

TRIESTE, 27/07/2021

GHG STATEMENT 2020

Scope of this document

Report the following information:

- Criterion used to define the scope (equity approach, financial control approach, operational control approach);

Operational control approach

- Companies, sites and activities included in the reporting boundary, as well as their geographical location (if applicable, refer to the Consolidated Financial Statements/Sustainability Report);

The reporting boundary of the data presented in the Report relates to the companies fully consolidated in the consolidation area used for the consolidated financial statements.

- Any perimeter limitations or other information to facilitate understanding of the reporting boundary;

No

- Temporal perimeter of data.

1st January 2020 – 31st December 2020

References

Report the following information:

- Types of GHG gases included in the calculation (e.g., CO₂, CH₄, N₂O, etc.);

GHG: CO₂e

- Standard methodologies;

For the sites based in Italy, energy consumption data are provided by Energy Manager and correspond to those transmitted annually to FIRE (Italian Federation for Energy Efficiency) to be compliant with national law, imposing a balanced energy use for industrial companies with energy consumption over 10,000 tep/year. The data referring to VARD, Fincantieri Marine Group and Fincantieri Marine Systems North America subsidiaries are provided by relevant offices/sites of each company.

Emissions calculation has been carried out on the basis of the following CO₂e emission factors standard/protocol/methodology: Defra Voluntary 2020 Reporting Guidelines, IPCC Guidelines for National Greenhouse Gas Inventories 2006, Ispra - National Inventory Report 2019, Rapporto Terna 2018, AIB 2020 European Residual Mix, Ecoinvent 2020.

- Sources;

- Global Reporting Initiative Sustainability Reporting Standards, issued by GRI-Global Reporting Initiative (“GRI Standards”), in particular Disclosures GRI 305-1 (2016), GRI 305-2 (2016), GRI 305-3 (2016)
- Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2020
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Ispra - National Inventory Report 2019
- AIB 2020 European Residual Mix
- Ecoinvent 2020
- Rapporto Terna 2018
- GHG Protocol Scope 2 Guidance: an amendment to the GHG Protocol Corporate Standard – international

- Methodologies and standards used to calculate GHG emissions (include international, regional, and national references, as well as methodologies for calculating GHG emissions from energy consumption).

The emissions have been estimated following the guidelines of the Greenhouse Gas (GHG) Protocol.

Data collection and estimation methodology

Report the following information:

- Presence of any estimates, relative calculation methodology and % in relation to total GHG emissions reported.

There aren't estimates or relative calculation methodology.

- Systems, procedures and controls in place for the collection, management and consolidation of data relating to reported GHG emissions.

The process of collecting data and information is coordinated and managed by the Sustainability unit, in cooperation with the multifunctional Working Group. The Sustainability reporting process has been prepared in accordance with a specific internal procedure that defines the roles, responsibilities and operating methods that Fincantieri S.p.A.'s and subsidiaries' staff must follow in order to guarantee the

proper management of all the data required. The reporting process was supported by a new computer application that permitted greater automation both in collecting and processing information, and it permitted the data to be displayed based on the different geographical areas. The data were processed and validated also by the various function managers.

GHG Emission Quantities

For Scope 1 and Scope 2 and Scope 3 (if applicable) GHG emissions data - for the reporting year being disclosed:

- Present data in a consolidated and disaggregated manner, by reference energy source;

Scope 1 emissions (metric tons CO₂e) Consolidated data

79,875

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
Italy	53,170
Norway	3,763
Romania	5,651
Brazil	0
Viet Nam	1,069
United States of America	16,222

Business division	Scope 1 emissions (metric ton CO ₂ e)
Shipbuilding	73,119
Offshore	3,442
Equipment Systems & Services	3,314

Facility	Scope 1 emissions (metric tons CO ₂ e)
Office Italy	3,635
Office United States of America	106
Shipyards Italy	49,535
Shipyards Norway	3,763
Shipyards Romania	5,651
Shipyards Brazil	0
Shipyards Viet Nam	1,069
Shipyards United States of America	16,116

Scope 2 emissions (metric tons CO ₂ e) Consolidated data – location-based	Scope 2 emissions (metric tons CO ₂ e) Consolidated data – market-based
90,302	19,995

Country/Region	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Italy	54,852	521
Norway	324	0
Romania	15,652	0
Brazil	0	0
Viet Nam	3,670	3,670
United States of America	15,804	15,804

Business division	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Shipbuilding	80,647	15,813
Offshore	3,670	3,670
Equipment Systems & Services	5,985	512

