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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.

Fincantieri has decided to structure its sustainability path 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 topics that are significant (material) for the Group have been integrated into the business strategy.

The **Sustainability Plan** is Fincantieri's strategic approach to sustainability and it addresses some global challenges (the UN's **Sustainability Development Goals** or SDGs). The **Charter of Sustainability Commitments** details the commitments undertaken by the Group and breaks them down into qualitative and quantitative targets that can be measured over time.

With this integrated strategy (**Sustainability Plan** and **Business Plan**) Fincantieri is able to manage its response to the market challenges of today and tomorrow in a sustainable way.

The Sustainability Plan, approved by the **Board of Directors of Fincantieri S.p.A.**, comprises:

- 17 material topics
- 24 sustainability commitments
- 32 objectives to be achieved in the short, medium and long term

In particular, the **17 material topics** were identified through stakeholder engagement activity that made it possible to consider both the Group's point of view and external stakeholders one who were involved through an on line survey.

Joint consideration of internal and external significance led to the identification of **cyber security** as a significant new material topic in addition to the 16 topics previously identified.



The **17 material topics for Sustainability** are linked to the **4 Pillars** of the **Business Plan** (Long term visibility, New horizons and markets, Innovation, Streamlined production). In particular:

- 6 material topics are horizontal in that they involve all 4 Pillars and contribute generally to the Group's growth
- The other 11 material 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 Group recognises as significant
- The objectives contribute in particular to the achievement of the 6 SDGs that Fincantieri has recognised as significant for its business and in line with its strategic direction



To ensure that the Sustainability Plan objectives are achieved, Fincantieri has created a special **Governance** structure, which consists of:

- The **Sustainability Committee**, established in 2016 with the task of supporting, with adequate investigative activities, both proactive and advisory, the assessments and decisions made by the Board on sustainability issues connected with the Company activities and the dynamics of its interaction with all stakeholders
- A multifunctional Working Group for sustainability tasked with defining objectives, targets and timetables for the sustainability commitments already undertaken by the Group in the Charter of Sustainability Commitments. Responsibility for achieving the objectives in the Sustainability Plan lies with the representatives of the units involved, which dedicate resources, tools and know-how to implement the actions underlying those objectives
- The Sustainability unit ensures compliance with the commitments undertaken by monitoring the progress of projects and achievement of the
 objectives and continually keeping the Top Management and Sustainability Committee informed

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.





Purpose of the Sustainability Plan

- Contributes to creating value for the Group over the medium and long term, in line with the direction given in the Business Plan
- 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)
- Contributes also 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 UN's Sustainable Development Goals (SDGs) and, in particular, recognises those that are linked to corporate development strategies



Methodology

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

TOPICS

- Definition of material sustainability topics for the Company
- Involvement of external stakeholders to assess the topics' relevance
- · Link between non-financial risks and the most significant sustainability topics

COMMITMENTS

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

OBJECTIVES & TARGETS

- 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 drivers of the 2018-2022 Business Plan

SUSTAINABILITY PLAN

- · 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



Logical steps for aligning the Sustainability Plan with the Business Plan

TOPICS vs BP PILLARS

The **4 Pillars** of the **Business Plan** (Long term visibility, New horizons and markets, Innovation, Streamlined production) contain the **17 material topics for Sustainability**

6 HORIZONTAL

6 topics are horizontal in that they involve all 4 Pillars and contribute generally to the Group's growth

11 SPECIFIC The other 11 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

TOPICS vs SDGs

The material topics are linked to the global objectives represented by the UN's Sustainable Development Goals (SDGs) that Fincantieri has recognised as relevant for its strategic direction



BUSINESS PLAN

4 Pillars

Long term visibility

Backlog supported by positive underlying momentum, particularly in the cruise segment

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

Streamlined production

Continued focus on seamless execution through streamlining of processes and production

SUSTAINABILITY PLAN

6 Horizontal topics

- 1. Governance and business integrity
 - 2. Cyber security
- 3. Economic and financial sustainability

4. Climate change

5. Relations with local communities

6. Human rights

11 Specific topics

- 7. Protection of employment and industrial relations
- 8. Training and education
- 9. Diversity and equal opportunity
- 10. Company welfare

