

SUSTAINABILITY REPORT 2022

Consolidated Non-Financial Statement pursuant to Legislative Decree No. 254/2016



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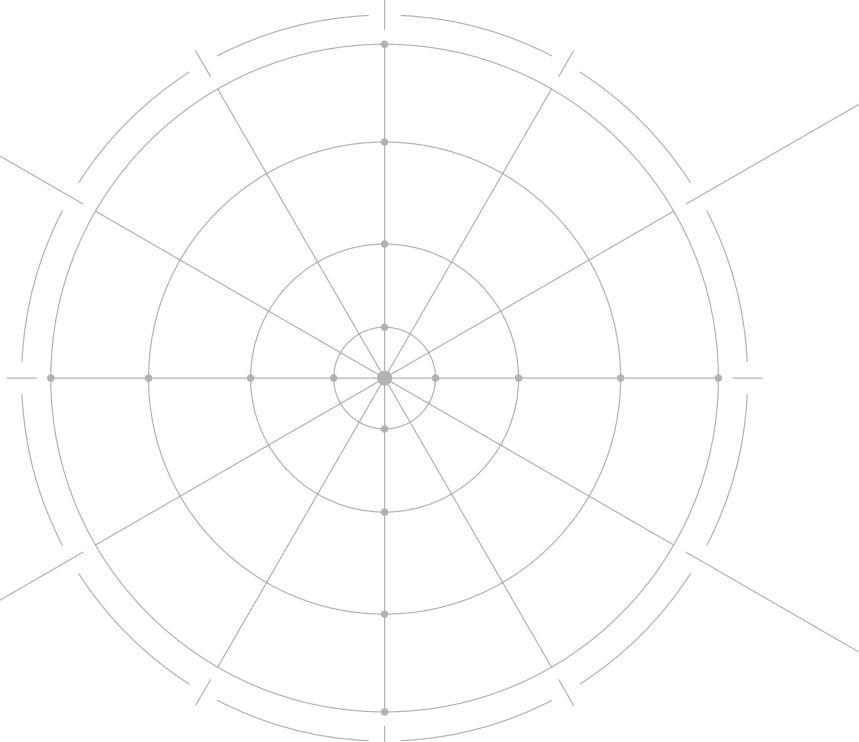
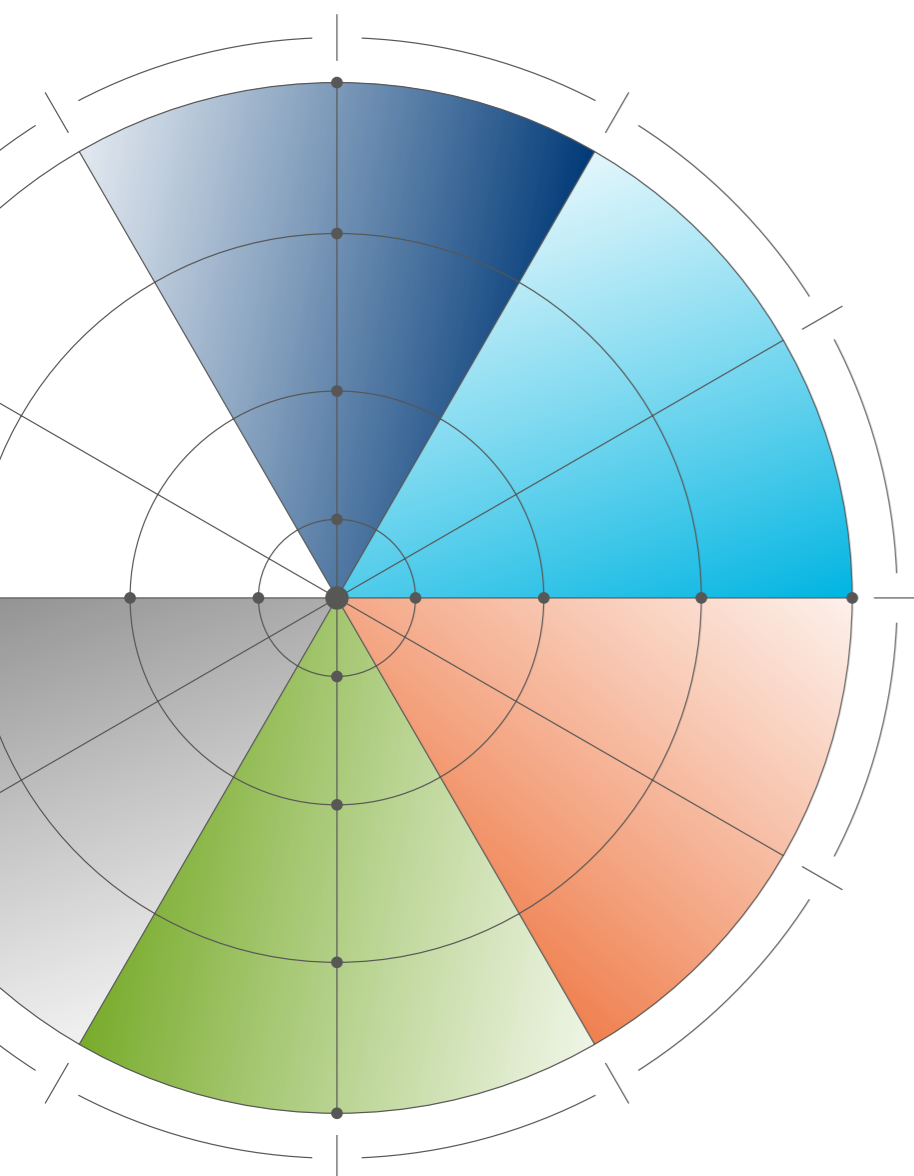


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Letter to Stakeholders

2022 was a one-of-a-kind year. The far from marginal tail end of the pandemic, the biggest international emergency since World War II, came together with the conflict in Ukraine. As we all know, these elements led to a situation that was in many respects unprecedented and unpredictable, and which has significant repercussions on people's lives and, of course, on companies to this day.

In this context, Fincantieri faced a crucial phase in its history, primarily due to COVID-19 causing the abrupt interruption of the cruise segment boom. The Company has managed to safeguard order intake thanks to a virtuous relationship with shipowners, ensuring continuity of production for our shipyards and the entire supply chain; in 2021 the first encouraging signs of recovery have appeared, and they should definitively materialise in the current year. However, the advent of war has generated negative economic dynamics for tourism, such as inflation and rising fuel prices, which affect transport and accommodation costs, reducing the purchasing power of consumers and their ability to save money.

All this considered, Fincantieri has decided to focus on its unique strengths in order to be well-positioned to seize the opportunities emerging from the new geopolitical and macroeconomic scenarios. In other words, we are determined to make a decisive change of pace: we will no longer adapt to an exogenous change, but rather we will be the drivers of change, with particular reference to the energy transition.

Fincantieri can count on an enormous pool of distinctive skills that we can describe as truly unparalleled. In fact, we are the only shipbuilding group in the world with a presence in all high value-added sectors. The time has come to leverage this heritage fully and trigger what I would define as a true industrial evolution – an articulated process crucial to move towards a model characterized by an ever-increasing technological intensity. This will allow Fincantieri, which acts as an integrator of complex systems, to reposition as a “system of systems”.

With this in mind, last December we presented a Business Plan expressing our ambition to establish ourselves as a world leader in the production and management of the full life cycle of the ship of tomorrow – a floating smart city in all respects, a platform distinguished by its digital and green content. In February, we also launched the 2023-2027 Sustainability Plan, the cornerstone of our corporate responsibility commitment. It contains the three fundamental directions for development, which implement the course described in the Business Plan: innovation, inclusion and integrity. In turn, these cardinal values identify a series of precisely described themes and targets that will be periodically updated to ensure their constant alignment with the strategic lines and results achieved,

in order to further integrate sustainability along the entire value chain with attention to the potential impacts on the economy, environment and people.

Over the course of the year, we have already reached these goals on different occasions. Firstly, we signed a memorandum with Explora Journeys, the luxury brand of the MSC Group's Cruise Division, for the construction of two additional luxury cruise ships featuring hydrogen-powered fuel cells and liquefied natural gas (LNG) engines, as LNG is the cleanest marine fuel currently available on a large scale. The agreement also provides for the upgrading of plans for two vessels already ordered, as a new generation system based on LNG will be installed. We have also won new contracts for another generation of ships aiming at technological leadership, with the fifth and sixth vessels of the current series for Viking, which will be developed according to a new concept and designed to include fuel cells.

