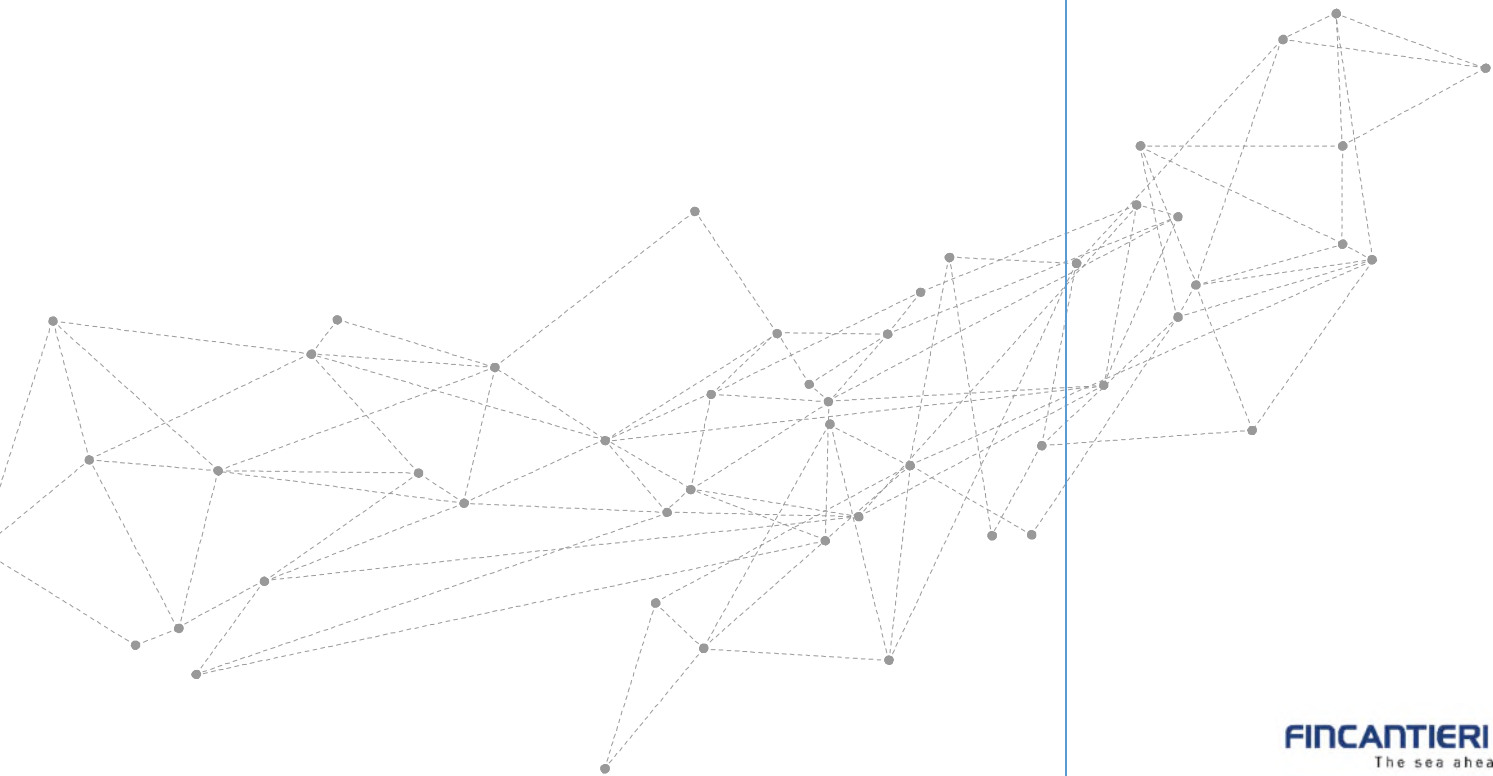




# PURCHASING POLICY



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## ***Foreword***

Fincantieri represents the great Italian naval tradition and is today one of the world's largest groups active in the design, construction and repair of merchant ships, military vessels, offshore vessels and mega yachts. The scale and importance of its activities mean that Fincantieri also plays a significant role in the economic development and welfare of the communities where it is present.

Therefore, our mission is to operate in a framework of fair competition with honesty, integrity, fairness and good faith, respecting the legitimate interests of shareholders, employees, customers, partners, local communities and various stakeholders with whom we relate.

In particular, our company actively promotes Social Responsibility and a sustainable supply chain, integrating a focus on social and environmental issues within our strategic vision.

We believe that close cooperation with our supply chain is essential to achieving high levels of quality in our products, services and production activities.

The Group involves and interacts with its supplier base by establishing collaborations, disseminating best practices and cooperation in various fields (technology, environment and society).