11. Customer satisfaction

- 12. Product quality, compliance with technical standards
- 13. Innovation, research and development
- 14. Environmental impact of products and services
- 15. Health and safety in the workplace
- 16. Procurement activities
- 17. Environmental management





















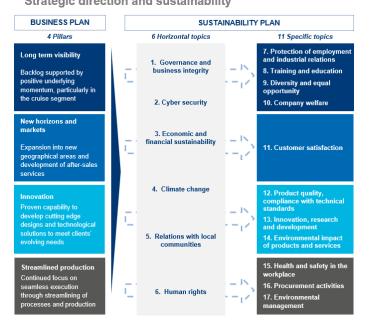


Strategic direction and sustainability Structure and content of the Sustainability Plan



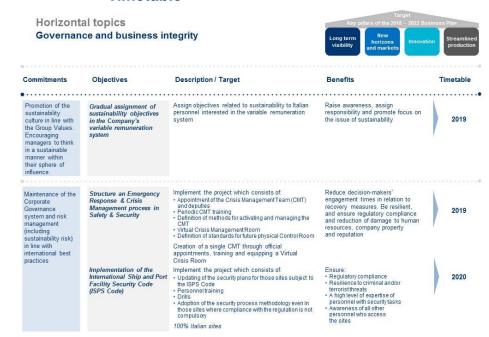
Within the Sustainability Plan, the 17 material topics are aligned with the four Pillars of the Business Plan

Strategic direction and sustainability





Each material topic for sustainability undertaken by the Group is declined in: Commitments, Objectives, Description/Target, Expected benefits, Timetable





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

















Governance and business integrity



	Description / Target		Timetable
Gradual assignment of sustainability objectives in the Company's variable remuneration system	Assign objectives related to sustainability to Italian personnel interested in the variable remuneration system	Raise awareness, assign responsibility and promote focus on the issue of sustainability	2019
Structure an Emergency Response & Crisis Management process in Safety & Security	 Implement the project which consists of: Appointment of the Crisis Management Team (CMT) and deputies Periodic CMT training Definition of methods for activating and managing the CMT Virtual Crisis Management Room Definition of standards for future physical Control Room 	Reduce decision-makers' engagement times in relation to recovery measures. Be resilient, and ensure regulatory compliance and reduction of damage to human resources, company property and reputation	2019
	Creation of a single CMT through official appointments, training and equipping a Virtual Crisis Room		
Implementation of the International Ship and Port Facility Security Code (ISPS Code)	 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 	• Awareness of all other	2020 CANTIERI The sea ahead
	sustainability objectives in the Company's variable remuneration system Structure an Emergency Response & Crisis Management process in Safety & Security Implementation of the International Ship and Port Facility Security	Structure an Emergency Response & Crisis Management process in Safety & Security Implementation of the International Ship and Port Facility Security Definition of the Security Security Definition of the Security Security Code (ISPS Code) Definition of the Security System Implementation of the Security System Implementation of the International Ship and Port Facility Security Securi	sustainability objectives in the Company's variable remuneration system Structure an Emergency Response & Crisis Management Process in Safety & Security

100% Italian sites

Governance and business integrity



Commitments Description / Target Benefits Objectives Timetable Obtain ISO 37001 certification, which defines the Improve perception of the Respect for the ISO 37001 certification Company's and Group's ethical requirements of the Anti-Corruption Management law and System, in order to support public and private standing 2020 prevention of organisations in combating and preventing corruption in all corruption and disseminate a culture based on spheres of ethics and good conduct influence Obtain ISO 37001 certification for Fincantieri SpA · Identify and understand stakeholders' Implement stakeholder engagement, a process Integration of Implement an external priorities, expectations and needs in aimed at developing constant dialogue and direct stakeholder engagement sustainability topics terms of sustainability interaction with the Group's internal and external in dialogue with programme · Share decisions, actions and 2022 stakeholders stakeholders performance in sustainability aspects (timeliness, with them (materiality analysis) At least 1 stakeholder engagement meeting/contact Create continuous dialogue in order to accuracy, and each year identify critical aspects and mitigate exhaustive flow of risks information to stakeholders)

