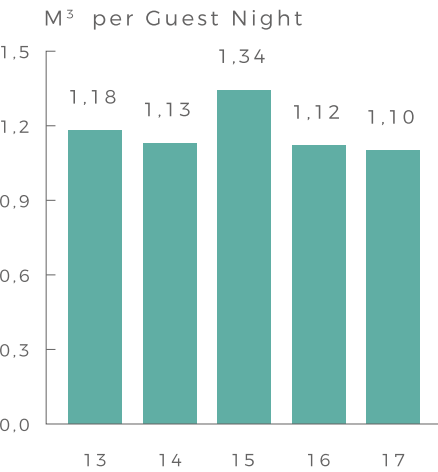
Analysis of water consumption is carried out by taking into consideration, primarily, the indicator of consumption per Guest night; this allows us to understand the efficiency in managing energy needs based on the level of occupancy in the Resort. With regard to the trend of consumption per Guest night,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

This action produced positive results as in 2017 water consumption has decreased of 1 percentage point compared to 2016 (in spite of the increase in overnight Guests and the high hot temperature above the average during summer).

WATER CONSUMPTION

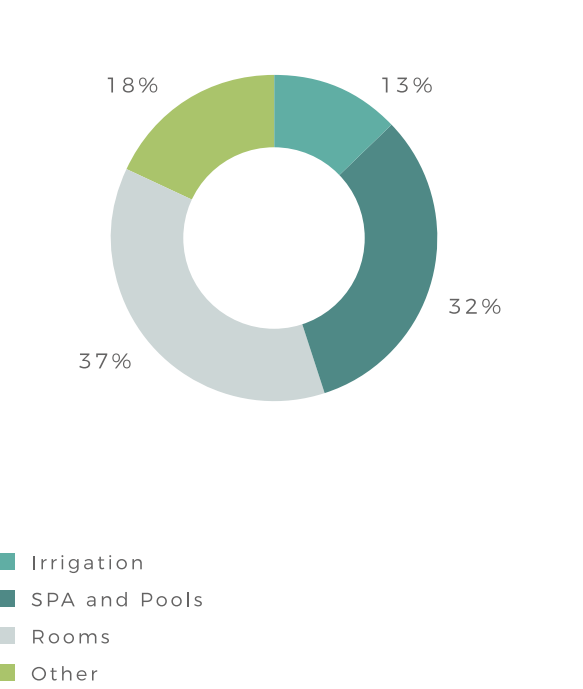


It must be highlighted how all the swimming pools feature water reintegration regulation directly proportionate to the number of bather's present. This helps the Resort cut water consumption.

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 PER SOURCE



WASTE

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:



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 House-

keeping 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 2017 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.

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.)	2016	2017
Metals	-	-
Wood	-	0.840
Sanitary Waste	0.080	0.024
Ash	1.300	2.500
Exhaust toners with hazardous substances	0.014	0.036
Neon tubes	-	-
Neon tubes with hazardous substances	0.029	0.050
Frying oil	3.800	2.200
Hazardous WEEE equipment out of order	0.014	0.080
WEEE equipment out of order	0.192	0.235
TOTAL	5.429	5.965

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. 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 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. 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, 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.

- 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, 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 SÜD, 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. The increase in 2017 CO₂ emissions (+12%) 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. 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.

To a lesser extent, the increase in CO₂ emissions is due also to the replacement of the refrigerant gas. 2017 data shows that CO₂ emissions due to Staff's commute decreased significantly. This year the calculation of this type of emissions was carried out in a more precise and accurate way and took into account only effective working days.

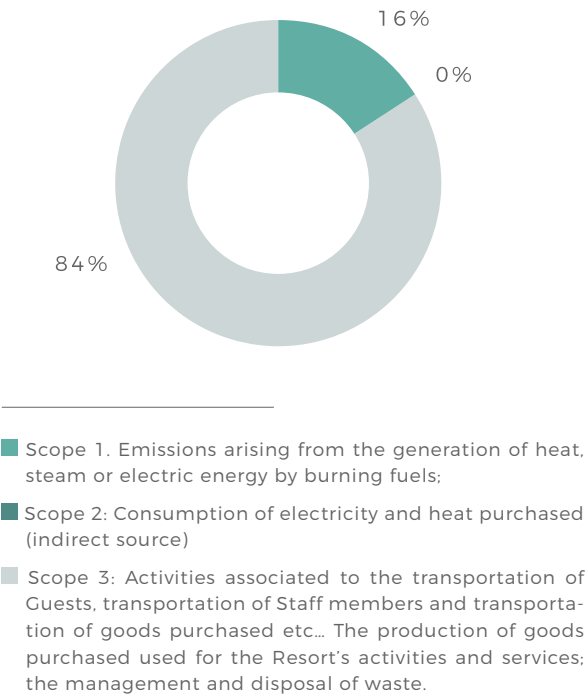
- STAGE 2: DEFINITION OF REDUCTION AND/OR NEUTRALISATION ACTIONS OF THE CO₂ EMITTED**
After calculating the emissions of CO₂, Lefay Resort & SPA Lago di Garda, by means of the Lefay Total Green project, undertook to offset them by purchasing an equal number of credits on the international market. The 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 2017, Lefay Resorts chose to finance four international projects. The first, already chosen for the 2016 emissions compensation, “Metro Delhi, India”, aims at improving energy efficiency of the Delhi Metro II Station buildings. The saving on CO₂ emissions associated with this project is based on a reduction in the electricity consumption, allowing the saved energy to be used for other activities, important for the community. In India, electricity demand is constantly growing and, often, the supply needs cannot be met; thus, the project contributes in a concrete manner to meeting the electricity needs of the inhabitants and to improving the quality of their lives. The second project is “Hydro Power Project, Andra Pradesh, India”, and has been developed to meet the growing demand for electricity

through the production of energy from renewable sources. Specifically, this project entails the installation and commissioning of six river hydroelectric turbines in the Indian state of Andra Pradesh, helping to make the area less dependent on fossil, exhaustible and highly polluting fuels such as coal.