In addition, we are also engaged in the production of specialized vessels to support the offshore wind segment. Fincantieri continues to be a prime mover, with a backlog that includes Construction Service Operations Vessels (CSOV), Service Operation Vessels (SOV) and two cable laying ships.

We are advancing the development of state-of-the-art offshore vessels with remote control and green propulsion, destined to revolutionise operations at sea. We have as many as 14 robotic ships on order, and the design of the engines foresees the use of green ammonia as fuel.

The drive towards decarbonization and investment in renewable energy will lead to a significant increase in demand for specialized vessels, and our aim is to seize the growing global trend towards installed power expected in 2030 and the need for over 150 additional vessels required for the installation and maintenance of wind farms.

The green transition will also affect the naval segment. In 2022, Fincantieri confirmed its leadership in the surface ship segment with the continuation of the LHD, LSS, PPA and FREMM programs for the Italian Navy, Constellation and LCS for the US Navy, as well as the renewal of the Qatar fleet. Our expertise also stood out in the highly strategic production of submarines, as the production for the first new-generation U212NFS boat started. These two types of products in particular are representative of the industrial cycle we can expect in the upcoming years. In fact, the spending on naval vessels is predicted to grow in line with overall defence spending, which is increasingly to be understood as a system required to protect the maritime domain, including non-military tasks such as the support of populations affected by natural disasters, the surveillance and protection of archaeological assets, the transport of humanitarian and basic necessities, and the fundamental safeguarding of trade routes. This trend is affecting the way fleets are utilized and modernized. Right from the preliminary phase of the project, new vessels are designed to be versatile, modular, reliable, easily reconfigurable and, last but not least, with a low environmental impact. Our Group intends to leverage its distinctive capacity as a platform integrator to enhance its commercial effectiveness for leading navies in accessible foreign markets such as Asia and the Middle East.

In addition to those related to technology, there is another equally important direction that intercepts the sustainability issues and on which we are committed to devoting our energy. That is, work skills, the world of manufacturing. Fincantieri intends to become a success model for industry in Italy where, unfortunately, great manufacturing has disappeared. And there could be no better example than the new supplementary labour agreement signed last October with the national secretariats of the FIM, FIOM and UILM unions, which will be applied to over 8,500 people and which marks the transition from a demands-based approach to relations based on effective participation.

A central chapter of the agreement is prevention, safety and environmental protection in the workplace, which aims to strengthen cooperation between the players involved using targeted actions. The new supplementary agreement also recognizes, among other things, the issue of work-life balance as a qualifying element, along with the chapter on diversity and inclusion. Training and skills development were also dealt with carefully and are the result of the strong cooperation and synergy with the trade unions. As proof of the increasing focus on sustainability as a central element of Fincantieri's plans for the future, the Workers' Performance Bonus includes targets linked to sustainability, constituting a further break with the past.

The list of what has been achieved in the last twelve months could go on, but I'd rather look to the future. Hopefully the factors of crisis and instability characterizing these years will increasingly weaken, with a rebound in the economy, the definitive restart of the cruise market combined with increased investment in energy transition technologies and spending on innovation in naval defence. These would certainly be more favourable conditions, but in a landscape that becomes more challenging by the day, a clear vision to pursue is vital if we want to take advantage of such a situation. I am certain, however, that Fincantieri will once again bring to bear the determination and passion of its people, who have always nurtured this unique Group.



PIERROBERTO FOLGIERO
Chief Executive Officer of Fincantieri



The Fincantieri Planet

SHIPYARDS AND DOCKS

Europe

Italy

Trieste
Monfalcone
Marghera
Sestri Ponente
Genova
Riva Trigoso - Muggiano
Ancona
Castellammare di Stabia
Palermo

Norway

Brattvaag
Langsten
Søviknes

Romania

Braila
Tulcea

Asia

Vietnam

Vung Tau

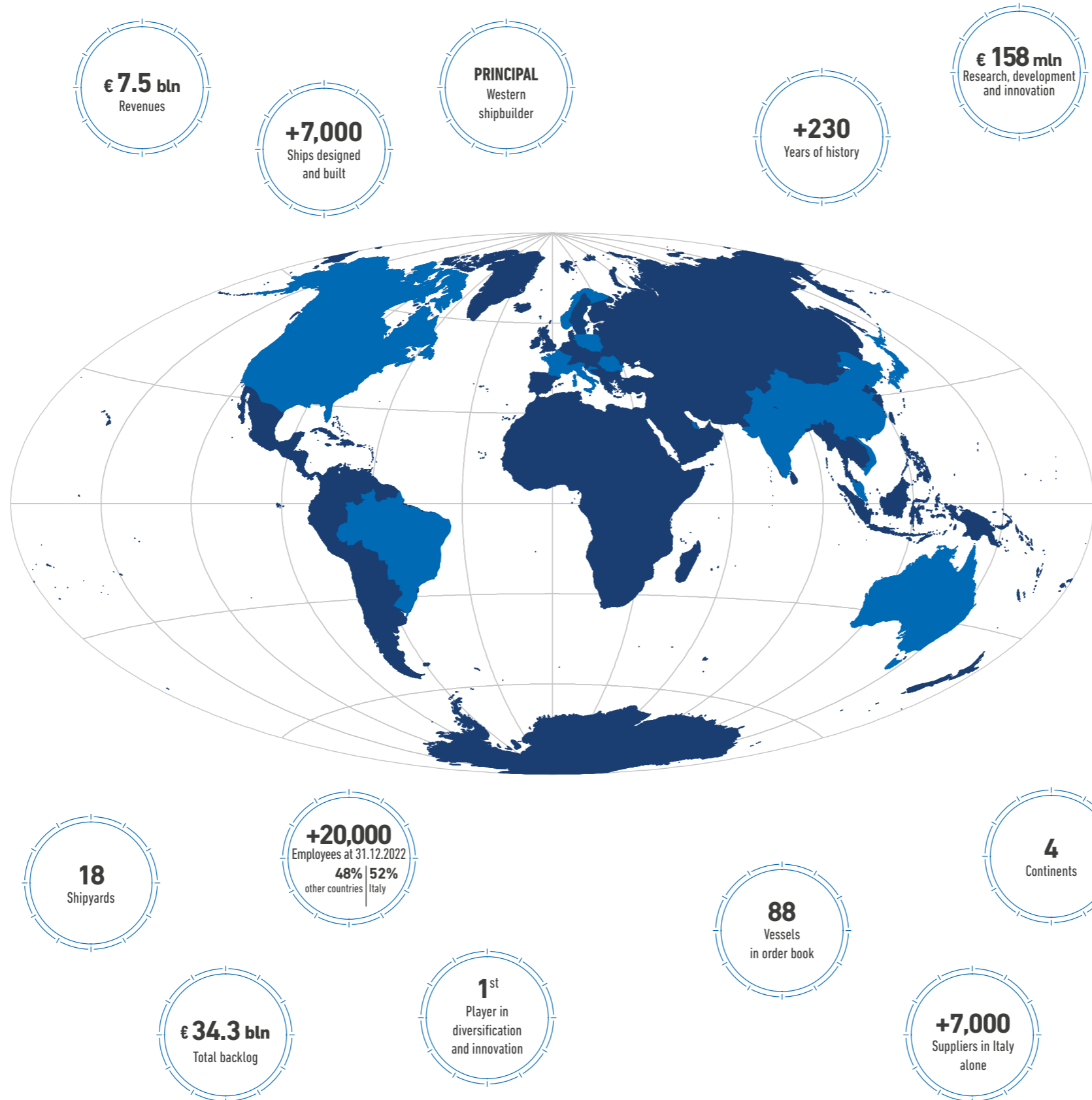
Americas

Usa

Marinette
Sturgeon Bay
Green Bay

Brazil

Suape



MAIN SUBSIDIARIES

Europe

Italy

Cetena
Isotta Fraschini Motori
Fincantieri Oil&Gas
Marine Interiors
Marine Interiors Cabins
Fincantieri NexTech
Seanergy A Marine
Interiors Company
Fincantieri SI
Fincantieri Infrastructure
Fincantieri Infrastructure
Opere Marittime
Fincantieri Infrastrutture Sociali
IDS Ingegneria Dei Sistemi
SOF
Issel Nord
MI
E-Phors
BOP6