Cyber security



Description / Target Benefits Commitments Objectives Timetable Minimize the risks of data loss by Guarantee Expand the perimeter of the technological Development of a central protecting intellectual property protection infrastructure in order to counter protection of the information technology modern cyber security threats (email and compliance with data and 2021 computer systems system and industrial information protection and data by security review, anti malware evolution, platforms to bolster regulations, reaping benefits to Sandbox development, upgrade SIEM minimizing the protection of industrial the corporate image and risks of network software development, etc.) networks competitive advantages in the breaches and Automate cyber incident detection and marketplace corruption of data management processes or sensitive Develop tools, processes and processes, and develop the cyber methodologies to support compliance with security strategy Regulation (EU) No. 2016/679 (GDPR) and for products and international data protection and security standards (ISO 27001/9001) services Adopt a program to protect the industrial networks supporting ship production (OT/SCADA security) Fincantieri SpA and Italian subsidiaries (Marine Interiors, Isotta Fraschini Motori, Cetena, Fincantieri Infrastructure, Seastema)

Economic and financial sustainability



Description / Target Benefits Timetable Commitments Objectives Increasingly Contents of the Business sustainable and Plan 2022 responsible corporate performance, creating the conditions for development that ensures the needs and expectations of all stakeholders are met

Climate change



Benefits Commitments Objectives Description / Target Timetable Activate collaborations with universities / research Increase / maintain product Support for Research projects to competitiveness, reduce institutes in order to develop new solutions for research to develop new solutions 2019-2030 greenhouse gas improve the energy savings or reduction of greenhouse gas for energy savings or emissions analysis and reduction of emissions management of in collaboration with 1 project in 2019 risks associated research institutes / 5 projects by 2030 with climate universities on issues change associated with climate risks

Relations with local communities



Timetable Commitments Description / Target Benefits Objectives Draft a policy that expresses the Company's Increase transparency and improve Dialogue with and Commitment to commitment with regard to local community management of initiatives support for local managing social initiatives 2019 communities activities through social, cultural and educational initiatives Enter into agreements with food associations in Reduction of waste and increase the Collaboration with Enter into agreements order to get involved in redirecting surplus food in well-being of those in need and governments, with Food Banks or other canteens at Fincantieri sites increasing the Company's reputation associations to redirect 2020 national and food surpluses in international canteens at Fincantieri associations to Enter into agreements in all Italian cities in which sites adopt policies and Fincantieri has a site with a canteen strategies to contribute to a healthy, inclusive, resilient and sustainable society for everyone

Horizontal topics Human rights



Benefits Commitments Objectives Description / Target Timetable Conduct annual audits - tool for an informed Ensure that the level of compliance Respect for Annual audits to assess is aligned with Fincantieri's management of the supply chain human rights and monitor the most 2019 standards and observance of a through the critical suppliers in terms 35 audits per year sustainable supply chain adoption of of human rights, health policies and and safety and the creation of environment (second programmes to party audit) promote diversity and inclusion within the Group

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Section 1

Long term visibility









Protection of employment and industrial relations



Description / Target Benefits Commitments Objectives Timetable Promote young people's employment using multiple Encourage generational turnover **Employment** and Promoting the hiring of collaboration channels with Schools and and create the right mix of job protection to under-35s 2022 Universities. Promote activities aimed at directing professional skills within the promote workforce, developing the required young people's choices of studies in line with the economic and demands of the employment market (graduate skills financial programmes) sustainability Keep the percentage of hires of under-35s above 40% of all new hires per year in Italy

Training and education

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Commitments	Objectives	Description / Target	Benefits	Timetable
Promotion of growth, training and enhancement of human capital	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	2020
	Include a sustainability module in the Fincantieri Corporate University training programmes	Implement training modules on sustainability, as part of the training given by the Fincantieri Corporate University (Academy, Competency Management, PM for Staff, PM Advanced) Include 1 module on sustainability per course	Raise staff awareness of sustainability issues	2020

Diversity and equal opportunity

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Commitments	Objectives	Description / Target	Benefits	Timetable
Promotion of programmes to promote diversity and inclusion within the Group	Commitment to human rights and diversity	Draft a policy on human rights and diversity which will enable a set of principles and rules to be defined, allowing the Group to improve commitment to these aspects	 Access new markets and develop employer branding Protect against risks Promote equality Promote salary equality Ensure national and European compliance 	2019
	Develop a training programme for facilitators on sustainability issues and in particular on diversity and its promotion in the Company	Develop a training programme 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 trained in Italy	Disseminate widely and naturally new behaviour and an open mentality also on sustainability issues	2020