The third project is "Uganda Borehole Project, Africa" which bears significant social and environmental repercussions. The project meets the highest requirements in terms of sustainability, transparency and positive social effects and it has been certified Gold Standard by the WWF. The project is being developed in one of the poorest areas in Uganda and aims to provide drinking water to hundreds of families in the districts of Alebtong, Dokolo and Otuke. The creation of underground wells and the establishment of a purification process that no longer requires the boiling of water, which involves the use of firewood for the purification process with the consequent production of high levels of CO₂ emissions associated with combustion, have been planned. Furthermore, the project intends to protect local forest ecosystems, reducing the use of firewood and the consequent massive deforestation.

The fourth project was chosen in Europe. The "Saint Nikola Wind farm" is the largest wind farm in Bulgaria. In addition to drastically reducing the CO₂ emissions associated with the combustion process for energy production, the wind farm contributes also to the economic recovery and sustainable development of the

DIVISION OF CO₂ EMISSIONS PER SCOPE



entire region that hosts it. The wind farm has been designed in such a manner that the land on which the blades are located can continue to be used as agricultural land without hindering the cultivation of land and the agricultural production of the area.

Furthermor in 2017, Lefay joined the DHL Go-Green project, which allowed the Group to

neutralize (through certified compensation) CO₂ emissions in the atmosphere generated by the required logistics services. During the same year, the Group's websites have been included in the "CO₂ Emission Zero" programme promoted by Rete Clima and aimed at neutralizing the emissions generated by the site per pageview.

COMPARISON OF EMISSIONS PER SOURCE FOR THE YEARS 2016 AND 2017

	YEAR 2016	YEAR 2017	DELTA % 2016 - 2017
SOURCE	EMISSIONS [T CO ₂ EQ]	EMISSIONS [T CO ₂ EQ]	[%]
Energy	1,333.00	1,433.00	+7.5%
Refrigerant gas	-	17.00	+1,700.0
Company cars	1.00	1.00	-
Staff commute	74.00	45.00	-39.2
Raw materials	508.00	536.00	+5.5
Waste	58.00	40.00	-31.0
RESORT TOTAL CO ₂ EMISSIONS	1,974.00	2,072.00	+4.6
Guests' Transport	6,058.00	6,960.00	+14.9
TOTAL CO ₂ EMISSIONS	8,032.00	9,032.00	+12.5

In 2017 the emissions of CO₂ increased by 1.000 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.



PEOPLE



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

the growth of the 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.

QUALITY & ENVIRONMENTAL MANAGEMENT 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 Lefay guarantees 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 definitive-

ly is decided on together with the managers in charge. The Quality and Environmental 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

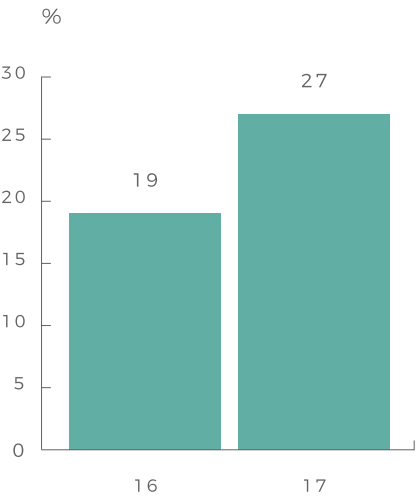
SHARING GOALS

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 the level of satisfaction in terms of motivation, shared Corporate Values, quality of the staff canteen and staff accommodation, opportunities for professional growth and level of transparency in the management of Human Resources. This tool helps the company to achieve

STAFF TURNOVER



In 2017 the turnover rate increased by 8 percentage points compared to 2016, nevertheless keeping a level under the average data of the industry.

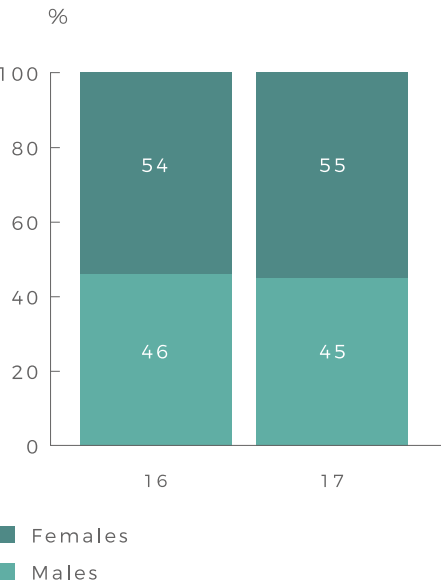
three specific benefits: improve communication between manager and Staff, support organisational development and link individual contributions to the realisation of the company's strategic plan.

As in the previous years, this tool has been also implemented in 2017 and, thanks to the Staff's feedback, the fields in which an improvement is needed have been defined. Some data arising from an analysis of the results are detailed below: on average 72% were satisfied or very satisfied with their job; the Kitchen is the department which expressed the highest level of satisfaction (82%), followed by the Restaurants & Bars one (80%) and the SPA (79%).

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

MALES VS. FEMALES



In 2017 the percentage of female Staff has increased compared to 2016. In general the applications received for the various departments showed a clear preference by female workers for the Reception & Booking, SPA and Housekeeping departments. Food & Beverage attracted more male applicants.

