2018-2022 Sustainability Plan Update

Objectives, targets and actions
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**Strategic direction and sustainability**

Sustainability is not just an opportunity but a genuine mission for Fincantieri to represent a model of excellence in the world, by adopting a pervasive approach to business that is able to respond to the challenges of a globalised world and is increasingly sensitive to the impacts generated by industrial processes on society and the environment.

The Fincantieri Group is continuing along its path towards sustainable «success» by adopting an integrated strategy that is capable of combining business growth and financial stability with social and environmental sustainability, creating value in the long term. This is why the material topics for the Group have been integrated into the business strategy and the Fincantieri Group’s Sustainability Plan has been implemented.

In July 2020, Fincantieri updated the **Sustainability Plan**, which is Fincantieri’s strategic approach to sustainability and, through the Charter of Sustainability Commitments, it breaks down the commitments undertaken by the Group into qualitative and quantitative targets that can be measured over time. It respects the ten principles of the **Global Compact** and it contributes to the achievement of the **Sustainable Development Goals** (SDGs) of the UN’s 2030 Agenda. In January 2021, it was aligned with the new materiality matrix and the respective commitments.

Fincantieri’s idea of **sustainable** and **responsible development** involves:

- a more widespread dissemination of the sustainability culture;
- promoting a responsible supply chain;
- employee involvement;
- constantly improving health and safety in the workplace;
- support for technological innovation;
- maintaining customer satisfaction and trust levels;
- continuous dialogue with and support for local communities;
- reducing environmental impacts;
- the fight against climate change.

With this integrated strategy, which considers both sustainability issues and business needs, Fincantieri is able to sustainably manage the challenges and opportunities the current and future macroeconomic context bring.
Strategic direction and sustainability

In particular, the Sustainability Plan:

- defines the strategic guidelines linked to the 4 Pillars of the Business Plan (Long term visibility, New horizons and markets, Innovation, Streamlined production);
- confirms the objectives laid out in the Sustainability Plan, approved in 2018, for 2020 and beyond; the timing of some objectives has been revised due to the limitations brought by the COVID-19 pandemic;
- defines new objectives, targets and actions in light of the pandemic.

The Fincantieri Group has been heavily impacted by the global health emergency resulting from the spread of COVID-19 which has radically changed the international economic and social context in which it operates. At this time of major interruption, sustainability is an essential enabling factor that helps to ensure a high level of resilience and sustainable development in the medium and long term. The Sustainability Plan reflects the decisions taken by company management to ensure the Group’s sustainable success.

The Sustainability Plan comprises:

- 15 material topics identified through an online stakeholder engagement survey that enables both the point of view of the Group and that of customers, suppliers and partners, the financial community and other stakeholders to be taken into consideration.
- 24 commitments undertaken by the Group through the Charter of Sustainability Commitments.
- 45 objectives to be achieved in the short, medium and long term that will contribute in particular to the achievement of the 8 SDGs that Fincantieri has recognised as significant for its business and in line with its strategic direction. The Plan’s objectives are updated on a yearly basis starting with the results achieved and adding the new needs that arise over time.

The base year against which the quantitative targets in the Plan are defined is 2017.
Strategic direction and sustainability
Logical steps for aligning the Sustainability Plan with the Business Plan

The 4 Pillars of the Group’s strategy (Long term visibility, New horizons and markets, Innovation, Streamlined production) contain the 15 material topics for sustainability.

5 topics are horizontal in that they involve all 4 Pillars and contribute generally to the Group’s growth.

The other 10 topics are specifically associated with one of the 4 Pillars and show a clear correlation between the business drivers and those aspects of sustainability that the Company recognises as significant.

The material topics are linked to the ten principles of the Global Compact and to the global objectives represented by the United Nations’ Sustainable Development Goals (SDGs) that Fincantieri has recognised as relevant for its strategic direction.
Strategic direction and sustainability

Purpose of the Sustainability Plan

- Contributes to creating value for the Group over the medium and long term, in line with the strategic direction
- Acts as a guideline for implementing corporate commitment, which is expressed through the commitments contained in Fincantieri’s Charter of Sustainability Commitments
- Enables the creation of synergies between units and a sustainability culture
- Attributes ownership of the actions to the various company Units, including through the company’s variable remuneration system (MBO)
- Addresses the internal risk drivers identified (Non-Financial Risks in the Group’s Risk Model)
- Also contributes to improving the corporate reputation by attracting the best talent and strengthening the Group’s visibility
- Defines the Group’s set of actions to respond to stakeholders’ expectations, in particular those of investors, rating agencies and shareholders
- Responds to external drivers such as the United Nations’ Sustainable Development Goals (SDGs) and, in particular, recognises those that are linked to corporate development strategies
Strategic direction and sustainability
Methodology