Company welfare



Commitments	Objectives	Description / Target	Benefits	Timetable
Increase the wellbeing of personnel through innovative solutions rather than traditional ones	Launch the smart working tool to support maternity from before birth until the child reaches one year as well as resources with evident non-fitness to work certified by the competent doctor	Launch a smart working project for specific categories of employees in Italy (pregnant women, illness, new mothers)	Increase work hour flexibility for employees with particular conditions to improve work-family life balance	2021
	Company car pooling project	Implement a platform to manage company car pooling. Employees will be able to organise home-work commutes autonomously and immediately through a personalised portal or App downloaded to a mobile phone, benefiting from a system of promotions and incentives 2019 Fincantieri SpA, 2020 Italian subsidiaries	Reduce the costs and consumption of fuel for employees as well as emissions associated with homework commutes	2019 - 2020

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Section 2

New horizons and markets









New horizons and markets

Customer satisfaction

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Benefits Timetable Commitments Objectives Description / Target Develop a Customer Satisfaction Index (CSI) Monitor trends and act in a specific Listen to demands Develop and apply System that consists of: and targeted way on the areas of and expectations in methodologies for 2019-2021 A CSI development plan client dissatisfaction order to maximize detecting the level of CSI measures and calibration customer customer satisfaction. An intra-group CSI benchmark satisfaction **Identify** new CSI objectives for each company organisational solutions to strengthen customer loyalty

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Section 3

Innovation

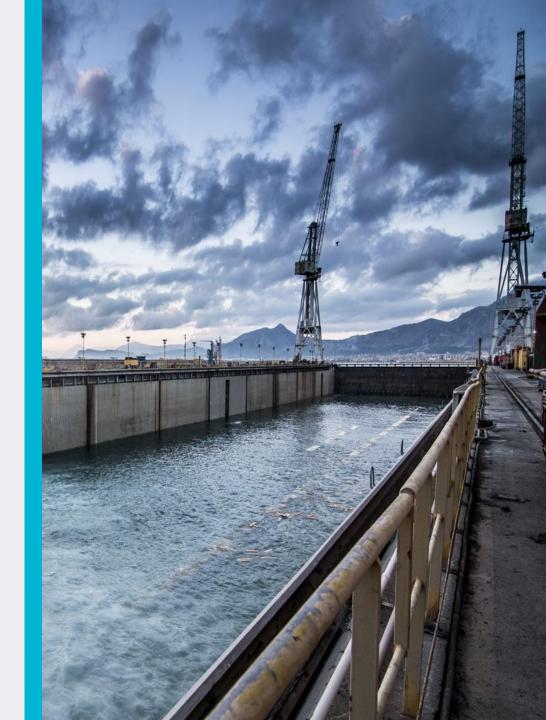












Innovation

Product quality, compliance with technical standards

Benefits Commitments Objectives Description / Target Timetable Keep certifications active and up-to-date in every Ensure observance of the quality Continuous Keep ISO 9001 Italian site. The ISO 9001 standard defines the requirements of processes in an improvement of certifications on the **Annualy** requirements for the Quality Management System efficient and integrated way, in line quality and **Quality Management** Keep product certifications in line with sustainability with market expectations respect for Systems and product paradigms (e.g. Green Passports) technical certifications in line with standards, in all market expectations phases of the production process to meet the high standards required by the business

Innovation

Innovation, research and development

Target

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation production

Timetable Commitments Objectives Description / Target Benefits Develop: Optimise performance, minimise Investments in **Development of** operating costs and adhering to the A reference framework for secure interconnection (in research and intelligent ships and highest safety standards terms of cybersecurity) between all the on-board 2030 innovation with platforms (smart ships / Obtain information on the operating systems to exchange/record data in real time (or near the aim of smart offshore status in order to prepare the best real time) on open formats developing operating scenario, even for critical or infrastructure) and · On-board systems to support the average level of sustainable. emergency situations autonomy (e.g. L4 as defined by LLOYD) autonomous ships. efficient, safe and · Offshore platforms capable of collecting double the Support development of the blue Development of energy of current platforms economy competitive innovative solutions for Industria 4.0 tool to be adopted at yards to increase products and yards (smart yards) productivity by 50% processes Tool to access digital assembly instructions and monitor progress of production work in real time on company technical systems