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. The 2017 trend in Staff turnover has been 27%. Lefay's continuous commitment in reducing turnover rate translates into promotion of numerous activities concerning the professional development of the Staff, the strengthening of the sense of belonging, the sharing of corporate values and the improvement of working environment.

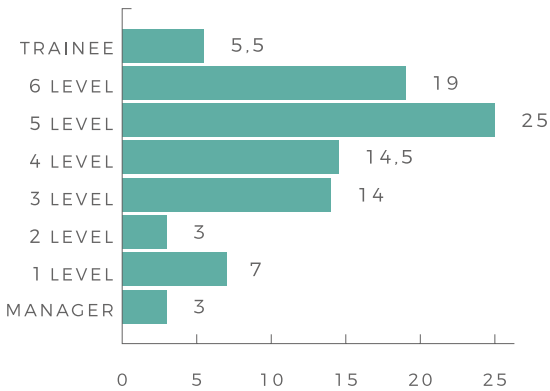
BENEFITS

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.

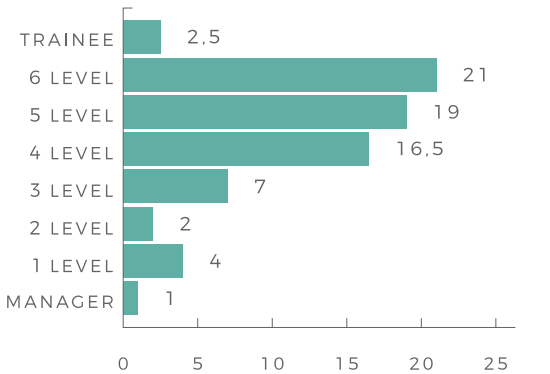
Work hours: the company has drawn up guidelines for work hours so that they are standardised in all departments, sustainable and above all compliant with legislation in the matter.

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.

FEMALE EMPLOYEES' LEVEL



MALE EMPLOYEES' LEVEL



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.

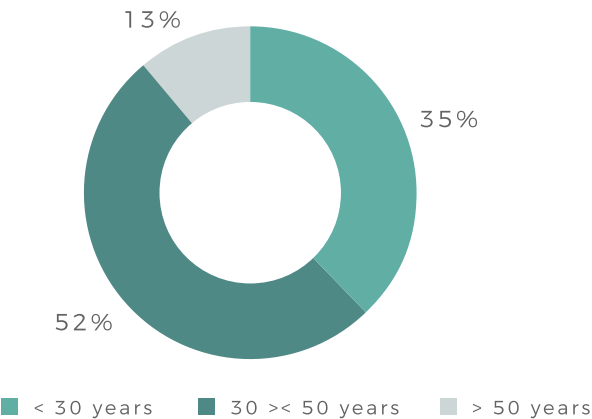


Housing: all Staff Members who make a request will be offered housing free of charge within the structure or in a special residence. The accommodation facilities have been recently built and are very comfortable. Staff not requesting housing will be given a payment in addition to their salary.

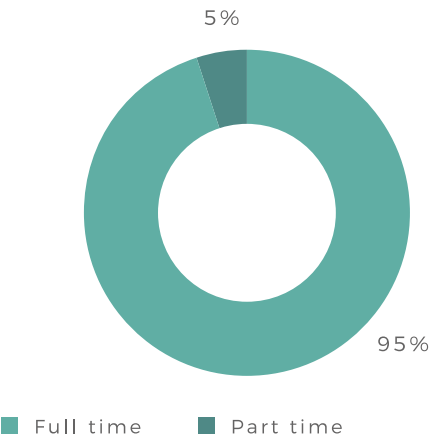
Uniforms: when starting their job, each member of Staff is given a set of uniforms for their department. Lefay also offers a free laundry service for the uniforms.

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.ente all'interno dell'area SPA.

STAFF BY AGE GROUP



FULL TIME VS. 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 skills of each member of Staff. In addition to the roles typical of the sector, the company 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 included them 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 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 Members 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:

- crosscutting, 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 acknowledgement, 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

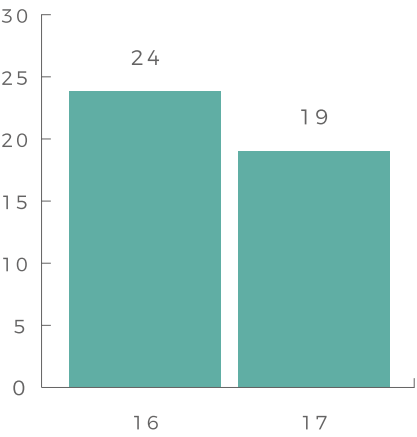
The key to the success of Lefay Resorts is the excellence of people: for this reason, our Staff Members, once they have entered the Lefay world, become part of a Team that is driven and motivated to achieve excellence and have the opportunity to increase their professional preparation and enjoy a series 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 Lefay 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 2017, training hours decreased slightly compared to 2016. It is important to underline that many people have worked for Lefay for many years and that most of the training activities are carried out during the first years of employment.

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.





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.

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 (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 the 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.

Furthermore, consistently with the commitment to reduce CO₂ emissions, 54.1% of the turnover for food products is provided by local suppliers from the province of Brescia, 3.5% from the neighbouring provinces (Trento, Bergamo, Verona), 38.2% from the rest of the provinces in Northern Italy, 4.2% from Central and Southern Italy and abroad.

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.



EMPLOYMENT OF LOCAL PEOPLE

All our fabrics are made of untreated natural cotton fibre. And we have used water-based, non-chemical paint on the walls.