In terms of methodology, the Plan is developed along the following steps, which were started in 2017:

- **Definition of the sustainability topics** that are significant for the Company
- **Involvement of external stakeholders to assess the topics’ relevance**
- **Alignment between the non-financial risks** and the most significant sustainability topics

**Topics**

- **Update of the Charter of Sustainability Commitments** based on the significant topics to formalise corporate commitment
- **Approval** of the Commitments by the **Board of Directors**

**Commitments**

- **Involvement of the multifunctional Working Group in the definition of objectives, targets and timetables** that meet the commitments undertaken by the Company
- **Alignment with the strategic drivers**

**Objectives & Targets**

- **Preparation of the proposed Sustainability Plan**
- **Assessment** of the Sustainability Plan by the **Top Management** and the **Sustainability Committee**, **approval** by the **Board of Directors**

**Sustainability Plan**
Streamlined production
Continued focus on seamless execution through streamlining of processes and production

New horizons and markets
Expansion into new geographical areas and development of after-sales services

Innovation
Proven capability to develop cutting edge designs and technological solutions to meet clients’ evolving needs

Long term visibility
Backlog supported by positive underlying momentum, particularly in the Cruise segment

SUSTAINABILITY PLAN
5 Horizontal topics
1. Governance and business integrity
2. Cyber security
3. Climate change
4. Local communities and relations with the local area
5. Human rights

10 Specific topics
6. Development and safeguarding of human resources
7. Diversity and equal opportunity
8. Company welfare
9. Customer satisfaction
10. Product quality and safety
11. Innovation, research and development
12. Environmental impact of products and services
13. Health and safety in the workplace
14. Sustainable supply chain
15. Environmental management

BUSINESS PLAN
4 Pillars

1. Governance and business integrity
2. Cyber security
3. Climate change
4. Local communities and relations with the local area
5. Human rights

Specific topics
6. Development and safeguarding of human resources
7. Diversity and equal opportunity
8. Company welfare
9. Customer satisfaction
10. Product quality and safety
11. Innovation, research and development
12. Environmental impact of products and services
13. Health and safety in the workplace
14. Sustainable supply chain
15. Environmental management

Horizontal topics
1. Governance and business integrity
2. Cyber security
3. Climate change
4. Local communities and relations with the local area
5. Human rights

Pillars
1. Governance and business integrity
2. Cyber security
3. Climate change
4. Local communities and relations with the local area
5. Human rights
Within the Sustainability Plan, the 15 material topics are aligned with the 4 Pillars of the Group’s strategy.

For each Pillar, the SDGs that contribute to them have been identified.

Each material topic and commitment for sustainability undertaken by the Group is declined in: Objectives, Description / Target, Expected benefits, Timetable.
### Horizontal topics

#### Governance and business integrity

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Objectives</th>
<th>Description / Target</th>
<th>Benefits</th>
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</table>
| Promotion of the sustainability culture in line with the Group Values, encouraging managers to think in a sustainable manner within their sphere of action | **Gradual assignment of sustainability objectives in the Company’s variable remuneration system** | Continue to include sustainability objectives in the assignment process of Italian personnel (over 750 employees) interested in the variable remuneration system  
- 2020 - 15% of the staff concerned  
- 2021 - Comparative analysis of the existing variable remuneration system of foreign subsidiaries with a view to future assignment of sustainability targets | Raise awareness, assign responsibility and promote focus on the issue of sustainability | 2020-2021 |
### Commitments

<table>
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<tr>
<th>Description / Target</th>
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| Maintenance of the Corporate Governance system and risk management (including sustainability risk) in line with international best practices | Ensure:  
- Regulatory compliance  
- Resilience to criminal and/or terrorist threats  
- A high level of expertise of personnel with security tasks  
- Awareness of personnel who access the sites | 2021 |

| Objectives | Implement the project which consists of:  
- Updating of the security plans for those sites subject to the ISPS Code  
- Personnel training  
- Drills  
- Adoption of the security process methodology even in those sites where compliance with the regulation is not compulsory | |