Suppliers are strategic allies who support us in building successful ships that offer customers the very best in quality, innovation and performance.

Today, globalization requires supply chain management methods that ensure sustainability criteria are integrated into the selection and involvement of suppliers.

The Procurement Department is responsible for the global management of suppliers. It works with the various parties to integrate key environmental, social and governance aspects into the purchasing process, thereby laying the foundations for responsible, long-term success.

Supplier selection and determination of purchase conditions, performed by Group companies, must be based on an objective evaluation of quality, price and ability of the supplier to guarantee an adequate level of service and propose innovative solutions.

Ultimately, the primary goal of the Purchasing Policy is to communicate the Group's commitment to strengthening the development of solid and long-lasting relationships with our partners, who we ask to adhere to the principles and rules that inspire us so that we can pursue a common goal of sustainable development together.

# 1. EXPECTATIONS FOR OUR SUPPLIERS

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## 1.1. PARTNERSHIP

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Fincantieri believes that the selection of innovative and reliable partner suppliers, willing to build together with us a common success starting from a high value-added, commitment and flexibility are the fundamental requirement for a lasting relationship. The goal is to establish long-term partnerships characterized by transparency and collaboration.

Development, growth and efficiency start immediately at the supplier selection phase, which must take place according to a documented procedure that guarantees impartiality and equal opportunities for all the parties involved.

A continuous performance evaluation system has also been implemented (in which all the relevant company functions take part) in order to guarantee the required standards over time.

Through the use of specific purchase methods adapted for the different product categories, Fincantieri strives to obtain the best conditions in terms of performance, price and quality, throughout the entire life cycle of the product.

In addition, the supplier, as component specialist, is increasingly involved in the initial phase of the project in order to share technical and economic commitments with the final customer.

## 1.2. THE ECONOMIC RELATIONSHIP BETWEEN CUSTOMER AND SUPPLIER

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Fincantieri aims to avoid situations of mutual dependence. Therefore, firstly, Fincantieri ensures it does not to build supply monopoly conditions within the same product segment, and secondly, it tries to limit the degree that suppliers depend on the purchase orders that arrive from Fincantieri as much as possible.

## 1.3. THE RULES OF THE RELATIONSHIP

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Different general reference conditions have been implemented according to the different types of supply (“General Conditions of Purchase” and “General Conditions of Contract”), which, together with the contractual models deriving from them, form the basis for supply relationships with Fincantieri.

In addition, suppliers entering our sites are required to provide important documentation on contributions, regulations and safety at work.

## 1.4. THE CORE ASPECTS OF THE RELATIONSHIP

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The guiding principle is to acquire the necessary goods/services with the best quality/price ratio to meet the objective of containing costs and ensuring quality and service levels appropriate to the satisfaction of the end customer. It must also take due account of operational risks and comply with general guidelines on the

environment, occupational safety and the overall sustainability of the choices adopted in terms of social impact.

Fincantieri expects suppliers and subcontractors to assume their responsibilities throughout the entire end-to-end supply chain, from manufacturer to supplier to end-user, to comply with safety and environmental regulations and therefore to maintain conduct that respects the values that guide the company; for this reason, Fincantieri ensures that its various partners and suppliers are actively involved in its processes.

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#### ***1.4.1. INNOVATION***

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Innovation lies at the heart of entrepreneurial action; permanent development is the driving force behind a company and an integral part of Fincantieri's culture, which has made the high technological content of its ships a distinctive feature.

The continuous adaptation to new conditions and the constant search for better solutions for our customers are the values that guide us in our day-to-day work and the ones that we also ask our suppliers to follow.

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#### ***1.4.2. QUALITY***

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Suppliers are selected on the basis of a strict qualification process, aimed at guaranteeing product quality, safety and environmental protection, compliance with timetables, achievement of economic objectives, customer satisfaction, and the image of the company. The assessment parameters concern the technical, productive and service capabilities, financial soundness, quality business systems and safety management. For new strategic suppliers, the process also includes an on-site inspection visit.

The supplier must ensure that the entire value chain is subject to an adequate Quality Management System (QMS). This also includes the obligation to guarantee product identification. In this way, in the event of any quality defects, the products, supplies or production periods concerned can be identified.

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#### ***1.4.3. HEALTH AND SAFETY AT WORK***

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Health and safety at work are essential values for the Fincantieri Group and they are a priority in the choices that the Company makes.

Guaranteeing a safe working environment, while respecting health, is a necessary condition for the here and now, and for building a future; it is a boost for growth, in the same way as efficiency and quality.

Fincantieri highlights its commitment to Health and Safety at Work with its adoption of a BS OHSAS 18001 Management System, with the aim of maintaining and developing its performance through the definition of specific and targeted improvement goals.