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: creation and observance of Lefay Vital Gourmet culinary concept, based on principles such as following the rhythm of the seasons, researching high quality raw materials and enhancing fresh and local ingredients. It privileges the health aspects of food, focusing on Mediterranean diet, in which extra virgin olive oil reigns supreme.

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 dermatologically 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.



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 60% in 2016 to 68% in 2017. The commitment of Lefay towards the development of the local community is also seen in the coura-

geous 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 81% in 2017.

PROMOTION OF LOCAL AREAS

PRESS AND PUBLIC RELATIONS

Thanks to contacts and networks of relationships with international and national representatives, Lefay contributes actively to the development and promotion of Lake Garda both in Italy and abroad through constant work by teams with prestigious communication agencies in Europe. In 2017, press visits were organized for 62 national and international journalists and more than 600 articles were published relating to the Resort and the territory, effecting the promotion of 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 and which in 2017 for the thirty-first edition saw the collaboration of Limone Garda Sailing. With regards to cultural initiatives, Lefay Resorts sponsors concerts and musical events, including the prestigious “Festival 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. Of particular importance is the first edition of the “Festival of Sustainability” in April: 30 days of initiatives, conferences

and meetings organized in different points on the western shore of the Lake by the association L.A.C.U.S. (Lago Ambiente Cultura Storia - Lake Environment Culture History) in collaboration with the Comitato per il parco delle Colline Moreniche del Garda and the patronage of consortia, institutions, local and supra-municipal bodies.

ASSOCIATIONS

Lefay Resort & SPA Lago di Garda is member of local associations, among which “Consorzio Turistico Gargnano Relax” (Gargnano Relax Tourist Consortium), active in the promotion of tourism in the local area. Moreover, the management company Lefay Resorts is part of “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 enriched 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.

DONATIONS

Lefay undertakes to support non-profit associations that operate in various fields, including the protection of the Italian natural and cultural heritage, humanitarian assistance to children and their mothers in the poorest areas of the world, the aid and the medical assistance in the countries where the right to health is not guaranteed. Lefay Resorts Srl supports UNICEF (United Nations Children’s Fund) and Doctors Without Borders and it is a Corporate Golden Donor of FAI (Fondo Ambiente Italiano - Italian Environment Fund).



03

IMPROVEMENT OBJECTIVES

“There are places where wellness is everywhere.”

LEFAY RESORT GARDA SRL

ENVIRONMENT

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote the use of electric private means of transport	N. of charging points for electric cars	BMW project aimed at installing a charging point for electric cars inside the Resort garage	JUN 2018	NEW COMPLETED
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2018 For the reference year 2017	NEW COMPLETED
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2017 For the reference year 2016	COMPLETED
To promote an environmental sustainability culture associated with the world of wellness and cosmetics	YES/NO	To obtain Cruelty Free Certification for the new Lefay cosmetic line, which confirms that it was not tested on animals	MAR 2017	COMPLETED
		To obtain Vegan OK Certification for the new Lefay cosmetic line, which confirms that no animal by-products were used	MAR 2017	COMPLETED
To increase the use of certified materials with lower impact	YES/NO	To introduce new certified FSC paper shoppers for the Lefay SPA Shop	MAR 2017	COMPLETED
To increase the use of certified materials with lower environmental impact	% of amenities containers	At least 50% of amenities containers must be made of recycled or certified material	FEB 2017	COMPLETED 100% of the containers of the new Lefay cosmetic line are made of recycled and certified papers

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote the use of electric private means of transport	N. of charging points for electric cars	TESLA project aimed at installing two charging points for electric cars inside the Resort garage	DIC 2016	COMPLETED
To reduce the use of printed materials	N. of paper printouts	Introduction of Alyante management system to computerize purchase request process, in order to avoid the use of paper forms	JUN 2016	COMPLETED
		Replacement of paper pay slips with pay slips sent via e-mail	JUN 2016	COMPLETED
To increase energy efficiency	KwH self-produced	Replacement of one of the micro-turbines of the cogeneration power plant	JUN 2016	COMPLETED
To promote an environmental sustainability culture associated with the world of wellness and cosmetics	YES/NO	To obtain Cosmos Organic Certification for the Lefay body and face oil cosmetic line, through an external audit of an accredited test institution	FEB 2016	COMPLETED
		To obtain Being Organic and Ecological SPA Certification for the Lefay SPA, through an external audit of an accredited test institution	DEC 2015	COMPLETED
To increase internal recycling and re-use activities	% single-use products	At least 50% SPA single-use products (shower caps and panties) must be made of recycled or recyclable material	DEC 2015	COMPLETED 100% of SPA single-use products is made of recycled or recyclable material

OBJECTIVE	KPI	ACTION	WHEN	STATUS
Decrease of 2% of energy consumption per guest night	KwH Guest/Night	To put in place an energy control system for Lefay Resort & SPA Lago di Garda	OCT 2015	COMPLETED
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2015	COMPLETED For the reference year 2014
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2014	COMPLETED For the reference year 2013
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2013	COMPLETED For the reference year 2012
To promote company car-sharing	N. persons in each car	To promote, through the HR Office, company car -sharing, with the coordination of shifts and place of departures	DEC 2018	NEW IN PROGRESS
Decrease of 2% of energy consumption per guest night	KwH Guest/Night	Replacement of light bulbs with low-consumption ones (LED)	DEC 2018 replacement is made gradually as the light bulbs terminate their life cycle)	IN PROGRESS