Norway

Vard Group
Vard Design
Vard Piping
Vard Electro
Vard Accommodation
Seanics

Romania

Vard Tulcea
Vard Braila

France

Team Turbo Machines

Croatia

Vard Design Liburna

Poland

Seanics Polska

Asia

China

Fincantieri (Shanghai)
Trading

India

Fincantieri India
Vard Electrical Installation and Engineering (India)

Qatar

Fincantieri
Services Doha

Singapore

Vard Holdings
Vard Shipholdings
Singapore

Japan

FMSNA YK

Vietnam

Vard Vung Tau

Americas

Usa

Fincantieri Marine Group
Fincantieri Marine System
North America
Fincantieri Services USA
Fincantieri USA
Fincantieri Infrastructure USA
Fincantieri Infrastructure Wisconsin

Canada

Vard Marine

Brazil

Vard Promar

Oceania

Australia

Fincantieri Australia

Sustainability 2022 overview

Our Sustainability Report aims to present in a clear and transparent manner the initiatives, projects and performance on environmental, social and governance (ESG) issues, as well as our contribution to the Sustainable Development Goals (SDGs) of the United Nations Agenda 2030. In particular, Fincantieri has identified 9 SDGs as relevant to its business and in line with its strategic guidelines.



Presented below is a summary of the main performance indicators for 2022, which will be elaborated extensively in the following macro-chapters of the document:

- Governance and responsible and ethical management of our business;
- Social sustainability;
- Environmental sustainability and climate change.



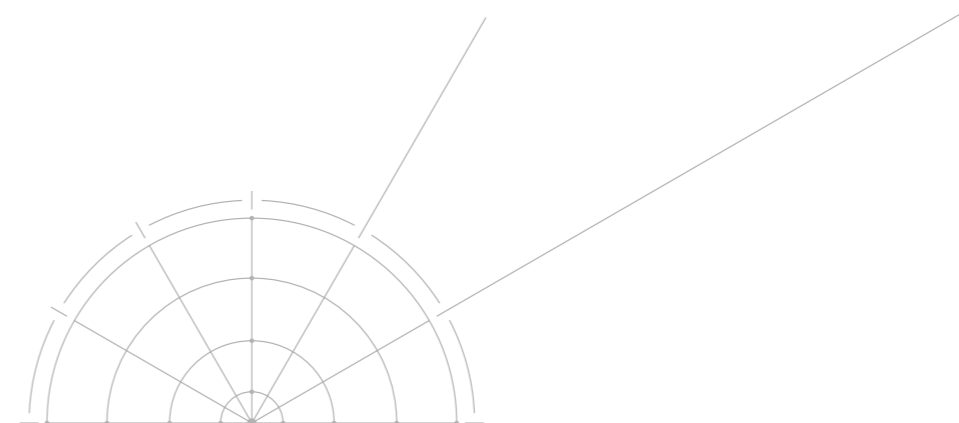
Governance and responsible and ethical management of our business

In 2022, our position as best-in-class on sustainability issues was recognized by various rating companies and organizations.

During 2022, the Group maintained its A- CDP (ex-Carbon Disclosure Project) Climate Change rating for the third consecutive year and improved its Sustainability score by 2.4 points, from 19.7 to 17.3 (0 best / > 40 worst), compared to 2021. Furthermore, in 2022 the sustainability governance of the Company was strengthened with the appointment of a new Board of Directors, 50% of whom possess ESG expertise.

The Group remains committed to its path to sustainable success through instruments such as the signing of approximately €2 billion “green” finance products and by monitoring its strategic suppliers with sustainability audits. Of the 40 audits carried out in 2022, none detected any nonconformity.

<p>ESG Rating</p> <p>A- CDP for the third consecutive year</p> <p>scale from A, maximum, to D, minimum</p>	<p>ESG Rating</p> <p>17.3 “Low Risk” Sustainability score compared to 19.7 in 2021</p> <p>scale 0 best, >40 worst</p>	<p>Sustainability awards</p> <p>Oscar di Bilancio 2022</p> <p>“Special Award for the 2021 Consolidated Non-Financial statement”</p>
<p>Sustainability awards</p> <p>Certification “Top Employer Italia 2022” by the Top Employers Institute</p>	<p>50% Percentage of Board of Directors members with ESG expertise</p>	<p>40% Women in the Board of Directors</p> <p>50% in 2021</p>
<p>“Green” finance products signed</p> <p>€1,430 mln</p> <p>in addition to the approx. €500 mln of 2021</p>	<p>167 Number of Research and Innovation (R&I) projects</p> <p>146 in 2021</p>	<p>40 Number of sustainability audits at strategic suppliers of Fincantieri S.p.A.</p> <p>113 audits conducted in 2019-2022</p>

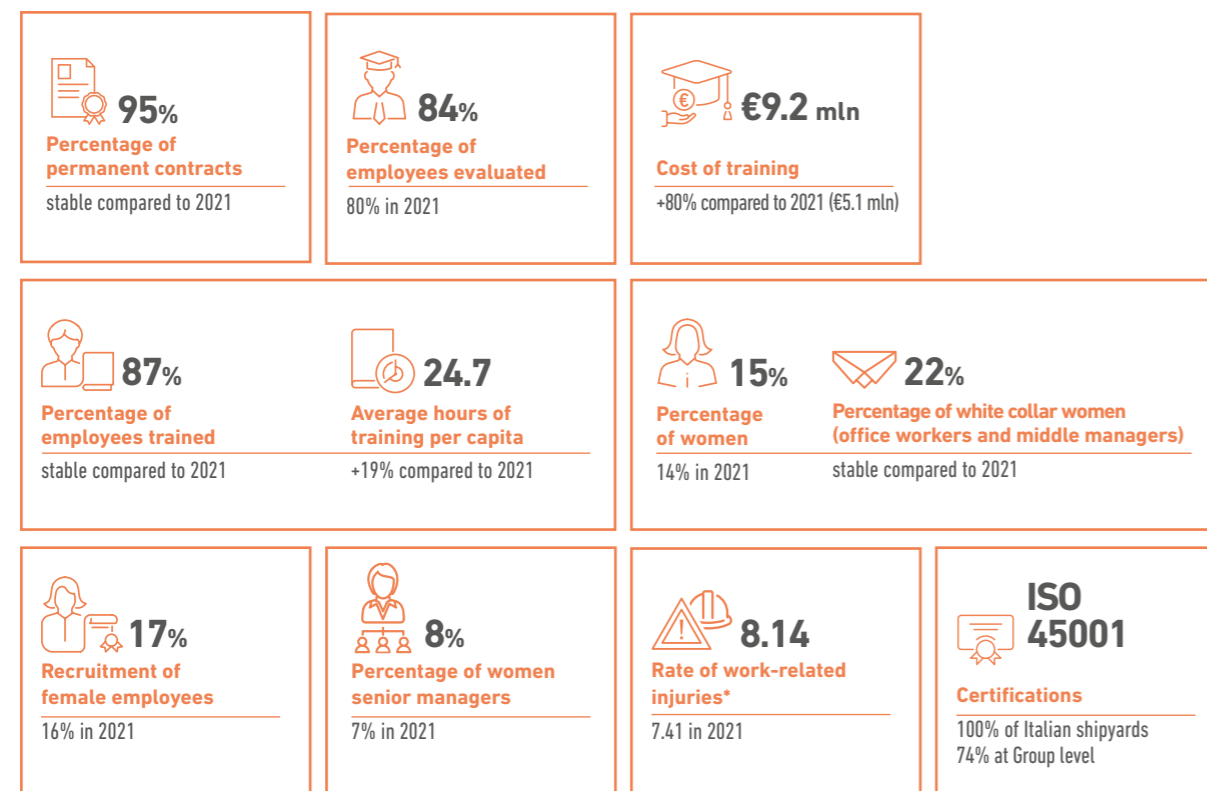


Social sustainability

The Group puts people at the centre of its strategy. To promote the development, enhancement and protection of resources, we have invested in training, with an 80% increase in economic resources deployed, thus significantly increasing average training hours per capita (24.7 hours per capita, +19% compared to 2021).