*100% Italian sites*
## Horizontal topics
### Governance and business integrity

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Adoption of preventative measures and policies geared towards the prevention of corruption in all spheres of influence</td>
<td>Obtain ISO 37001 certification</td>
<td>Obtain ISO 37001 certification, which defines the requirements of the Anti-Corruption Management System, in order to support public and private organizations in combating and preventing corruption and disseminate a culture based on ethics and good conduct <em>Obtain ISO 37001 certification for Fincantieri S.p.A.</em></td>
<td>Improve perception of the Company’s and Group’s ethical standing</td>
<td>2020</td>
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<td></td>
<td>Definition of the tax strategy</td>
<td>Definition of the tax strategy through the preparation of the tax policy containing the Group’s principles and commitments with regard to tax compliance</td>
<td>• Improve the Group’s tax compliance  • Greater alignment between the tax strategy and sustainability strategy</td>
<td>2021</td>
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## Horizontal topics

### Governance and business integrity

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| Integration of sustainability issues with stakeholders through the promotion of dialogue and listening initiatives with those involved in the Group’s activities | **Implement an external stakeholder engagement program** | Implement a process aimed at developing constant dialogue and direct interaction with the Group’s internal and external stakeholders. At least 1 stakeholder engagement meeting/contact each year. | - Identify and understand stakeholders’ priorities, expectations and needs in terms of sustainability.  
- Share decisions, actions and performance in sustainability aspects with them (materiality analysis).  
- Create continuous dialogue in order to identify critical aspects and mitigate risks. | 2022 |

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Business Plan Pillars:
- Long term visibility
- New horizons and markets
- Innovation
- Streamlined production
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| Increasingly sustainable and responsible corporate performance, creating the conditions for development that ensures the needs and expectations of all stakeholders are met | Preparation of guidelines to assess the opportunity to make investments in accordance with sustainability principles | Identify the principles to be used in the assessment process of the investment opportunity (e.g. purchase / construction of new plant, machinery and/or equipment, asset disposal) in order to consider both the economic and financial aspects as well as the Environmental, Social and Governance (ESG) issues. Draft guidelines to assess the investments in terms of sustainability for Fincantieri S.p.A. | • Reduce exposure to ESG risks and seize opportunities to reduce the impacts of not taking into account direct / indirect costs  
• Generate greater value for the investor and the Company as a whole through a sustainable investment strategy geared towards the medium-long term | 2021       |
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| Guarantee the protection of computer systems and data by minimizing the risk of network breaches, corruption of sensitive data or processes and develop the cyber security strategy for products and services | Develop a central information technology system and industrial platforms to bolster protection of industrial networks | Develop a central IT system and industrial platforms to bolster protection in order to:  
- Expand the perimeter of the technological protection infrastructure in order to counter modern cyber security threats (email security review, anti malware evolution, Sandbox development, upgrade SIEM software development, etc.)  
- Automate cyber incident detection and management processes  
- Develop tools, processes and methodologies to support compliance with Regulation (EU) No. 2016/679 (GDPR) and international data protection and security standards (ISO 27001/9001)  
- Adopt a program to protect the industrial networks supporting ship production (OT / SCADA security)  

Fincantieri S.p.A. and Italian subsidiaries (Marine Interiors Cabins, Luxury Interiors Factory, Marine Interiors, Seanergy A Marine Interiors Company, Isotta Fraschini Motori, Cetena, Fincantieri Infrastructure, Seastema) | • Minimize the risk of data loss  
• Reduce damage to image  
• Protect intellectual property  
• Comply with data protection regulations | 2021 |
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| Support for research to improve the analysis and management of risks associated with climate change | **Conduct a climate change scenario analysis in compliance with the principles defined by the Task Force on Climate-related Financial Disclosures (TCFD)** | Identify potential risks and opportunities for the core business related to climate change in accordance with the recommendations, defined by the TCFD of the Financial Stability Board, which help organizations to identify and communicate the information that the financial community needs to properly assess climate-related risks and opportunities. This analysis includes a specific focus on the financial impact that climate change may have on Fincantieri’s performance and business model. | Improve disclosure on:  
- The organization’s governance with regard to managing climate change  
- Methods for identifying, assessing and managing climate-related risks  
- The actual and potential impacts of climate risks and opportunities on the organization’s activities, strategy and financial planning  
Proactive analysis in response to increased requests by investors on issues relating to climate change and the Company’s exposure to climate risk | 2021 |