Innovation

Environmental impact of products and services

Target

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Commitments	Objectives	Description / Target	Benefits	Timetable
Development of ecologically sustainable products and services with the aim of contributing to a circular and low carbon economy	Develop technological solutions that enable energy savings to be increased for ships with the same features (green ships)	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 Increase ship efficiency by 30% Eliminate ship emissions in ports and halve navigation emissions	Decrease greenhouse gas and other environmental impacts while maintaining competitiveness and product compatibility with the new advanced regulations	2030
	Definition of an eco- design system to promote the development of environmentally sustainable ships	Make ready-to-use technical solutions available to the designers in the Merchant Ship Division, with systems and components with low environmental impact. The system will be based on a policy outlined in the Organisation Manual, on a design procedure that gathers initiatives and provides the KPIs proposed internally	Implement new systems and components with low environmental impact	2019

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Section 4

Streamlined production













Streamlined production

Health and safety in the workplace

Target

Key pillars of the 2018 – 2022 Business Plan

New horizons and markets

Innovation production

Commitments	Objectives	Description / Target	Benefits	Timetable
Continuous improvement of the health and safety conditions of workers	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
	Initiatives to engage subcontractors (workshops, "last metre") on issues associated with health and safety	Develop a project to engage subcontractors on issues of health and safety management 75% of the population that can be informed in Italy	Improve awareness and management of health and safety for subcontractors' workers	2021
	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 the population that can be informed in Italy	Reduce absenteeism, increase productivity, reduce turnover, facilitate hiring and promotion of a positive image and one attentive to employees' needs	2022

Streamlined production

Procurement activities

Target

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Commitments	Objectives	Description / Target	Benefits	Timetable
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Promotion and maintenance of a responsible supply chain that shares our values and is based on long-lasting relationships founded on	Code of Ethics for suppliers	Draft a document containing a set of rules, principles and conduct in terms of sustainable procurement, in compliance with international standards and best practices	Develop a sustainable supply chain, improve positioning on the market and image. Guarantee coverage of risks associated with sustainability	2019
integrity, transparency and respect	Organise meetings and opportunities for dialogue with suppliers as well as training on sustainability issues	Send a questionnaire on sustainability issues (and organise meetings) to suppliers identified as priority/strategic Send the questionnaire to 100% of strategic suppliers	Increase engagement with suppliers in order to identify best practices and common initiatives on sustainability issues	2019
	Deliver a training course on sustainability and responsible procurement principles to employees who interact directly with suppliers	Develop an e-learning training module on sustainable procurement for employees who interact directly with suppliers in Italy 100% of buyers	Raise awareness and train staff on sustainability issues in order to improve relations with suppliers on these specific topics	2022

Streamlined production

Environmental management

Target

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation

Streamlined production

Commitments	Objectives	Description / Target	Benefits	Timetable
Action to raise energy efficiency and reduce carbon dioxide (CO ₂) and other pollutant emissions	Reduction of greenhouse gas (GHG) emissions associated with electricity consumption (Scope 2)	Reduce greenhouse gas (GHG) emissions associated with electricity consumption (Scope 2) -20% of GHG emissions compared to 2017	Contribute to the fight against climate change (most sustainability ratings require objectives to reduce GHG emissions)	2020
Conservation of natural resources, biodiversity, and reduction of environmental impact	Obtain ISO 50001 certification	Obtain ISO 50001 certification which defines the requirements for an efficient management of direct electricity consumption Obtain certification in Italy (Fincantieri SpA)	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
	Increase the portion of electricity from renewable sources	Purchase electricity produced by certified renewable sources 100% electricity purchased in Italy	Reduce GHG emissions with benefits for the Company image and competitive advantage on the market	2020

Streamlined production Environmental management

Target

Key pillars of the 2018 – 2022 Business Plan

Long term visibility

New horizons and markets

Innovation production

Benefits Timetable Commitments Objectives Description / Target Launch an initiative promoting protection of natural Promote the protection of natural Increase Launch the sustainable resources within the Group, clearly defining a set of resources within the Group and employee office project (10 rules) 2019 reducing related costs rules. awareness of The initiative also includes the digitalisation of environmental company documents impact and promote virtuous behaviour 100% employees in Italy