In order to spread the feedback culture, we have adopted a new performance appraisal tool that has allowed us to involve an increasing number of employees. 17% of the employees hired in 2022 were female, bringing the total female representation to 15%.

During 2022, in conjunction with the further growth in production volumes that required an increase in manpower on the Group's shipyards, the rate of work-related injuries increased. Safety at work has always been a cornerstone of the Group's value system and the commitment to zero accidents will be addressed with even more determination.

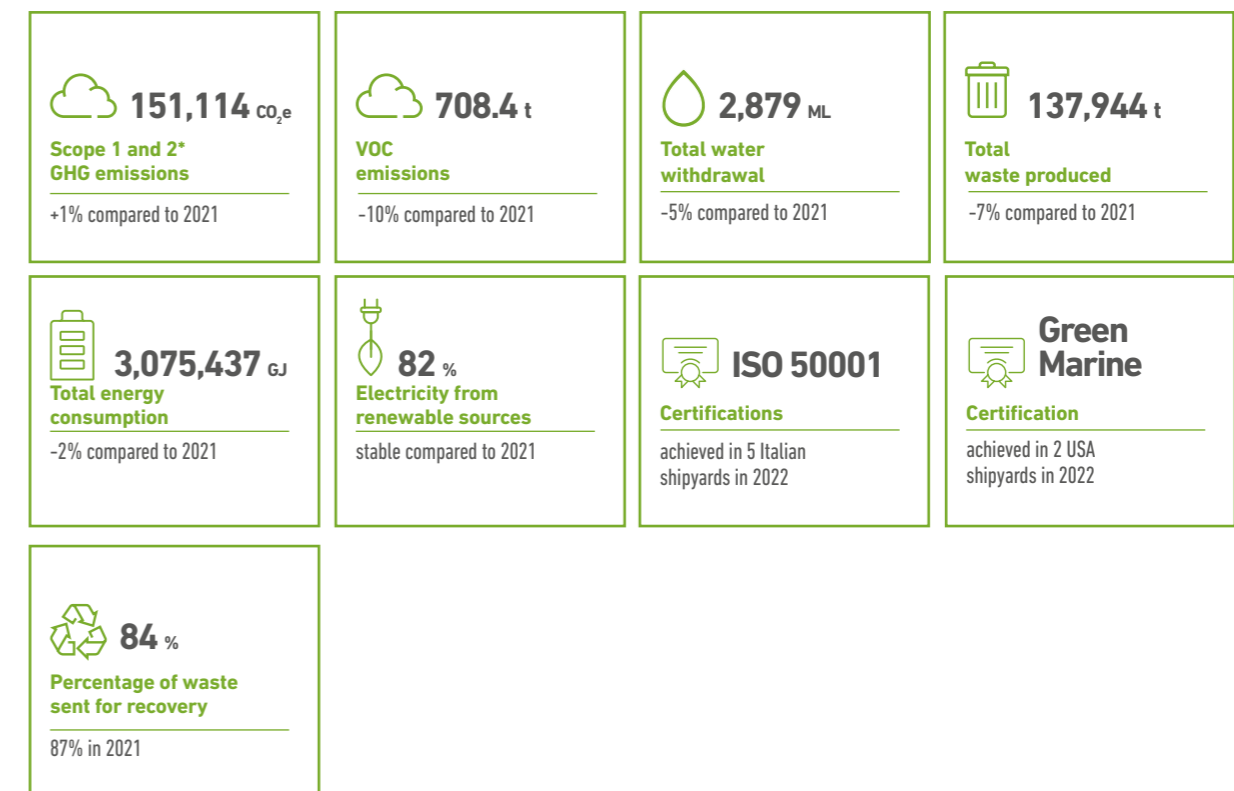


*Calculated as (no. of recordable work-related injuries/hours worked) *1,000,000.

Environmental sustainability and climate change

The Group is committed to promoting a more sustainable economy and society, paying particular attention to reducing its environmental impact.

In 2022, we implemented numerous initiatives that, despite high production volumes (revenue +11.7% compared to 2021) and complex geopolitical scenarios, enabled us to improve our environmental performance. Our greenhouse gas (GHG) emissions from Scope 1 and 2 increased by only 1%. The Group reduced water withdrawal by 5% and energy consumption by 2%. We also produced less waste compared to the previous year, despite a lower share of the waste being recovered (84% compared to 87% in 2021).



*Market-based, GHG emissions from electricity purchased by considering emission factors expressed in CO₂ relative to the residual mix.

Sustainability objectives 2022

We have defined a renewed sustainability strategy that projects the Group towards an innovative and inclusive future, increasingly focused on integrity. This vision is expressed in the 2023-2027 Sustainability Plan, which translates the commitments made by the Group through the Charter of Sustainability Commitments into qualitative and quantitative targets that can be measured over time. The new Plan comprises the objectives of the previous 2018-2022 Sustainability Plan with a deadline in 2023 and beyond, as well as new objectives to ensure sustainable and responsible development.






 The new strategy and the 2023-2027 Sustainability Plan are described in detail in the chapter 'The Fincantieri Group - The strategy for the future'

Below are the objectives of the 2018-2022 Sustainability Plan with a final or intermediate deadline in 2022 and which conclude the first cycle of objectives of the first Sustainability Plan.

During the year, **all objectives with a deadline of 2022 were met**, and the objective related to defining targets for reducing water consumption and identifying potential improvement actions with a deadline of 2023 was completed ahead of schedule.

The pages in this Report describing the related initiatives are marked with the following logo:



MATERIAL TOPIC	COMMITMENT	OBJECTIVE	STATUS	PAGE
	GOVERNANCE TOPICS	       		
Governance and business integrity	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		33
Sustainable supply chain	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	Deliver a training course on sustainability and responsible procurement principles to employees who interact directly with suppliers		122

MATERIAL TOPIC	COMMITMENT	OBJECTIVE	STATUS	PAGE
	SOCIAL TOPICS	     		
Human rights	Commitment to creating the socio-economic conditions to ensure respect for human rights throughout the value chain	Conduct annual audits to assess and monitor the most crucial suppliers in terms of human rights, health and safety and the environment		131
Development and safeguarding of human resources	Promotion of growth, training and enhancement of human capital	Promoting the hiring of under 35s		143
Customer satisfaction	Listen to needs and expectations to maximize customer satisfaction	Develop and apply methodologies for detecting the level of customer satisfaction Identify new organizational solutions to strengthen customer loyalty		184
Product quality and safety	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	Keep ISO 9001 certifications on the Quality Management Systems and product certifications in line with market expectations		182
		Optimisation of the use of supplier evaluation tools		160
Health and safety in the workplace	Continuous improvement of workers' health and safety conditions	Promotion of initiatives to engage subcontractors on issues associated with health and safety		159
		Health promotion to disseminate healthy lifestyles		158
		Improvement of health and safety at work performance		157
	ENVIRONMENTAL TOPICS	    		
Climate change	Support for research to improve the analysis and management of risks associated with climate change	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		110
	Reduction of carbon dioxide (CO ₂) and other pollutant emissions with the aim of contributing to the fight against climate change	Reduction of greenhouse gas (GHG) emissions from electricity		218
		Reduction of volatile organic compound (VOC) emissions		233
Environmental impact of products and services	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		103
Environmental management	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		229
		Focus on the type of water withdrawal and its impact in the value chain		225

Key:  completed  not completed

 The 2018-2022 Sustainability Plan is available on the website www.fincantieri.com/en/sustainability/governance/sustainability-plan/

THE FINCANTIERI GROUP

Group overview

Value creation model

The strategy for the future

As a benchmark in industrial culture, we are confidently setting the course in an increasingly complex world, integrating people, professions and territories

We are one of the world’s leading shipbuilding groups, the only one active in all areas of high-technology shipbuilding. We are a leader in the construction and conversion of cruise ships and naval and offshore vessels. We operate in the wind, Oil&Gas, fishing vessels and specialized vessels segments, as well as in the production of mechatronic and electronic marine systems, naval accommodation solutions and the provision of after-sales services such as logistical support and assistance to fleets in service.