**Fincantieri**

*The sea ahead*
<table>
<thead>
<tr>
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<tr>
<td>Support for research to improve the analysis and management of risks associated with climate change</td>
<td><strong>Promotion of research projects to develop new solutions for energy savings or reduction of emissions in collaboration with research institutes / universities on issues associated with climate risks</strong></td>
<td>Activate collaborations with universities / research institutes in order to develop new solutions for energy savings or reduction of greenhouse gas emissions</td>
<td>Increase / maintain product competitiveness, reduce greenhouse gas</td>
<td>2030</td>
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<td>5 projects completed by 2030, of which:</td>
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<td>• 1 project by 2022</td>
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<td>• 1 project by 2024</td>
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<td>• 1 project by 2026</td>
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<td>• 1 project by 2028</td>
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<td>• 1 project by 2030</td>
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<tr>
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<td>Reduction of carbon dioxide (CO\textsubscript{2}) and other pollutant emissions with the aim of contributing to the fight against climate change</td>
<td><strong>Reduction of greenhouse gas (GHG) emissions from electricity</strong></td>
<td>Reduce greenhouse gas (GHG) emissions associated with electricity consumption (Scope 2) - 50% of GHG emissions compared to 2017</td>
<td>Contribute to the fight against climate change</td>
<td>2022</td>
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<td></td>
<td><strong>Reduction of volatile organic compound (VOC) emissions</strong></td>
<td>Reduce VOC emissions through plant works and a gradual substitution of the products used with other solvent-free products or ones with a lower solvent content. - 20% of VOC emissions in relation to production volumes (hours worked) compared to 2017 in Fincantieri S.p.A.</td>
<td>Improve workplaces and people's health</td>
<td>2022</td>
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## Horizontal topics
### Local communities and relations with the local area

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| Dialogue with and support for local communities through social, environmental, cultural and educational initiatives | **Promotion of initiatives to protect the sea** | Implement a feasibility study on implementing a Campaign to protect the sea which contains:  
- Benchmark of already existing initiatives at international level  
- Creation and design of a Campaign to protect the sea  
- Definition of the budget, timescales, content and operating methods  
- Identification of potential partners (e.g. NGOs)  
- Definition of a related communication plan | Become a point of reference in the field of environmental sustainability as a promoter of sea protection, a «natural» element of the Group’s activities | 2020 |
## Commitments

Collaboration with governments, national and international associations to adopt policies and strategies to contribute to a healthy, inclusive, resilient and sustainable society for everyone

### Objectives

**Enter into agreements with Food Banks or other associations to redirect food surpluses in canteens at Fincantieri sites**

Enter into agreements with food associations, on the basis of the local requests, with the aim of redirect food surpluses from the canteens at Fincantieri sites

Enter into agreements in the Italian cities where Fincantieri sites with canteens are located

### Description / Target

- Reduce waste
- Improve the well-being of those most in need
- Improve the Company’s reputation

2020
## Horizontal topics

### Human rights

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<tr>
<td>Commitment to creating the socio-economic conditions to ensure respect for human rights throughout the value chain</td>
<td><strong>Conduct annual audits to assess and monitor the most critical suppliers in terms of human rights, health and safety and the environment</strong></td>
<td>Conduct annual audits at suppliers’ premises on behalf of the organization (second party audit) a tool for an informed management of the supply chain. 100% of Fincantieri S.p.A. ‘s priority suppliers (120) by 2023, of which at least 40 per year. The number of audits to be conducted will be strictly linked to the emergency situation due to the COVID-19 pandemic.</td>
<td>Ensure that the level of compliance is aligned with Fincantieri’s standards and observance of a sustainable supply chain</td>
<td>2023</td>
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Section 1

Long term visibility

MSC Seaside
MSC Cruises
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| Promotion of growth, training and enhancement of human capital | **Promoting the hiring of under-35s** | Promote young people’s employment using multiple collaboration channels with schools and universities. Promote activities aimed at directing young people’s choices of studies in line with the demands of the employment market (graduate programs)  
*Keep the percentage of hires of under-35s above 40% of all new hires per year in Italy* | Encourage generational turnover and create the right mix of professional skills within the workforce, developing the required skills | 2022 |
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| Constant collaboration and cooperation in an inclusive and international context in order to encourage the exchange of ideas, opinions and experiences and the development of multidisciplinary skills | Collect proposals and improvement initiatives with regard to sustainability from employees and implement them (FincantieriON project) | Activate, as part of the FincantieriON project, the implementation of sustainability initiatives proposed by employees with the aim of ensuring the active involvement of personnel.  
*Implement at least 4 of the most innovative ideas of employees in Italy* | Increase the active involvement of employees, contributing to the creation of a cooperative climate, and exploit the innovative benefits arising from implementing winning ideas | 2021 |
|                                                                           | Conduct regular climate surveys on employees                               | Conduct periodic surveys to update the risk analysis of work-related stress.  
*Over a period of 4 years, analyse the work-related stress risk on 100% of Italian yards and subsidiaries* | Map risk factors and identify possible improvement plans                                                                                                                                                    | 2024 |

