

DESCRIPTION OF MATERIAL TOPICS

Governance and business integrity

Business integrity is the capacity to develop the business fairly and transparently and is a key factor characterizing the identity of the Group, as well as an important element in its reputation.

Responsible governance ensures fair and transparent conditions in the conduct of business affairs and the related company activities, protecting the company image and reputation, meeting the expectations of stakeholders and safeguarding the work of employees.

Economic and financial sustainability

The Company is committed to increasingly sustainable and responsible performance, creating the conditions for development which meets the needs and expectations of all its stakeholders.

Innovation, research and development

Technological excellence is a key element of the Group's entrepreneurial approach, which allows it to maintain and strengthen its competitiveness and leading position in complex, markets with high potential.

Employment protection and trade union relations

People are the key assets of the Group and their protection generates wealth for the company. Individual growth comes with constant collaboration and cooperation, factoring in common ideas and practice, skills and actions, international exchange and comparison and a multidisciplinary approach.

Industrial relations in Fincantieri are based on a participative model which values and enhances the role of trade unions and workers, also through the establishment of appropriate joint committees.

Procurement activities

A significant portion of the overall value of each ship depends on materials, parts, components and turnkey systems supplied by third parties. The Group actively manages its make-or-buy procurement strategies and therefore the size of the contribution of third party suppliers to the overall value of the project, also through rigorous qualification processes.

Product quality and compliance with technical standards

Excellent levels of quality are in the DNA of the Group, because the complexity of its business requires high standards in terms of quality and compliance with technical regulations and standards, at each stage of the production process. Responsibility for ensuring quality is widespread and shared.

Customer satisfaction

Customers and their satisfaction are at the centre of the Group's interest; customer satisfaction is pursued by constantly involving the customer at the execution stage, in the continuous monitoring of quality and through the offer of innovative products.

Climate change

The Group is bound by laws and regulations to protect the environment and people's health which impose limits on emissions. The control of emissions is reflected in a commitment to continue carrying out research into new methods to improve practices and minimize the emissions resulting from industrial activities.

Environmental management

Environmental protection is at the centre of the activities of the Company, which must commit itself, in carrying out its activities, to making the principles of environmental sustainability its own, both in its strategic

choices and in its business processes. To this end it must commit itself to improving energy efficiency and saving, proper management of water resources and correct disposal of waste and effluent.

Safeguarding the natural value of the areas affected by shipyard activities is also important. To protect these delicate places, specific and special precautions are put in place in accordance with local legislation.

Environmental impact of products and services

The Group operates with a "life cycle" approach, aiming to minimize the environmental and social impact of a product or service over its life cycle, departing therefore from a model which sees the impact on the environment and society of only production activities, and broadening the analysis of possible negative external effects to all the links in the value chain.

Diversity and equal opportunity

Diversity allows all the transformations and changes currently taking place to be embraced and represents an open, flexible and helpful relational approach. With regard to equal opportunities, significant commitment has been given to increasing the presence of women in the Company.

Company welfare

This is an innovative tool which permits efficient management of resources and provides an alternative to traditional pay and incentive mechanisms. The ultimate aim is to improve the quality of life and wellbeing of employees and their families.

Health and safety in the workplace

Safety at work is a condition for the performance of work without exposure to the risk of accidents or occupational disease. Historically Fincantieri has dedicated significant

effort to the protection of health and safety; over the years it has promoted a profound change in safety culture, as a first step towards further development. The key element is personnel training as a tool for risk prevention.

Training and education

Investment in staff training and development is of strategic importance in terms of restoring a high level of skill and know-how in the field, at all levels. Accordingly the training on offer has been expanded with new technical and managerial training programmes.

Local communities and relations with the local area

Local development is directly linked both with business activities and with the ability to systematically involve local players, showing awareness of the impact on the community. In terms of business activities, networks of small and medium-sized enterprises (SME), highly specialized in various macro-sectors, are engaged. In addition, initiatives to promote the development of local communities are stimulated and encouraged, with the aim of creating shared value.

Human rights

The Company has a strong commitment to ensuring that the skills and competencies of each employee are developed and maintained, both through recognition of merit and respect for equal opportunities, with the aim of safeguarding the human rights sanctioned by the Universal Declaration of the UN. Moreover the Group has always paid the maximum attention to ensuring transparency and observance of agreements and laws governing the contracting (tendering) system, a key element in its own development capacity and competitiveness in the relevant markets.