In recent years, the **transition to the construction of green products** has continued, enabling us to become a market leader in the design and construction of Service Operation Vessels (SOVs) operating in offshore wind farms. This achievement testifies to our commitment and ability to be a **player in the green transition**. The Group also operates in digital and cyber security, engineering services, critical infrastructure monitoring systems, advanced energy management systems for land-based applications and facility management. The Group stands out for its industrial expertise and its ability developed over the years in managing highly complex projects, thus being able to offer one of the most advanced **integrated platforms** in the world. We work to create an increasingly technological and sustainable future, focusing on innovation and respect for people, territories and the environment.

Group overview

With over 230 years of history and more than 7,000 ships built, we keep our headquarters in Trieste and our know-how and management centres in Italy. We employ over 10,000 people in Italy and generate more than 90,000 jobs, which double on a global scale thanks to a production network of 18 shipyards on four continents and more than 20,000 direct workers.

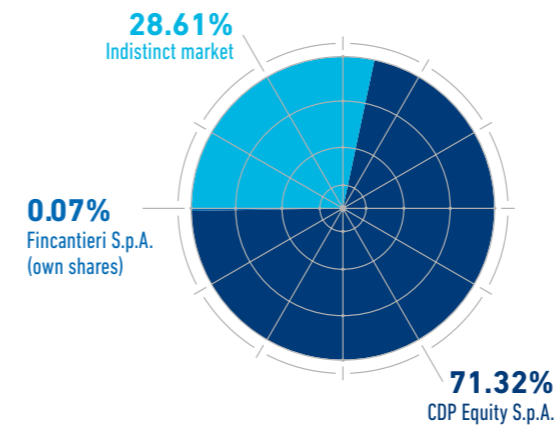
Our customers include major cruise operators and we are the sole supplier of the Italian Navy, a reference partner for the US Navy and many foreign navies, and a key player in some of Europe’s major Defence partnership programs.

Broadening our competencies is our main strategic and competitive lever; it allows us to operate successfully not only in our core business, but also in different sectors and markets, united by the high added value in terms of organizational model, complexity management, innovation and sustainability.

Over the years, we have developed our organizational structure to adapt it to the Group’s strategies and to respond to the challenges posed by the market in a timely manner. Today, our Group consists of a number of companies with headquarters in Italy and around the world, and adopts an integrated production model based on excellence. Fincantieri has 97 subsidiaries, 34 of which are Italian and 63 are foreign.

During 2022, we made no acquisitions of companies. The only change to the organizational structure concerned the sale of the Vard Aqua group, active in the supply of equipment and technological solutions for aquaculture.

SHAREHOLDER STRUCTURE



CHARACTERISTICS OF THE SHAREHOLDER STRUCTURE	YES/NO	% share capital
Shareholders' agreements	No	-
Shareholding threshold for the submission of slates for the appointment of corporate bodies and officers	-	1%

At December 31st, 2022, 71.32% of Fincantieri’s Share Capital of € 862,980,725.70 is held, through the subsidiary CDP Equity S.p.A., by Cassa Depositi e Prestiti (CDP) S.p.A., a company controlled by the Ministry of Economy and Finance. The remainder of share capital was distributed between a number of private investors (none of whom held significant interests of 3% or above) and own shares (of around 0.07% of shares representing the Share Capital).



SEGMENTS	SHIPBUILDING		OFFSHORE AND SPECIALIZED VESSELS	EQUIPMENT, SYSTEMS AND SERVICES				OTHER	
BUSINESS AREAS									
PRODUCT PORTFOLIO	CRUISE SHIPS Contemporary Premium Upper Premium Luxury Exploration/Niche Expedition cruise vessels	NAVAL VESSELS Aircraft carriers Destroyers Frigates Corvettes Patrol vessels Amphibious ships Logistic support ships Multirole and research vessels Special vessels Submarines	OFFSHORE AND SPECIALIZED VESSELS Drilling units Offshore support vessels (AHTS-PSV-OSCV) Special vessels Fishery/Aquaculture Offshore wind	SERVICE Ship repairs Refitting Refurbishment Conversions Product lifecycle management: • Integrated logistic support • In-service support • Refitting • Conversions Training and assistance	ACCOMMODATION CLUSTER Cabins Public areas Catering Wet units Glazing Refrigerated counters	ELECTRONICS CLUSTER Design and integration of complex systems (system integration) with a focus on automation Cyber security Telecommunications Critical infrastructures	MECHATRONICS CLUSTER Energy generation/storage systems: • Electrical, electronic and electromechanical integrated systems Entertainment systems • Stabilization, propulsion, positioning and power generation systems • Steam turbines	INFRASTRUCTURE CLUSTER Design, construction and assembly of steel structures on large projects such as: • Bridges • Viaducts • Airports • Ports • Maritime/hydraulic works • Large commercial and industrial buildings	CORPORATE FUNCTIONS Strategic direction and coordination: • Governance, Legal and Corporate Affairs • Accounting and Finance • Human Resources • Information Systems • Research & Innovation • Purchasing
MAIN SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES	Fincantieri S.p.A. • Monfalcone • Marghera • Sestri Ponente • Cantiere Integrato Navale Riva Trigoso e Muggiano • Ancona • Castellammare di Stabia • Palermo Vard Group AS • Søviknes Vard Tulcea SA • Tulcea Vard Braila SA • Braila Vard Accommodations AS CSSC - Fincantieri Cruise Industry Development Ltd.	Fincantieri Marine Group Holdings Inc. FMG LLC • Sturgeon Bay Marinette Marine Corporation LLC • Marinette ACE Marine LLC • Green Bay Fincantieri India Pte Ltd. Fincantieri USA Inc. Fincantieri Australia Pty Ltd. Fincantieri (Shanghai) Trading Co. Ltd. Etihad Ship Building LLC Orizzonte Sistemi Navali S.p.A. Naviris S.p.A.	Fincantieri S.p.A. Fincantieri Oil&Gas S.p.A. Vard Group AS • Brattvaag • Langsten Vard Promar SA • Suape Vard Vung Tau Ltd. • Vung Tau Vard Design AS Vard Piping AS Vard Marine Inc.	Fincantieri S.p.A. • Arsenale Triestino San Marco • Bacino di Genova FMSNA Inc. Fincantieri Services Middle East LLC Fincantieri Services USA LLC Fincantieri Services Doha LLC	Marine Interiors Cabins Sp.A. Marine Interiors S.p.A. Seanergy a Marine Interiors company S.r.l. MI S.p.A.	Fincantieri NexTech S.p.A. Issel Nord S.r.l. Cetena S.p.A. E-PHORS S.p.A. IDS Ingegneria Dei Sistemi S.p.A.	Fincantieri S.p.A. • Riva Trigoso Isotta Fraschini Motori S.p.A. Fincantieri SI S.p.A. Power4Future S.p.A. FINMESA S.c.a.r.l. Vard Electro AS Seaonics AS Team Turbo Machines S.A.S.	Fincantieri Infrastructure S.p.A. Fincantieri Infrastructure Opere Marittime S.p.A. Fincantieri Dragaggi Ecologici S.p.A. BOP6 S.c.a.r.l. Fincantieri Infrastructure USA Inc. Fincantieri Infrastructure Florida Inc. Fincantieri Infrastrutture SOciali S.p.A. SOF S.p.A.	Fincantieri S.p.A.

The Group operates through the following three segments:

- **Shipbuilding:** encompassing the business areas cruise ships and expedition cruise vessels and naval vessels;
- **Offshore and Specialized Vessels:** encompassing the design and construction of high-end offshore support vessels for offshore wind farms and the Oil&Gas segment, specialized vessels such as cable laying ships and ferries, as well as unmanned vessels, offering innovative products with reduced environmental impact;
- **Equipment, Systems and Services:** includes the following business areas: i) Services, which includes ship repairs and conversions, logistic support, refitting, training and after-sales services; ii) Accommodation Cluster, which includes the fitting out of cabins, public areas, catering, wet units and windows; iii) Electronics Cluster, which focuses on advanced technological solutions, from the design and integration of complex systems (system integration) to telecommunications and critical infrastructure; iv) Mechatronics Cluster, i.e., integration of mechanical components and power electronics in naval and onshore applications; v) Infrastructure Cluster, which includes the design, construction and installation of steel structures for large-scale projects as well as the production and construction of maritime works and the supply of technology and facility management for the health, industry and the service sectors.