Facility	Scope 2, location-based (metric tons CO ₂ e)	Scope 2, market-based (metric tons CO ₂ e)
Office Italy	4,335	421
Office United States of America	91	91
Office Norway	10	0
Shipyard Italy	50,517	100
Shipyard Norway	314	0
Shipyard - Romania	15,652	0
Shipyard Brazil	0	0
Shipyard Viet Nam	3,670	3,670
Shipyard United States of America	15,713	15,713

Scope 3 emissions (metric tons CO ₂ e) Consolidated data
494,571

GHG Scope 3 category	Scope 3 emissions (metric tons CO ₂ e)
Purchased goods and services	478,596
Upstream transportation and distribution	7,955
Waste generated in operations	4,860
Business travel	2,215
Other (upstream) - water	945

- Clearly define unit of measure used (e.g., kg/ton CO₂e or kg/ton CO₂), for each Scope reported.

Scope 1: ton CO₂e

Scope 2 market-based: ton CO₂e

Scope 2 location-based: ton CO₂e

Scope 3: ton CO₂e

Report the following information in tabular form:

- SCOPE 1 – Consolidated

79,875 ton CO₂e

- SCOPE 2 – Consolidated

19,995 ton CO₂e – Scope 2 market-based

90,302 ton CO₂e – Scope 2 location-based

- SCOPE 3 – Consolidated (if applicable)

494,571 ton CO₂e

EMISSION FACTORS

Report the emission and GWP factors used (indicate source and year of publication of each).

Report in tabular form, divided by Scope, the emission factors used for:

- SCOPE 1

Description	Country/Region	Emission factor	Sources
Natural gas	USA, Norway, Romania, Vietnam, Brazil	0,00202	DEFRA 2020
Natural gas	Italy	0,00198	ISPRA 2019
Diesel	USA, Norway, Romania, Vietnam, Brazil	3,20662	DEFRA 2020

Diesel	Italy	3,15500	ISPRA 2019
Fuel oil	USA, Norway, Romania, Vietnam, Brazil	3,22137	DEFRA 2020
Fuel oil	Italy	3,14400	ISPRA 2019
Acetylene	Whole Group	0,00315	ECOINVENT 2020
LPG	USA, Norway, Romania, Vietnam, Brazil	2,93881	DEFRA 2020
LPG	Italy	3,02600	ISPRA 2019
LNG	Whole Group	2,54241	DEFRA 2020
Petrol	USA, Norway, Romania, Vietnam, Brazil	0,00231	DEFRA 2020
Petrol	Italy	0,00314	ISPRA 2019
Refrigerant gas HFC-32	Whole Group	0,67500	DEFRA 2020
Refrigerant gas HFC-134a	Whole Group	1,43000	DEFRA 2020
Refrigerant gas R407c	Whole Group	1,77400	DEFRA 2020
Refrigerant gas R410a	Whole Group	2,08800	DEFRA 2020
Refrigerant gas R404a	Whole Group	3,92200	DEFRA 2020
Refrigerant gas R22	Whole Group	1,81000	DEFRA 2020

- SCOPE 2 Location-based

Description	Country/Region	Emission factor	Sources
Electricity purchased from non-renewable sources	USA	0,334	RAPPORTO TERNA 2018
Electricity purchased from renewable sources	USA	0,334	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Italy	0,276	ISPRA 2019
Electricity purchased from renewable sources	Italy	0,276	ISPRA 2019
Electricity purchased from non-renewable sources	Romania	0,29	RAPPORTO TERNA 2018
Electricity purchased from renewable sources	Romania	0,29	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Norway	0,011	RAPPORTO TERNA 2018
Electricity purchased from renewable sources	Norway	0,011	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Brazil	0,142	RAPPORTO TERNA 2018
Electricity purchased from renewable sources	Brazil	0,142	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Vietnam	0,577	RAPPORTO TERNA 2018
Electricity purchased from renewable sources	Vietnam	0,577	RAPPORTO TERNA 2018

- SCOPE 2 Market-based (For purchases of electricity from renewable sources, a zero emission factor (0) is attributed)

Description	Country/Region	Emission factor	Sources
Electricity purchased from non-renewable sources	USA	0,334	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Italy	0,466	AIB 2020
Electricity purchased from non-renewable sources	Brazil	0,142	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Norway	0,011	RAPPORTO TERNA 2018
Electricity purchased from non-renewable sources	Romania	0,311	AIB 2020
Electricity purchased from non-renewable sources	Vietnam	0,577	RAPPORTO TERNA 2018

Scope 2 emissions are expressed in tonnes of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent) as inferred from the relevant technical literature.