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**Long term visibility**

**Development and safeguarding of human resources**
### Long term visibility

#### Development and safeguarding of human resources

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<tbody>
<tr>
<td>Industrial relations based on dialogue and listening to protect jobs and employment</td>
<td><strong>Draw up a policy or guidelines for the management of any business restructuring and reorganization</strong></td>
<td>Draw up a policy or guidelines that strengthen commitment and contain the lines of action that the Company undertakes to implement in the event of company restructuring and reorganization in Italy</td>
<td>Improve risk management, increase transparency, make Top Management aware of the issue and minimise intervention time</td>
<td>2021</td>
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## Long term visibility

### Diversity and equal opportunity

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| Promotion of programs offering equal opportunities to all employees in order to promote diversity and inclusion within the Group | **Develop a training program for facilitators on sustainability issues and in particular on diversity and its promotion in the Company** | Develop a training program for facilitators on sustainability issues and on their promotion in the Company, as part of the Fincantieri for the Future project  
*At least 40 facilitators out of 70 trained in Italy* | Disseminate widely and naturally new behaviour and an open mentality also on sustainability issues | 2020 |
|  | **Conduct a gender pay equality survey** | • Conduct a survey on gender pay equality targeted on homogeneous groups by task and performance evaluation  
• Promote interventions on any misalignments identified  
*Pay survey for Fincantieri S.p.A.* | Optimise business costs and employee benefits | 2021 |
|  | **Define an action plan to increase employee awareness of diversity and inclusion** | Define an action plan with training programs and specific projects on diversity and inclusion  
*Definition of the action plan for Fincantieri S.p.A.* | • Increase employee awareness of diversity and inclusion  
• Protect against risks  
• Access new markets and develop employer branding | 2021 |
### Long term visibility

**Company welfare**

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| Increase the wellbeing of people through innovative solutions rather than traditional ones | **Structuring the smart working tool in general and as a support to particular situations** | Enable smart working, where the opportunity / need is identified, also by strengthening the technological infrastructure, and where the specific work activities allow by identifying and implementing organizational areas and professional figures, as well as for pregnant women and new parents (until the child reaches its first birthday) and for special cases (health needs or fragility) or when there are extraordinary events (e.g. COVID-19)  
  * Identification and implementation of smart-working for the organizational areas and for those professional figures for whom it is applicable, where the system is compatible in Italy  
  * Renewal of individual equipment, upgrading of the technological infrastructure and adaptation of existing core applications in order to allow remote work to be carried out in Italy | • Ensure greater flexibility in carrying out work  
• Promote a work-family life balance and increase work hour flexibility for pregnant women and new mothers or employees with particular conditions | 2020-2021 |
Section 2

New horizons and markets
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<tbody>
<tr>
<td>Listen to needs and expectations to maximize customer satisfaction</td>
<td>Develop and apply methodologies for detecting the level of customer satisfaction Identify new organizational solutions to strengthen customer loyalty</td>
<td>Develop a Customer Satisfaction Index (CSI) System that will consist of the following stages: • 2020 - A CSI development plan • 2021 - CSI monitoring and evaluation • 2021 - An intra-group CSI benchmark • 2022 - CSI objectives for each company</td>
<td>Monitor trends and act in a specific and targeted way on the areas of client dissatisfaction</td>
<td>2020-2022</td>
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Section 3

Innovation
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<tr>
<td>Continuous improvement of the quality and safety of products and services in compliance with technical standards, in all phases of the production process to meet the high standards required by the business</td>
<td>Keep ISO 9001 certifications on the Quality Management Systems and product certifications in line with market expectations</td>
<td>Keep certifications active and up-to-date in every Italian site. The ISO 9001 standard defines the requirements for the Quality Management System. Keep product certifications in line with sustainability paradigms</td>
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<td>Increase the health and safety of the product</td>
<td>100% Italian yards already have ISO 9001 certification</td>
<td>Ensure observance of the quality requirements of processes in an efficient and integrated way, in line with market expectations</td>
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<td>Launch a cross-divisional Research and Innovation project that will lead to the definition of a list of actions that have been tested for feasibility and pre-validated, aimed at reducing the risk of contagion from pathogens on board ship, which can be activated both for new orders and for refittings of existing ships</td>
<td>Increase the level of safety of both passengers and crew on board the ship and ensure that potential passengers comply with the health plan and the relevant regulations</td>
<td></td>
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<td></td>
<td>Definition of the list of actions to be carried out to reduce the health risk on board ship for the Merchant Shipping Division, Naval Shipping Division Mega Yacht Management, Services Division and Marine Interiors</td>
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<td>Annually</td>
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<td>2021</td>
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<tr>
<td>Commitments</td>
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<tr>
<td>Investments in research and innovation with the aim of developing sustainable, efficient, safe and competitive products and processes with particular reference to the technologies needed to reduce environmental impact and increase their digitalization</td>
<td>Keep a spending budget in R&amp;D (costs and investments) above € 90 mln / year (of which 60% in clean technologies)</td>
<td>Keep a spending budget in R&amp;D (costs and investments) for Fincantieri S.p.A. above € 90 mln / year (of which 60% in clean technologies)</td>
<td>Confirm the Company’s commitment through Research and Development investments with specific reference to clean technologies that will contribute to: • Anticipating customer needs and providing state-of-the-art solutions • Bringing climate benefits</td>
<td>2020</td>
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</table>