Vision, Mission, Strengths and Values

VISION

We aspire to be world leaders in the industrial sectors where we operate, becoming a reference point for our customers, standing out for our innovation and for our design and operational capabilities.

The Sea Ahead: all those who work for the Fincantieri Group steer for this course, talented men and women working responsibly and ethically to help develop our idea of a future increasingly characterized by innovation, performance and sustainability.

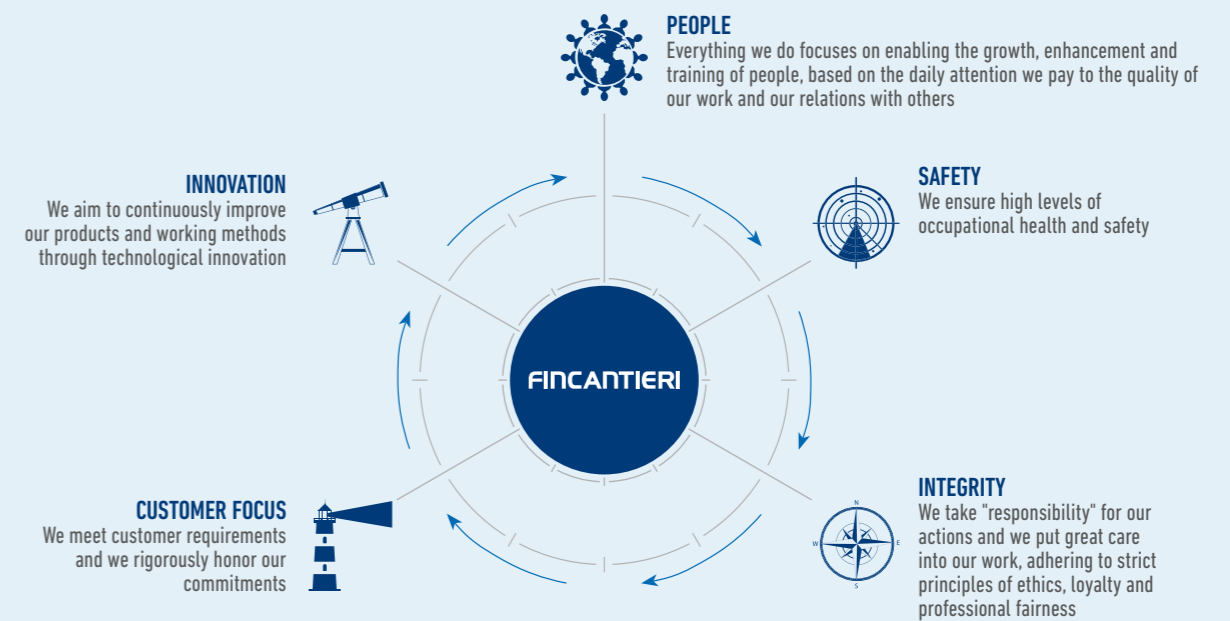
MISSION

Technological development and continuous improvement are the goals that we have set for ourselves, and we are determined to pursue them.

Our every action, project, initiative or decision is based on strict observance of the law, labour protection and protection of the environment, safeguarding the interests of our shareholders, employees, clients, trade and financial partners, local communities and groups, creating sustainable value for every stakeholder.



OUR VALUES



Sustainability ratings, scores and awards

During 2022, we consolidated our position as best-in-class on sustainability issues in our industry.

Sustainability ratings

CDP

For the third year running, CDP (formerly the Carbon Disclosure Project) awarded Fincantieri a **rating of A-** (on a scale of measurement from D, minimum, to A, maximum), for its commitment to combating climate change and affirming its leadership on this issue as well.

Sustainalytics

For the second year, Fincantieri was assessed by Sustainalytics, a Morningstar subsidiary that specializes in evaluating how effectively companies manage Environmental, Social and Governance (ESG) risks. It obtained the score of **17.3 points** in the **"Low Risk" band** (scale 0 best, >40 worst) (19.7 points in 2021), ranking 11th out of 540 companies evaluated in the Machinery basket.

Moody's ESG Solutions

Fincantieri's last assessment in 2021 resulted in a score of **70/100**, confirming the Company's place in the **"Advanced"** range, the highest in Moody's ranking, an agency that assesses the integration of social, environmental and governance factors in sustainability. The next assessment will be carried out during 2023.

S&P Global

Fincantieri was assessed by S&P Global through the Corporate Sustainability Assessment (CSA) questionnaire, within the IEQ Machinery and Electrical Equipment basket, obtaining a score of **61/100** on December 16, 2022 (58/100 in 2021).

Gaia Rating

In 2022, Gaia Rating, a French sustainability rating company, part of the Ethifinance group, updated its criteria for assessing the scores of the companies analysed based on the new methodology. With the new methodology, Fincantieri achieved an overall score of **70/100** in 2022.

Integrated Governance Index 2022

Fincantieri was placed among the **"Leader"** companies assessed through the Integrated Governance Index (IGI) 2022, promoted by EticaNews. IGI is a quantitative index developed on the basis of a questionnaire given to leading Italian companies with the aim of measuring the degree of integration of ESG factors in corporate governance and identity. In 2022, 86 companies joined the project, which is now in its seventh year.

Sustainability awards

2022 "Oscar di Bilancio"

Fincantieri won the 'Special Award for the Consolidated Non-Financial Statement' of the 2022 "Oscar di Bilancio", now in its 58th edition. The award, organized by the Italian Public Relations Federation (Ferpi) and promoted together with Borsa Italiana and Università Bocconi, recognizes the best companies in terms of reporting activities and attention to stakeholder relations. The motivation for the awarding commission's decision acknowledges Fincantieri's submission of a Consolidated Non-Financial Statement (NFS) "characterized by an adequate and balanced coverage of all areas of sustainability reporting, highlighting the desire for transparent communication in favour of the different categories of stakeholders. A very comprehensive DNF overall in which targeted objectives are precisely identified, with a particular focus on the environment and social issues".

Universum

For the fourth consecutive year, Fincantieri has been recognized as one of the 'Most Attractive Employers in Italy' in the survey by Universum, a Swedish company that certifies the most attractive companies for university students and professionals, reinforcing its leadership ahead of numerous industrial companies. Fincantieri was awarded first prize for the Manufacturing, Mechanical and Industrial Engineering sector in the Universum survey dedicated to young Science, Technology, Engineering and Mathematics (STEM) professionals (people with a seniority of up to 5 years) and was awarded second place in the ranking dedicated to STEM students.

Top Employers Italia

Fincantieri has received from the Top Employers Institute the 'Top Employers Italia 2022' certification, official recognition of the company's excellence in HR policies and strategies and their implementation to contribute to people's wellbeing, improve the working environment and the world of work. This certification is awarded to companies that achieve and meet the high standards required by the HR Best Practices Survey. The Survey covers 6 macro-areas in HR, examines and analyses in depth 20 different topics and the respective best practices including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity&Inclusion, Wellbeing and many others. According to Top Employers, Fincantieri has proved it cares about the wellbeing of its people, and has committed itself to improving working conditions, thus contributing to the collective improvement of the world of work.

Safety Award

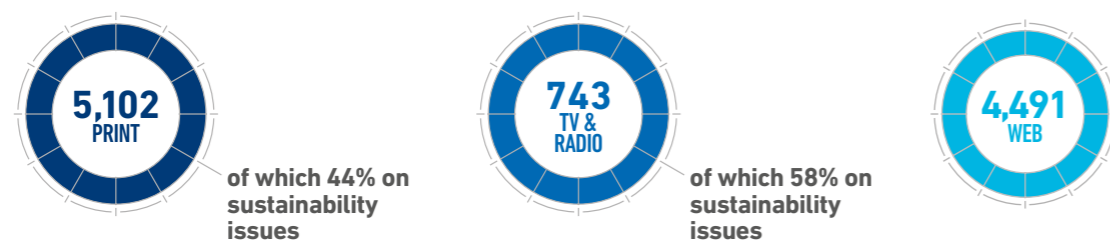
In 2022, the Shipbuilders Council of America (SCA) awarded the Excellence in Safety Award to Fincantieri Marinette Marine and the Improvement in Safety Award to Fincantieri Bay Shipbuilding (Sturgeon Bay) for health and safety at the two shipyards. Fincantieri Marinette Marine also received the Excellence in Safety Award.