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote childrens' awareness of sustainability issues	YES/NO	To come forward with a Green Book for children (types of animals, local plants, duration of waste degradability, etc.)	DEC 2018	IN PROGRESS
To promote various types of local plants	N. of plants market with a little sign / Total number of local plants	To put little signs with names of local plants	DEC 2018	IN PROGRESS
To reduce the use of printed materials	N. paper printouts	Digitalization of Guest notice cards	DEC 2018 (it necessary to wait for the end of the Implementation process of the EU Regulation 2016/679)	IN PROGRESS

PEOPLE

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To collect Guests feedback on Resort’s sustainability aspects	YES/NO	To add one question relating to the importance of sustainability aspects on the Customer Satisfaction Survey	MAR 2018	NEW COMPLETED
To foster Staff Members and Guests awareness on sustainability issues	YES/NO	To introduce sustainable chocolate of Claudio Corallo production	MAR 2018	NEW COMPLETED Chocolate was introduced: in some dishes available in Resort restaurants and bars; in the LEFAY Shop; in the Resort couverture service
To introduce new benefits for the Staff Members	N. of concluded agreements	To conclude agreements with local shops and commercial activities for Staff Members	MAR 2018	COMPLETED
To implements the ethical awareness of Staff Members and major Stakeholders	YES/NO	Adoption and sharing at all levels of a company code of ethics	MAR 2017	COMPLETED
To improve the knowledge of foreign languages	N. of training hours	To schedule at least 10 training hours of English for each Member of the Staff	DEC 2016	COMPLETED In 2016 were organized nearly 450 hours of English courses
To intensify technical-professional training	N. of training hours	To organize specific training courses for all Resort (such as those organized by the SPA department)	DEC 2016	COMPLETED In 2016 were organized more than 3.000 hours of specific training courses for Kitchen, Bar, Housekeeping and Maintenance departments.

IMPROVEMENT OBJECTIVES

OBJECTIVE	KPI	ACTION	WHEN	STATUS
Training courses for Kitchen and Bar departments concerning allergens management and how to prepare dishes for celiac Guests	N. of training hours	To follow “Alimentazione fuori casa” guidelines of AIC	DEC 2016	COMPLETED Each Staff Member attended a training course of 2 hours
To promote Staff Member awareness on sustainability issues	N. of training hours	Launching of Lefay Total Green Program, with a specific focus on waste management and environmental impact reduction	DEC 2016	COMPLETED Each Staff Member attended a training course of 2 hours
To improve the atmosphere in the “Noi” Restaurant	YES/NO	To assess the introduction of wall colors, plants, screens to hide stored objects	DEC 2016	COMPLETED
To collect Guest feedback on Resort’s environmental aspects	YES/NO	To add one question relating to the importance of environmental aspects on the Customer Satisfaction Survey	FEB 2016	COMPLETED
To offer to Resort Guests organic cosmetic products	N. of organic cosmetic products / Total cosmetic products	Identify certified organic cosmetic products to be sold in Lefay SPA Shop	FEB 2016	COMPLETED 25% of products sold in Lefay SPA Shop are certified organic
To offer to SPA Guests treatments which use certified organic cosmetic product only	N. of treatments with organic cosmetic products / Total treatments	To use only certified organic cosmetic products for some SPA treatments	FEB 2016	COMPLETED 50% of the treatments use certified organic products
To improve the knowledge of foreign languages	N. of training hours	To schedule at least 4 training hours of English for each Member of the Staff	DEC 2018	IN PROGRESS
To intensify technical-professional training	N. of training hours	To organize specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2018	IN PROGRESS

TERRITORY

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase the ethical and environmental culture of Guests and Media	N. of concluded partnerships	To conclude partnerships with Italian companies which are attentive to ethical and environmental sustainability	DEC 2017	COMPLETED
Increase of turnover related to the purchase of local food products	Local supplier turnover / Total turnover	To give priority, with respect to the purchasing policy management, to the following criteria: · local suppliers; · choice of seasonal and local food products	MAR 2017	COMPLETED 2016 Local suppliers turnover: + 1,8%
2% increase of turnover related to the purchase of certified food products	Certified product turnover / Total turnover	To give priority to the choice of food products with organic, DOC, DOP, IGP, STG, Slow Food, Fair Trade, Blue Marine Stewardship Council (MSC) certification	DEC 2016	COMPLETED 2016 certified products turnover: + 2,1% (Slow Food Cheeses; organic fruit and vegetables)
To reduce water consumption per Guest night	M3/Guest Night	Resort tap dispensing modulation	DEC 2016	COMPLETED 16,4% decrease in water consumption
To increase turnover for the purchase of certified linen	Certified product turnover / Total turnover	To purchase certified Global Standard Textile	DEC 2016	COMPLETED 2016 certified linen turnover reached 14%
To promote Alto Garda Bresciano Regional Natural Park	N. initiatives/ activities/ projects funded	To fund/co-fund initiatives/ activities/projects funded	DEC 2018	NEW IN PROGRESS

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote the purchase of local organic, sustainable and /or certified food products in the Resort	YES/NO	To examine the possibility of opening a food Corner/Shop in the Resort with organic, sustainable and /or certified food products	DEC 2018	NEW IN PROGRESS
To promote local sustainable development	N. of sponsorships	To sponsor initiatives/activities/ events aimed at promoting local sustainable development	DEC 2018	NEW IN PROGRESS
To increase the ethical and environmental culture of Guests and Media	N. of concluded partnerships	To conclude partnerships with Italian companies which are attentive to ethical and environmental sustainability	DEC 2018	NEW IN PROGRESS
2% increase of the purchase of certified cleaning products	Certified product turnover / Total turnover	To give priority to certified leaning products: Ecolabel, Angelo Blu, EcoCert, Nordic Swan	DEC 2018	NEW IN PROGRESS
To reduce environmental impact of washing which involves energy, water and detergents consumption	YES/NO	To introduce in Guestrooms make-up wipes to reduce the intensive washing of linen stained by make-up	DEC 2018	NEW IN PROGRESS
To increase the percentage of renewable energy	Renewable energy / Total energy consumption	Installation of new solar / Photovoltaic panels	DEC 2018	IN PROGRESS (it is necessary to wait for the extension of the Resort building)