**Development of solutions and technologies for the resumption of activities in the subsequent exit stages from the pandemic crisis**

Develop the offer of solutions and technologies related to the resumption of activities in compliance with the indications and measures issued at national and international level to combat and contain the spread of the COVID-19 epidemic in workplaces and in social gathering places

*These services will be aimed at providing technical and professional support in the following activities:*

- Outdoor detection tunnel (with related increase in outdoor detection capability)
- Indoor environmental sanitation mechanisms (through the ionisation of circulating air)

- Mitigate the risk of infection
- Ensure business continuity
- Maximise competitiveness and efficiency
- Ensure legislative compliance

2020
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| Investments in research and innovation with the aim of developing sustainable, efficient, safe and competitive products and processes and with particular reference to the technologies needed to reduce environmental impact and increase their digitalization | Development of intelligent ships and platforms (smart ships / smart offshore infrastructure) and autonomous ships. Development of innovative solutions for yards (smart yards) | The objective will be developed through the following activities:  
• A reference framework for secure interconnection (in terms of cyber security) between all the on-board systems to exchange / record data in real time (or near real time) on open formats  
• On-board systems to support the average level of autonomy (e.g. L4 as defined by LLOYD)  
• Offshore platforms capable of collecting double the energy of current platforms  
• Industria 4.0 tool to be adopted at yards to increase productivity  
• Tool to access digital assembly instructions and monitor progress of production work in real time on company technical systems  
• Remotely controlled or unmanned military platforms able to operate in scenarios that are dangerous for operators (e.g. firefighting, detection of contaminated areas, etc.) or able to significantly increase the operational effectiveness of the mission | • Optimise performance, minimise operating costs and adhering to the highest safety standards  
• Obtain information on the operating status in order to prepare the best operating scenario, even for critical or emergency situations  
• Support development of the blue economy                                                                                                           | 2030       |
## Commitments

- **Development of ecologically sustainable products and services with the aim of contributing to a circular and low carbon economy**

## Objectives

- **Definition of an eco-design system to promote the development of environmentally sustainable ships**

## Description / Target

Identify for each project the ecologically sustainable design objectives and ensure that the assumptions, principles and control metrics (KPIs) identified for the construction of an ecologically sustainable product are translated into design choices and acquisition of the plant / machinery that make up the ship product following the internal eco-design procedure.

In addition, the initiatives already made available will be updated based on the latest technological developments and those which, while widespread and in use for some time, are no longer innovative will be eliminated.

*Define at least 8 low environmental impact initiatives for the Merchant Shipping Division*

*Define 10 initiatives, 9 of which are related to CO₂ reduction and 1 to containment of noise emitted into water for the Naval Shipping Division*

## Benefits

Increase the number of eco-design initiatives available to designers in order to implement new systems and components with low environmental impact

## Timetable

- **2020**
## Innovation

### Environmental impact of products and services

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</table>
| Development of ecologically sustainable products and services with the aim of contributing to a circular and low carbon economy | **Development of maritime ecological dredging services**                   | Develop the offer of services related to maritime dredging by chartering the vessel Decomar from the company Fincantieri Dragaggi Ecologici S.p.A., with regard to:  
  • Coastal nourishment  
  • Reclamation of industrial sites  
  • Port dredging  
  
  *The project will consist of the following stages:*  
  • 2020 - Functional test of the Decomar  
  • 2022 - Launch of the service | • Maximise the extraction of available resources and minimise waste in individual dredging areas  
  • Minimise the activity’s footprint on the seabed  
  • Minimise the negative environmental impacts of the aggregate extraction process  
  • Mitigate the dredging effects of aggregates on other users of the seabed | 2020-2022 |
| **Promote studies and initiatives on the circular economy**                 |                                                                           | Carry out a study on the circular economy for Fincantieri S.p.A.’s cruise ships in collaboration with a university / research centre in order to:  
  • Analyse the level of maturity of the players in the shipbuilding industry  
  • Identify an analysis methodology  
  • Evaluate and identify the tools needed to implement the logic of the circular economy | • Monitor and strengthen the Company in “green” markets and with customers with a strong focus on these issues  
  • Objectively measure impacts along the entire value chain and product life cycle in order to make informed and effective decisions to improve environmental performance and / or to communicate this performance to investors  
  • Support management of the brand reputation by improving the company image and relations with institutions and other stakeholders | 2025   |
### Innovation