Fincantieri in the media

Communication is key to creating a culture and awareness in all areas and building trust with both internal and external stakeholders. Communication linked to sustainability, in particular, is essential to create culture and awareness both inside and outside the Company, and is an inducement for comparison and the involvement of its stakeholders.

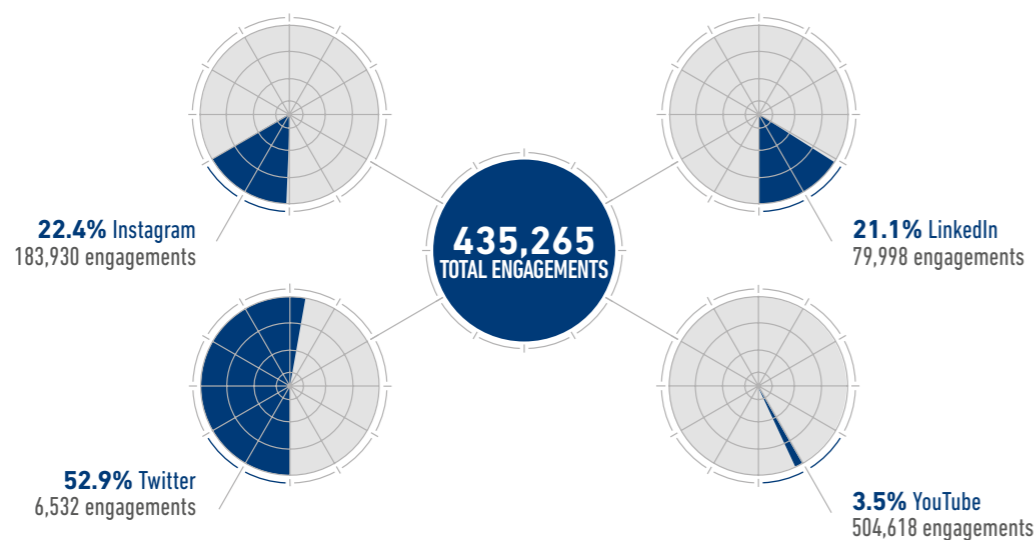
Spreading corporate messages about sustainability and the Group's approach on this topic is an increasingly important asset for consolidating Fincantieri's positioning as a sustainable company.

NUMBER OF ARTICLES



Social media also plays an increasingly important role in sustainability-related communication. Fincantieri has official channels on LinkedIn, Instagram, YouTube and Twitter.

The four official channels totalled an overall engagement of over 400,000 interactions between likes, comments and re-sharing of content, with a very high engagement rate (number of interactions/number of impressions), considering the average for each channel.



The official Parent Company channels have a total of more than 330,000 followers, which has grown by more than 50,000 new users over the course of the year. Taking into account the official channels of the subsidiaries, the total number of followers increases by more than 50% to about 510,000.



FINCANTIERI'S FOLLOWERS

LinkedIn



250,300 followers
+11% vs 2021
equal to +23,800 followers

395,000 followers including the subsidiaries

- Fincantieri Marine Group 55,500
- Vard 52,300
- Cetena 7,000
- Isotta Fraschini Motori 6,410
- Marine Interiors 6,400
- Fincantieri Infrastructure 6,400
- Fincantieri Australia 4,550
- Fincantieri NexTech 3,000
- Issel Nord 1,580
- Fincantieri SI 920
- Finso 720

Instagram



45,586 followers
+13% vs 2021
equal to +5,086 followers

80,000 followers when we include Marine Interiors and Fincantieri Yachts

YouTube



12,879 subscribers
+10% vs 2021
equal to +1,179 users

Twitter



21,541 subscribers
+408% vs 2021
equal to +17,300 users

Value creation model

Within the national and international context, we are a reference point in industrial culture and we also want to be an example in the field of sustainability. Thus, it is in our interest to combine competitiveness with environmental sustainability and social responsibility. This is why we have adopted an integrated strategy capable of combining business growth and financial stability with social and environmental sustainability.

For us, a company is sustainable when it generates value with the future, and not just the present, in mind, namely when it also generates value for those who will come after us. To achieve this, we work so that every person in the Group understands the value of being sustainable and reflects in their everyday work the fundamental principles of social responsibility, undertaking and contributing to satisfying the expectations of all stakeholders, thus triggering a virtuous cycle that generates synergies and activates a shared, proactive commitment.

WE SUPPORT



As evidence of our commitment and of the importance of a growing integration of sustainability in corporate strategic choices, in 2019 we joined the United Nations **Global Compact**, the most wide-ranging business sustainability initiative in the world. It is an initiative of voluntary adherence to ten universal principles relating to human rights, labour, the environment and anticorruption, which promote the values of sustainability in the long-term through political actions, corporate practices and social and civic behaviour.

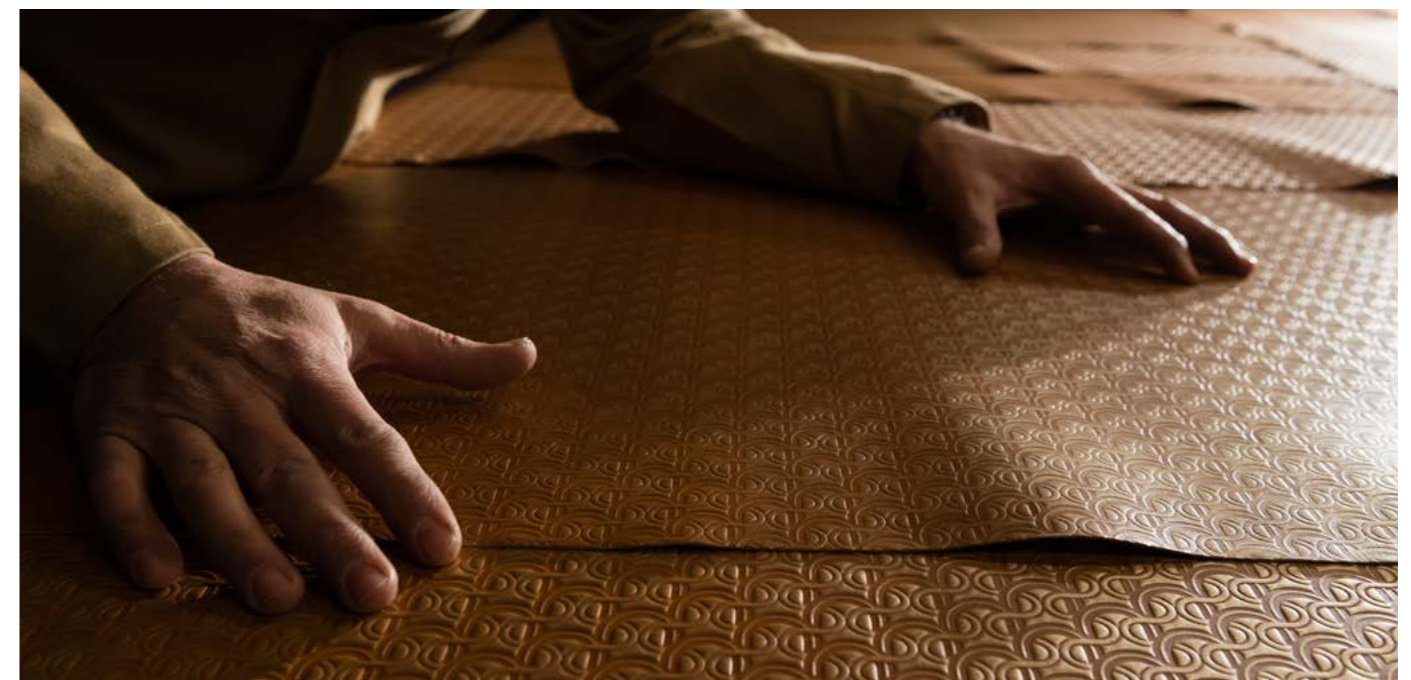
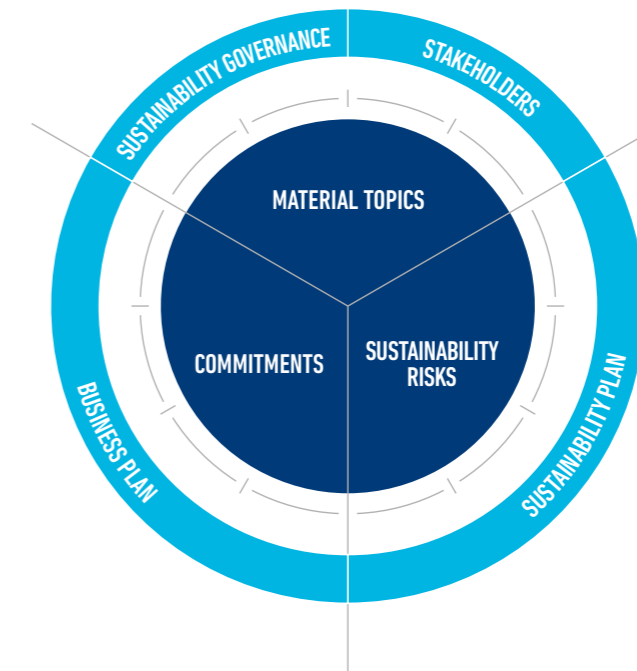
We are also committed to contributing to the **Sustainable Development Goals (SDGs)** of the United Nations 2030 Agenda for Sustainable Development, approved by the General Assembly in 2015. These are common sustainable development goals for today's complex social challenges. The latter goals are an important reference for the international community and for Fincantieri in conducting its business.