LEFAY RESORTS SRL

ENVIRONMENT

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2018	NEW COMPLETED For the reference year 2017
To introduce a new Member of the Staff with the task of monitoring energy and water consumption, maintenance activities, waste management	YES/NO	To recruit the new employee	JUN 2018	NEW COMPLETED
To participate in environmental projects developed by suppliers and partners	YES/NO	To participate in DHL Go Green project, aimed at reducing shipment annual impacts	DEC 2017	COMPLETED
To increase the use of certified materials, with a lower environmental impact	N. of MKT prints on FSC paper / Total MKT prints	To use FSC certified paper for at least 80% marketing activity printouts	DEC 2017	COMPLETED 100% MKT printouts use FSC paper
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate web-site emissions of the web-site and offset them assessing projects for the purchase of CERs	DEC 2017	COMPLETED For the reference year 2016
		To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2017	COMPLETED For the reference year 2016
To reduce the use of printed materials	N. of paper printouts	Introduction of Alyante management system to computerize purchase request process, in order to avoid the use of paper forms	DEC 2016	COMPLETED
		Replacement of paper pay slips with pay slips sent via e-mail	JUN 2016	COMPLETED

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase of the purchase of certified cleaning products	Certified product turnover / Total turnover	To give priority to certified leaning products: Ecolabel	DEC 2016	COMPLETED 50% of the cleaning products is certified
To increase waste recycling	N. of waste typologies collected	To introduce separate collection of plastic, organic, glass and metal waste and inform Staff Members	JUN 2016	COMPLETED
To reduce or neutralize CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2016	COMPLETED For the reference year 2015
To reduce or neutralize CO ₂ emissions	YES/NO	To calculate web-site emissions of the web-site and offset them assessing projects for the purchase of CERs	JUN 2018	NEW IN PROGRESS
To promote sustainable tourism and corporate social responsibility	N. of thesis and dissertations	To help students who attend degree course concerning sustainable tourism and corporate social responsibility to develop their thesis and dissertation	DEC 2018	NEW IN PROGRESS

PEOPLE

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To introduce a new Member of the Staff with the task of coordinating Human Resources	YES/NO	To recruit the new employee	MAR 2018	NEW COMPLETED
To introduce a new Member of the Staff with role of Finance Assistant	YES/NO	To recruit the new employee	JUN 2018	NEW COMPLETED
To implements the ethical awareness of Staff Members and major Stakeholders	YES/NO	Adoption and sharing at all levels of a company code of ethics	MAR 2017	COMPLETED
To introduce a new Member of the Staff with role of HR Assistant	YES/NO	To recruit the new employee	JAN 2017	COMPLETED
To intensify technical-professional training	N. of training hours	To organize specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2016	COMPLETED
To introduce new benefits for the Staff Members	N. of concluded agreements	To conclude agreements with local shops and commercial activities for Staff Members	DEC 2018	NEW IN PROGRESS
To improve the knowledge of foreign languages	N. of training hours	To schedule at least 4 training hours of English for each Member of the Staff	DEC 2018	IN PROGRESS
To intensify technical-professional training	N. of training hours	To organize specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2018	IN PROGRESS

TERRITORY

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase turnout of local suppliers and products	Local suppliers turnout / Total turnout	To give priority, with respect to the purchasing policy management, to the following criteria: · local suppliers of goods; · local suppliers of services	DEC 2017	COMPLETED
To support organizations and associations involved in environmental and/or social sustainability	N. of memberships	To support corporate ethical and environmental programs developed by organizations and associations such as Mediciens Sans Frontieres, FAI, UNICEF	JUN 2017	COMPLETED
To increase turnout of local suppliers and products	Local suppliers turnout / Total turnout	To give priority, with respect to the purchasing policy management, to the following criteria: · local suppliers of goods; · local suppliers of services	DEC 2018	NEW IN PROGRESS
To promote local sustainable development	N. of sponsorships	To sponsor initiatives/activities/ events aimed at promoting local sustainable development	DEC 2018	NEW IN PROGRESS
To support organizations and associations involved in environmental and/or social sustainability	N. of memberships	To support corporate ethical and environmental programs developed by organizations and associations such as Mediciens Sans Frontieres, FAI, UNICEF	JUN 2018	NEW IN PROGRESS

AWARDS

2017

Fondazione Altagamma:
“**PREMIO GIOVANI IMPRESE**” A LEFAY RESORTS
(a business award for Italian young inspiring
Companies in the luxury branch)

World Boutique Hotel Awards:
“**WORLD’S BEST WELLNESS SPA**”

Small Luxury Hotels Awards:
“**MOST SENSATIONAL SPA**”

Condè Nast Traveler Readers’ Choice Awards:
“**TOP 30 RESORTS IN EUROPE**”

World Travel Awards:
“**EUROPE’S LEADING GREEN RESORT**”

World Luxury SPA Awards:
“**BEST LUXURY ECO-SPA**”

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

Prime Traveller Awards:
“**BEST WELLNESS CLINIC**”

Tatler SPA Awards:
“**BEST FOR EAST-WEST FUSION**”

First place in Tripadvisor’s
“**TOP 10 HOTEL ECOLEADER PLATINUM**” IN ITALY
AND EUROPE