#### Environmental impact of products and services

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<tbody>
<tr>
<td>Development of ecologically sustainable products and services with the aim of contributing to a circular and low carbon economy</td>
<td><strong>Develop technological solutions that enable energy savings to be increased for ships with the same features (green ships)</strong></td>
<td>Develop ships with high energy savings from eco-friendly / renewable sources, with reduced environmental impact in terms of emissions into the air, discharges into the sea and noise. <em>30% increase in the energy efficiency of ships</em> <em>Eliminate ship emissions in ports and halve navigation emissions</em></td>
<td>• Decrease greenhouse gas and other environmental impacts  • Maintain competitiveness and product compatibility with the new advanced regulations</td>
<td>2030</td>
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Section 4

Streamlined production
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</table>
| Continuous improvement of workers’ health and safety conditions | **Obtain ISO 45001 certification**              | Move from the current OHSAS 18001 certification to the ISO 45001 standard. ISO 45001 certification defines the requirements of the Health and Safety at Work Management System  

*100% of Italian yards certified* | Minimise risks, improve levels of health and safety at work, improve the company’s image, reduce insurance premiums and financial guarantees where required | 2020 |
| Optimisation of the use of supplier evaluation tools | **Optimisation of the use of supplier evaluation tools** | Extend the perimeter of suppliers, operating within the operating units of Fincantieri S.p.A., evaluated through score-cards with specific reference to safety and environmental issues  

*The activity will be divided into the following stages:*
* 2020 - 100% main contractors
* 2021 - 100% contractors with a significant presence (40 man-days/month in the six-month period)
* 2022 - Identification of criteria for awarding scores on the degree of health, safety and environmental compliance | Strengthen the monitoring of the supplier base and greater risk control on safety and environmental issues | 2020-2022 |
Streamlined production  
Health and safety in the workplace

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| Continuous improvement of workers’ health and safety conditions | Promotion of initiatives to engage subcontractors on issues associated with health and safety | Develop a project («last metre») to engage subcontractors on issues of health and safety management  
*75% of subcontractors present in Italian yards* | Improve awareness and management of health and safety for subcontractors’ workers | 2022 |
| | Health promotion to disseminate healthy lifestyles | Develop a project to promote health in the workplace aimed at disseminating healthy lifestyles and preventing illnesses such as obesity, diabetes, strokes, etc.  
*75% of employees of Fincantieri S.p.A. and Italian subsidiaries* | Reduce absenteeism, increase productivity, reduce turnover, facilitate hiring and promotion of a positive image and one attentive to employees’ needs | 2022 |
## Streamlined production
### Health and safety in the workplace

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| Continuous improvement of workers’ health and safety conditions | **Improvement of health and safety at work performance** | Obtain further improvement in the initiatives aimed at eliminating accidents and protecting the health of workers and the working environment.  
*Reduction of the severity index:*  
• 15% of the severity index (no. of days lost due to injury / hours worked x 1,000) compared to 2017 for Fincantieri S.p.A.  
*Reduction of the frequency index:*  
• 5% of the frequency index (no. of injuries / hours worked x 1,000,000) compared to 2017 for Fincantieri S.p.A. | Confirm the Company’s constant commitment to:  
• Improving health and safety in the workplace performance  
• Mitigate the risk of injury to employees | 2022 |
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<tr>
<td>Promotion and support of a responsible and sustainable supply chain that shares our values and is based on long-lasting relationships founded on integrity, transparency and respect</td>
<td>Development of the supplier engagement path through workshops on sustainability issues</td>
<td>Organize workshops involving a panel of strategic suppliers to share a path of sustainability, training and discussion on ESG issues. At least 40 suppliers out of 200 considered strategic in terms of presence in the Supplier Register and turnover developed with Fincantieri S.p.A.</td>
<td>Share and develop common initiatives on sustainability issues. Identify existing best practices with a view to embarking on a shared growth path</td>
<td>2020</td>
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<td>Implementation of an action plan to promote the dissemination of the Suppliers’ Code of Ethics</td>
<td>Define an action plan to disseminate the Suppliers’ Code of Ethics that will follow these stages: 2020: - Launch the request for suppliers’ of Fincantieri S.p.A. to adhere to the Suppliers’ Code of Ethics - Review of sustainability audit checklists for the implementation of the criteria on compliance with the Suppliers’ Code of Ethics 2021: - 1st half: Testing on a sample of 5 suppliers audited using the revised sustainability audit checklists - 2nd half: Monitoring the adoption and verification of compliance with the Code by 100% of audited suppliers 100% active suppliers of Fincantieri S.p.A.</td>
<td>• Ensure the dissemination of the principles, values and responsibilities of the Company through the acceptance and adoption of the Code • Contribute to the development of a responsible and sustainable supply chain • Ensure Environmental, Social and Governance (ESG) risk coverage</td>
<td>2020-2021</td>
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</table>
### Commitments
Promotion and support of a responsible and sustainable supply chain that shares our values and is based on long-lasting relationships founded on integrity, transparency and respect.