- SCOPE 3 (if applicable) – for whole Group

Description	Emission factor	Sources
Purchased goods and services		
Weight of iron	3,000636	DEFRA 2020
Weight of paint	0,004044	ECOINVENT 2020
Weight of carbon dioxide (CO ₂)	0,000747	ECOINVENT 2020
Weight of nitrogen	0,000234	ECOINVENT 2020
Weight of oxygen	0,000583	ECOINVENT 2020
Weight of argon	0,001451	ECOINVENT 2020
Waste generated in operations		
Hazardous waste - disposal	0,099759	DEFRA 2020
Hazardous waste - recycle	0	
Non-hazardous waste - disposal	0,437372	DEFRA 2020
Non-hazardous waste - recycle	0	
Upstream transportation and distribution		
Transport of materials by train	0,000026	DEFRA 2020
Transport of materials by truck	0,000107	DEFRA 2020
Transport of materials by airplane	0,000599	DEFRA 2020
Transport of materials by ship	0,000013	DEFRA 2020
Business travel		
Kilometres of flights by employees on business trips - of which short-haul (under 3 hours - domestic)	0,00008	DEFRA 2020
Kilometres of flights by employees on business trips - of which medium-haul (over 3 hours and under 6 hours - international)	0,00007	DEFRA 2020
Kilometres of flights by employees on business trips - of which long-haul (over 6 hours - intercontinental)	0,00010	DEFRA 2020
Kilometres of travel by train by employees on business trips - of which kilometres by high-speed train	0,00000	DEFRA 2020
Kilometres of travel by train by employees on business trips - of	0,000037	DEFRA 2020

which kilometres by conventional train		
Kilometres of travel by own car by employees on business trips	0,000171	DEFRA 2020
Kilometres of travel by rental car by employees on business trips	0,000171	DEFRA 2020
Other - Water		
Water withdrawal	0,344000	DEFRA 2020

CONCLUSION

Provide a summary of the data in table form and report any differences with reference to the data reported and the methodologies used between what is contained in the GHG Statement and other public documentation (e.g. Sustainability Report/DNF).

INDEPENDENT ASSURANCE REPORT ON THE GHG STATEMENT OF FINCANTIERI S.p.A.

To the attention of the Board Directors of
FINCANTIERI S.p.A.

We have carried out a limited assurance engagement on the Greenhouse Gas Statement (hereinafter the “GHG Statement”) of Fincantieri S.p.A. and its subsidiaries (hereinafter “Group”) as of December 31, 2020.

Responsibility of the Company for the GHG Statement

Fincantieri S.p.A. (hereinafter “Company”) is responsible for the preparation of the GHG Statement in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (“GRI Standards”), with regards to the selection of GRI Standards, applied as described in the paragraph “References” of the GHG Statement. The Company is also responsible for such internal control as they determine is necessary to enable the preparation of the GHG Statement that is free from material misstatement caused by fraud or not intentional behaviors or events. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Assurance provider’s independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Assurance provider’s responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the GHG Statement with the requirements of the GRI Standards, with regards to the selection of GRI Standards, as described in the paragraph “References” of the GHG Statement. Our work has been performed in accordance with the criteria established by the principle “International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements.

This principle requires the planning and execution of procedures in order to obtain a limited assurance that the GHG Statement is free from material misstatement. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3410 ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on GHG Statement are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the GHG Statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

In particular, we have performed the following procedures:

- Comparison between the GHG data included in the GHG Statement with those included in the Non Financial Statement of the Group.
- Through inquiries, obtained an understanding of the Group's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Understanding of the processes underlying the origination, recording and management of the GHG emissions data and information included in the GHG Statement.

In particular, we carried out interviews and discussions with the management of Fincantieri S.p.A., and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of GHG emissions data and information to the department responsible for the preparation of the GHG Statement.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the GHG Statement, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for the following company, Fincantieri S.p.A., which we selected based on its activities, its contribution to the performance indicators at the consolidated level of GHG emissions, their emissions sources and its location, we carried out site visits, or remote meeting, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures, the completeness of emissions sources, calculation methods used for the indicators, source data and relevant assumptions applicable to the sites. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the GHG Statement of the Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with the criteria explained in the paragraph “References” of the GHG Statement.

Restriction on Distribution and Use

The GHG Statement is prepared in order to satisfy the terms of CDP disclosure requirements. As a result, the GHG Statement may not be suitable for another purpose. Accordingly, this independent assurance report is intended solely for CDP disclosure requirements in accordance with the terms of the engagement and should not be used for another purpose.

DELOITTE & TOUCHE S.p.A.



Franco Amelio
Partner

Milan, Italy
July 27, 2021