Fine Hotels & Resorts by American Express:
“**MOST INNOVATIVE SUSTAINABLE HOTEL**”

Traveller’s World Magazine:
“**TOP 10 DESTINATION SPAS IN THE WORLD**”

Tripadvisor Travellers’ Choice Awards:
“**TOP 25 LUXURY HOTELS IN ITALY**”

Condè Nast Johansens Excellence Awards:
“**BEST FOR COUPLES**”

Guida “RISTORANTI D’ITALIA 2017” Gambero Rosso:
“**DUE FORCHETTE**” AND SPECIAL ACCOLADE “**GUSTO
& SALUTE**” TO LA GRANDE LIMONAIA RESTAURANT
(awarding green and sustainable cuisine)

Guida “I RISTORANTI D’ITALIA 2017” L’Espresso:
“**PRIMO CAPPELLO**” TO LA GRANDE LIMONAIA
RESTAURANT

2016

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

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**”

Condè 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

Condè 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**”

EXPEDIA® INSIDERS’ SELECT™ 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**”

Condè Nast Traveller Readers’ Choice Travel Awards:
“**20 TOP DESTINATION SPA**”

EXPEDIA® INSIDERS’ SELECT™

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**”

ADDENDUM 1

LEFAY RESORT GARDA SRL DATA

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
Total	70	48%	75	52%	145	100%
BY REGION						
EUROPE	65	93%	71	95%	136	94%
ASIA	2	3%	2	3%	4	3%
SOUTH AMERICA	3	4%	1	1%	4	3%
AFRICA	0	0%	1	1%	1	1%
BY EMPLOYMENT CONTRACT						
Full-Time	70	100%	69	92%	139	96%
Part -Time	0	0%	6	8%	6	4%
BY EMPLOYMENT CATEGORY						
Management	3	4%	4	5%	7	5%
Line Staff	64,5	92%	65,5	87%	130	90%
On-call workers	4	6%	7	11%	11	8%
Season Workers	1,5	2%	2,5	4%	4	3%
Trainees	2,5	4%	5,5	7%	8	6%
BY AGE GROUP						
Under 30	24	34%	29	39%	53	37%
30 to 50	39	56%	34	45%	73	50%
Over 50	7	10%	12	16%	19	13%
BY CONTRACT LEVEL						
Level "Managers"	0	0%	1	1%	1	1%
1st level	3	4%	3	4%	6	4%
2nd level	2	3%	2	3%	4	3%
3rd level	7	10%	9	12%	16	11%
4th level	15,5	22%	12,5	17%	28	19%
5th level	19	27%	23	31%	42	29%
6th level	21	30%	19	25%	40	28%
Trainees	2,5	4%	5,5	7%	8	6%
BY SHELTERED GROUPS (PROTECTED CATEGORY)						
Total	2	3%	2	3%	4	3%
NEW COLLEGUES						
Total	43	61%	21	28%	64	44%
BY AGE GROUP						
Under 30	30	70%	14	67%	42	66%
30 to 50	13	30%	6	29%	21	33%
Over 50	0	0%	1	5%	1	2%

BY REGION						
EUROPE	43	100%	21	100%	64	100%
TURNOVER						
Total	27	39%	17	23%	44	30%
BY AGE GROUP						
Under 30	14	52%	7	41%	21	48%
30 to 50	13	48%	9	53%	22	50%
Over 50	0	0%	1	6%	1	2%
BY REGION						
EUROPE	26	96%	17	100%	43	98%
ASIA	1	4%	0	0%	1	2%
INJURY BY REGION						
Total	33	53%	29	47%	62	100%
BY REGION						
EUROPE	33	100%	14	48%	47	76%
SOUTH AMERICA	0	0%	15	52%	15	24%
EXECUTIVE BOARD						
Total	2	67%	1	33%	3	100%
BY AGE GROUP						
Under 30	1	50%	0	0%	1	33%
30 to 50	1	50%	0	0%	1	33%
Over 50	0	0%	1	100%	1	33%
BY REGION						
EUROPE	2	100%	1	100%	3	100%
TRAINING HOURS						
Total	1.046	36%	1.877	64%	2.923	100%
BY EMPLOYMENT CATEGORY						
Management	69	7%	51	3%	120	4%
Internal Courses	35	51%	18	35%	53	44%
External Courses	34	49%	33	65%	67	56%
Line Staff	912	87%	1.539	82%	2.451	84%
Internal Courses	521	57%	1.164	76%	1.685	69%
External Courses	391	43%	375	24%	766	31%
Trainees	65	6%	287	15%	352	12%
PROMOTIONS						
Total	12	17%	8	11%	20	14%
BY EMPLOYMENT CATEGORY						
Management	0	0%	0	0%	0	0%
Line Staff	12	100%	8	100%	20	100%

ADDENDUM 2

LEFAY RESORTS SRL DATA

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
Total	3	16%	16	84%	19	100%
BY REGION						
EUROPE	3	100%	16	100%	19	100%
BY EMPLOYMENT CONTRACT						
Full-Time	3	100%	14	88%	17	89%
Part -Time	0	0%	2	13%	2	11%
BY EMPLOYMENT CATEGORY						
Management	2	67%	6	38%	8	42%
Line Staff	1	33%	10	63%	10	53%
Trainees	0	0%	0	0%	0	0%
BY AGE GROUP						
Under 30	1	33%	4	25%	5	26%
30 to 50	2	67%	10	63%	12	63%
Over 50	0	0%	2	13%	2	11%
BY CONTRACT LEVEL						
Level "Managers"	1	33%	2	13%	3	16%
1st level	1	33%	4	25%	5	26%
2nd level	0	0%	1	6%	1	5%
3rd level	0	0%	5	31%	5	26%
4th level	1	33%	2	13%	3	16%
5th level	0	0%	2	13%	2	11%
6th level	0	0%	0	0%	0	0%
Trainees	0	0%	0	0%	0	0%
SHELTERED GROUPS						
Total	0	0%	0	0%	0	0%
NEW COLLEGUES						
Total	0	0%	4	100%	4	100%
BY AGE GROUP						
Under 30	0	0%	2	50%	2	50%
30 to 50	0	0%	2	50%	2	50%
Over 50	0	0%	0	0%	0	0%
BY REGION						
EUROPE	0	0%	4	100%	4	100%
TURNOVER						
Total	0	0%	1	5%	1	5%