The company is committed to playing an active role in health and safety at work and it is deeply committed along with all its management and Human Resources to spreading a workplace safety culture across all

levels and in all areas of the company and safely managing the activities and duties of its own employees and those of contractors.

The Company intends to keep its policy active and operational, together with the commitment to spread this policy to employees and the entire supplier base, checking that regulations are observed in Fincantieri shipyards and at suppliers' production units.

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#### ***1.4.4. ENVIRONMENT***

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Fincantieri's mission is to become a model of excellence also for maximum protection of the environment, and it therefore adopts, in its strategic choices and business processes at all levels, the following principles of environmental sustainability in the short, medium and long term:

- preventive approach
- environmental impact reduction
- continuous improvement
- maintaining regulatory compliance
- responsible management of the production chain
- promoting knowledge and awareness among human resources
- communication

Fincantieri's Environmental Policy expresses the will of Management regarding the environment and is binding for all Company employees and all external companies working at our shipyards.

This commitment has been realized with the implementation and maintenance of an Environmental Management System at its sites and the consequent certification under UNI EN ISO 14001:2004.

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#### ***1.4.5. BUSINESS ETHICS AND INTEGRITY***

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Fincantieri promotes a corporate governance system that integrates and promotes a sustainability culture within Fincantieri, spreads respect for the law and corruption prevention, and is inspired by the highest standards of integrity, honesty and fairness.

Compliance with the laws, rules and procedures in force in the areas in which suppliers operate is a prerequisite for maintaining business relations with our company.

We do not expect our suppliers to tolerate any kind of bribery, extortion or embezzlement in their conduct of business.

Fincantieri does not tolerate any offer or promise of direct or indirect payment, whether in monetary or any other form, in an attempt to obtain or retain employment or any other benefit, thereby obtaining an improper advantage over other potential Suppliers.

Ultimately, we firmly believe that lasting partnership relations must be based on mutual fairness and transparency, in a context of full compliance with the rules of business and with the ethical and reputational aspects of the activities related to it.



## 2. PRINCIPLES AND RULES OF CONDUCT

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Loyalty, Ethics and Respect, Merit, Excellence and Innovation, but also Protecting the Health and Safety of workers, Environment, Quality and Performance, Sustainable Growth, Internationality as well as Customer Rights and Customer Focus are the core values underlying Fincantieri's modus operandi. These are the values on which the Company bases and promotes its relationship of trust with all its stakeholders, whether shareholders, employees, suppliers or customers.

These principles must be respected, without distinction or exception, by everyone working in Italy and abroad on behalf of or for Fincantieri, and by everyone who has business relations with it. These principles also apply to procurement operations, thus establishing a good relationship with suppliers that is built on practicality, complete integrity and common sense.

The development and use of advanced communication tools (such as the E-Suppliers portal) speeds up the exchange of information and also ensures transparency in the relationships.

### 1.5. CODE OF CONDUCT

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Collaborators are responsible for their work and must never lose sight of people, society, safety and the environment. They comply with the laws and all other external and internal regulations, and conduct themselves with integrity. For supplier relationships, specific commercial clauses have been included which also require suppliers to comply with the principles contained in the Code of Conduct and in the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001. Any violation may lead to the immediate termination of the contractual relationship, without prejudice to any other action before the Judicial Authority.

Particular attention is paid to managing conflicts of interest.

### 1.6. FIGHT AGAINST CORRUPTION

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The provisions on combating corruption apply to the entire Fincantieri Group and are binding on all collaborators.

Fincantieri operates in an ever wider geographical context and it is therefore necessary to intensify the focus that the Company has always had, through internal procedures that have long been defined and applied, on a global anti-corruption policy that defines expectations for business conduct in strict compliance with the best international standards in terms of anti-corruption legislation.

Fincantieri has been active in the fight against corruption for many years. Its Code of Conduct expressly prohibits "Corruption practices, illegitimate favours, collusion, requests, directly and/or through third parties, for personal or career advantage, for oneself or for others (...)." These instructions are valid for all Fincantieri employees and are expressly shared by all suppliers upon acceptance of the purchase order and by business partners upon signing the contract.



Fincantieri's collaborators may not request, be promised or accept gifts, invitations or other favourable treatment for themselves or for third parties.

## **1.7. HOW TO ACT IN RESPECT OF ROLES**

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Collaborators involved in procurement activities must act according to the following criteria:

- professional conduct and common sense
- interaction with colleagues in an climate of mutual respect
- dubious business practices must be rejected and reported to the appropriate bodies within the company
- individual and cultural differences are respected
- fair competition is established in the purchasing process
- information is treated confidentially
- the company's know-how and intellectual property are safeguarded
- suppliers are involved in the development of innovative products