### Objectives
**Launch of the Sustainable Supply Chain project**

Launch a Sustainable Supply Chain project in order to integrate sustainability criteria into the supply chain and ensure adequate risk management.

The activity will be divided into the following stages:
- Evaluation of processes based on ESG criteria within the quality and supplier management systems
- Comparison with market benchmarks
- Identification and mapping of ESG risks in the supply chain
- Development of a system to collect information and mapping of ESG certifications
- Definition of supplier monitoring KPIs, also according to a sustainability logic
- Identification of areas of action and preparation of the improvement plan

*100% of strategic suppliers registered in the Supplier Register of Fincantieri S.p.A.*

### Description / Target

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<tr>
<td>Launch a Sustainable Supply Chain project in order to integrate sustainability criteria into the supply chain and ensure adequate risk management</td>
<td>• Identify and manage ESG risks in the supply chain</td>
<td>2021</td>
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<td>• Monitor any critical aspects of the supply chain through specific KPIs</td>
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<td>• Mitigate the reputational risk associated with supply chain management</td>
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<td>• Increase the supplier base’s level of knowledge regarding to sustainability issues</td>
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<tr>
<td>Promotion and support of a responsible and sustainable supply chain that shares our values and is based on long-lasting relationships founded on integrity, transparency and respect</td>
<td><strong>Deliver a training course on sustainability and responsible procurement principles to employees who interact directly with suppliers</strong></td>
<td>Develop an e-learning training module on sustainable procurement for employees who interact directly with suppliers in Italy <em>100% of Italian buyers</em></td>
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| Implementation of projects to improve energy efficiency and conserve natural resources, protect biodiversity and reduce environmental impact to prevent soil, air and water pollution | Increase the portion of electricity from renewable sources | Purchase electricity produced by certified renewable sources  
100% electricity purchased in Italy and in Romania | Reduce CO₂ emissions and gain benefits for the company image with competitive advantage on the market | 2020 |
| Obtain ISO 50001 certification | Obtain ISO 50001 certification which defines the requirements for an efficient management of direct electricity consumption  
Obtain ISO 50001 certification for the Italian yards | Make rational use of energy sources, achieving specific reduction targets. Increase transparency and ease of communication regarding management of energy sources, improving image and compliance with Legislative Decree 102/2014 | 2021 |
Streamlined production  
Environmental management

| Commitments                                                                 | Objectives                                                                                                                                                                                                                     | Description / Target                                                                                                                                                                                                 | Benefits                                                                                                                                                                                                 | Timetable
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implementation of projects to improve energy efficiency and conserve natural resources, protect biodiversity and reduce environmental impact to prevent soil, air and water pollution                                                                 | Consolidation of the proportion of waste sent for recovery and decrease in the total quantity of hazardous waste compared to total waste                                                                                       | Consolidate the share of waste to be recycled and reduce the weight of hazardous waste on total waste  
  • 2020 - Consolidation of the share of waste to be recycled between 80% and 90% in Italy  
  • 2022 - 5% reduction of hazardous waste on total waste compared to 2017 in Italy                                                                                                                      | Reduce the impacts of its activities on the environment                                                                                                                                                                  | 2020-2022                                                                                                                                                                                             |
| Focus on the type of water withdrawal and its impact in the value chain       | Launch a multi-year study for Fincantieri S.p.A., developing the following stages:                                                                                                                                              |  
  • 2020 - Assess water stress areas using the Water Risk Atlas software  
  • 2022 - Define water consumption in the most sensitive areas  
  • 2023 - Definition of targets and possible improvement actions                                                                                                                                               | The analysis may be functional to integration as regards environmental certification (e.g. ISO 14001) and consolidates the Company’s commitment to combat waste and preserve natural resources in line with the provisions of the Group’s Policy on Environmental and Occupational Health and Safety Management | 2020-2023                                                                                                                                                                                             |