BY AGE GROUP						
Under 30	0	0%	1	100%	1	100%
30 to 50	0	0%	0	0%	0	0%
Over 50	0	0%	0	0%	0	0%
BY REGION						
EUROPE	0	0%	1	100%	1	100%
INJURY BY REGION						
MALE	%	FEMALE	%	TOTAL	%	
Total	0	0%	0	0%	0	100%
EXECUTIVE BOARD						
MALE	%	FEMALE	%	TOTAL	%	
Total	5	83%	1	17%	6	100%
BY AGE GROUP						
Under 30	1	20%	0	0%	1	17%
30 to 50	3	60%	1	100%	4	67%
Over 50	1	20%	0	0%	1	17%
BY REGION						
EUROPE	5	100%	1	100%	6	100%
TRAINING HOURS						
MALE	%	FEMALE	%	TOTAL	%	
Total	59	27%	163	73%	222	100%
BY EMPLOYMENT CATEGORY						
Management	7	12%	49	30%	56	25%
Internal Courses	2	29%	8	16%	10	18%
External Courses	5	71%	41	84%	46	82%
Line Staff	52	88%	114	70%	166	75%
Internal Courses	0	0%	38	33%	38	23%
External Courses	52	100%	76	67%	128	77%
PROMOTIONS						
Total	1	33%	2	13%	3	16%
BY EMPLOYMENT CATEGORY						
Management	0	0%	1	50%	1	33%
Line Staff	1	100%	1	50%	2	67%

SUSTAINABILITY REPORT
IN ACCORDANCE WITH GLOBAL
REPORTING INITIATIVE

ENVIRONMENTAL PERFORMANCE INDICATORS							
ENERGY	UNIT	2015	%	2016	%	2017	%
Pallet	T/unit	1,24	100%	2,52	100%	0,82	100%
Green electricity	Mwh/Unit	3,45	88%	2,48	72%	3,24	NA
Solar electricity - autoproduction	Mwh/Unit	0,47	12%	0,98	28%	NA	NA
TOTAL	Mwh/Unit	3,92	100%	3,46	100%	3,24 <small>(incomplete data)</small>	100%
WATER	UNIT	2015	%	2016	%	2017	%
Water delivered through the supply network	m³	2218	100%	2528	100%	2980	100%
Water delivered through the supply network	m³/unit	138,63		120,38		141,90	
TYPES OF WASTE	UNIT	2015	%	2016	%	2017	%
Exhausted Toners with hazardous substances	T	0	0%	0,002	100%	0,06	75%
Exhausted toners (CER 80318)	T	0,02	100%	0	0%	0,02	25%
CO ₂ EMISSIONS	UNIT	2015	%	2016	%	2017	%
Scope 1	TCO _{2eq}	13,8	55%	17,7	53%	16,4	44%
Scope 2	TCO _{2eq}	0	0%	0	0%	0	0%
Scope 3	TCO _{2eq}	11,4	45%	15,5	47%	20,4	56%
TOTAL	TCO _{2eq}	25,2	100%	33,2	100%	36,8	100
TOTAL EMISSIONS BY SOURCE SECTOR							
BY SOURCE SECTOR	UNIT	2015	%	2016	%	2017	%
Electricity	TCO _{2eq}	0,00	0%	0,00	0%	0,00	0%
Pellets	TCO _{2eq}	2,14	9%	5,71	17%	1,86	5%
HFC Refrigerants	TCO _{2eq}	0,00	0%	0,00	0%	0,00	0%
Company Cars	TCO _{2eq}	11,68	46%	11,97	36%	14,08	38,2%
Wastes	TCO _{2eq}	0,00	0%	0,23	1%	1,64	4,4%
Paper	TCO _{2eq}	0,20	1%	0,21	1%	0,23	0,6%
Personal Cars	TCO _{2eq}	11,17	44%	15,09	45%	19,02	51,7%
TOTAL CO ₂ EMISSIONS	TCO _{2eq}	25,20	100%	33,20	100%	36,82	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 significat 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 Giosuè Carducci 125

To the attention of:

LEFAY RESORTS Srl
Via Santigaro, 4
25010 SAN FELICE DEL BENACO (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 2017.

The perimeter of the LEFAY RESORTS – 2017 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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Registro delle imprese di Milano
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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 considered 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 June and July 2018, 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 2017 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



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 more in-depth focus on some issues already available in past edition, a clarification in the perimeter of the reporting and an extended approach for stakeholder engagement for the materiality assessment.

On the base of the collected evidence, TÜV Italy Srl could verify that the "LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl Sustainability Report" - 2017 - 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 future editions of the report.

To include, in the reporting, the evaluation program for suppliers linked to the Products of the own Cosmetic Line.

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.



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.

During 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), July 19th, 2018


Sara Brandimarti
TÜV Italia srl - TÜV SÜD Group
Business Assurance
Project Manager


Andrea Coscia
TÜV Italia Srl - TÜV SÜD Group
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Unit Director

JUNE 2018