SUSTAINABLE DEVELOPMENT GOALS



Our sustainable business model is aimed at creating long-term value for everyone involved in our activities. By means of well-structured sustainability governance, a clear definition of material topics and commitments, a risk management system that incorporates Environmental, Social and Governance (ESG) aspects and a strategy integrated with the new 2023-2027 Business Plan, which sees sustainability as a fundamental pillar, we are able to manage our business ensuring protection of all the resources employed.

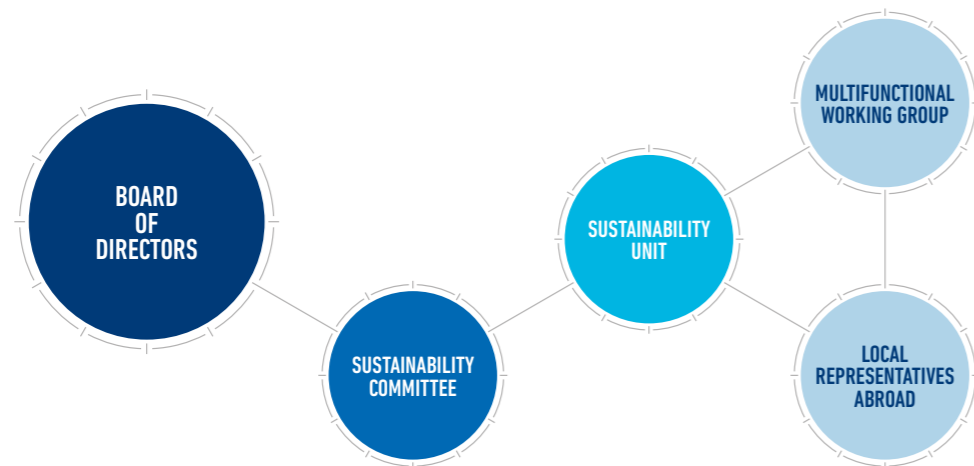
SUSTAINABILITY MODEL





Sustainability governance

Our governance, compliant with international best practices, is capable of effectively supporting the pursuit of our strategy with a view to creating sustainable value. Our model aims to guarantee effective protection and monitoring of processes associated with sustainability and provides for:



SUSTAINABILITY COMMITTEE

Set up in 2016 by Fincantieri's Board of Directors, the Committee is composed of four Directors. Together with the other Board Committees, it supports the Board of Directors in the objective of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company. In this regard, the Sustainability Committee carries out fact-finding, proposal-making and advisory activities whenever the Board has to make assessments or take decisions involving sustainability issues, in the exercise of the Company's business or in the interaction with stakeholders, including through the integration of sustainability issues in corporate strategies. In particular, the Committee:

- examines the adequacy of the Company's sustainability policies in light of its strategic guidelines by monitoring international best practices;
- supports the Board, also by means of proposal-making activities, taking into account the issues covered in the Non-Financial Statement – Sustainability Report, provided for by Legislative Decree no. 254/2016, in examining policies that have an impact on the environment, on society or on relations with all stakeholders, and in particular as regards:
 - respect for human rights, labour rights, diversity and equal opportunities and their promotion by the Company;
 - development and safeguarding of human resources with a focus on employee training and company welfare activities;
 - health and safety in the workplace;
 - environmental management, with regard to climate change and the environmental impact of the Company's products, production process and activities;
 - business integrity, transparency and anticorruption;
 - data and information security;
 - product quality and safety, with a special focus on customer satisfaction;
 - research, development and innovation activities;
 - procurement processes with particular reference to the integration of sustainability issues;
 - initiatives aimed at local communities and stakeholders in general;

- identifies and indicates to the Board, also in cooperation with the Control and Risk Committee, the specific financial and non-financial risks that may arise for the Company's business related to sustainability issues;
- monitors the performance of the main sustainability ratings and makes proposals aimed at improving the Company's relative positioning;
- examines the Sustainability Report in advance of the Board and issues an opinion to the Board;
- examines the Sustainability Plan and monitors the progress of the objectives contained in it;
- examines the strategic lines of the Business Plan before it is submitted to the Control and Risk Committee.

The Chairman of the Committee reports on the Committee's activities to the Board at the earliest opportunity. The Committee met 9 times in 2022.

SUSTAINABILITY UNIT

It reports directly to the Chief Financial Officer, coordinates sustainability activities, ensures compliance with the commitments undertaken, monitors the progress of projects and achievement of the sustainability objectives while continually keeping the Sustainability Committee informed.

MULTIFUNCTIONAL WORKING GROUP

It supports the Sustainability unit by helping prepare the Sustainability Report and define objectives, targets and timeline for the sustainability commitments undertaken by the Group. The Working Group includes representatives from the departments most involved in sustainability issues.

LOCAL REPRESENTATIVES ABROAD

They represent the VARD group, Fincantieri Marine Group and Fincantieri Marine Systems North America Inc. They support the Sustainability unit and the Working Group in the collection and management of information for the Sustainability Report and coordinate in turn with a working group, specifically dedicated to sustainability.

Stakeholders

We consider listening to and involving our stakeholders as paramount in order to understand their needs, their interests and their expectations. Stakeholders' involvement, through a proactive and multi-channel approach, allows us to develop long-term relationships which become a source of competitive advantage for our Group.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT



2017

We have analysed and identified the main categories of stakeholders, both within and outside the Group. More specifically, consideration was given to those stakeholders towards whom we have responsibilities and those persons or entities able to influence the Group's performance; their level of representativeness and authoritativeness have also been considered and the main categories of stakeholders identified.



2019

A pivot project on stakeholder engagement was carried out using an online survey involving over 240 stakeholders, customers, suppliers and partners, the financial community and other stakeholders, to help us understand where we can and must make the most impact, in an initial path of engagement that we are committed to developing over time. Together with them, we have identified the material topics considered relevant for both the Company and its stakeholders. We have started to meet small groups of stakeholders to discuss sustainability issues.



2020

The spread of COVID-19 has changed the economic and social context in which we operate. Therefore, we had to reassess the most relevant issues in terms of sustainability. To achieve this, we conducted a stakeholder engagement Sustainability survey, involving over 7,000 internal and external stakeholders. Remote meetings with individual groups of stakeholders, suppliers and partners, the financial community, agencies and institutions, etc.



2021

Employees were given a specific survey on diversity and inclusion, suppliers were involved with a webinar on sustainability and innovation, and we participated in the Italian Sustainability Week to engage with the financial community on sustainability issues.



2022

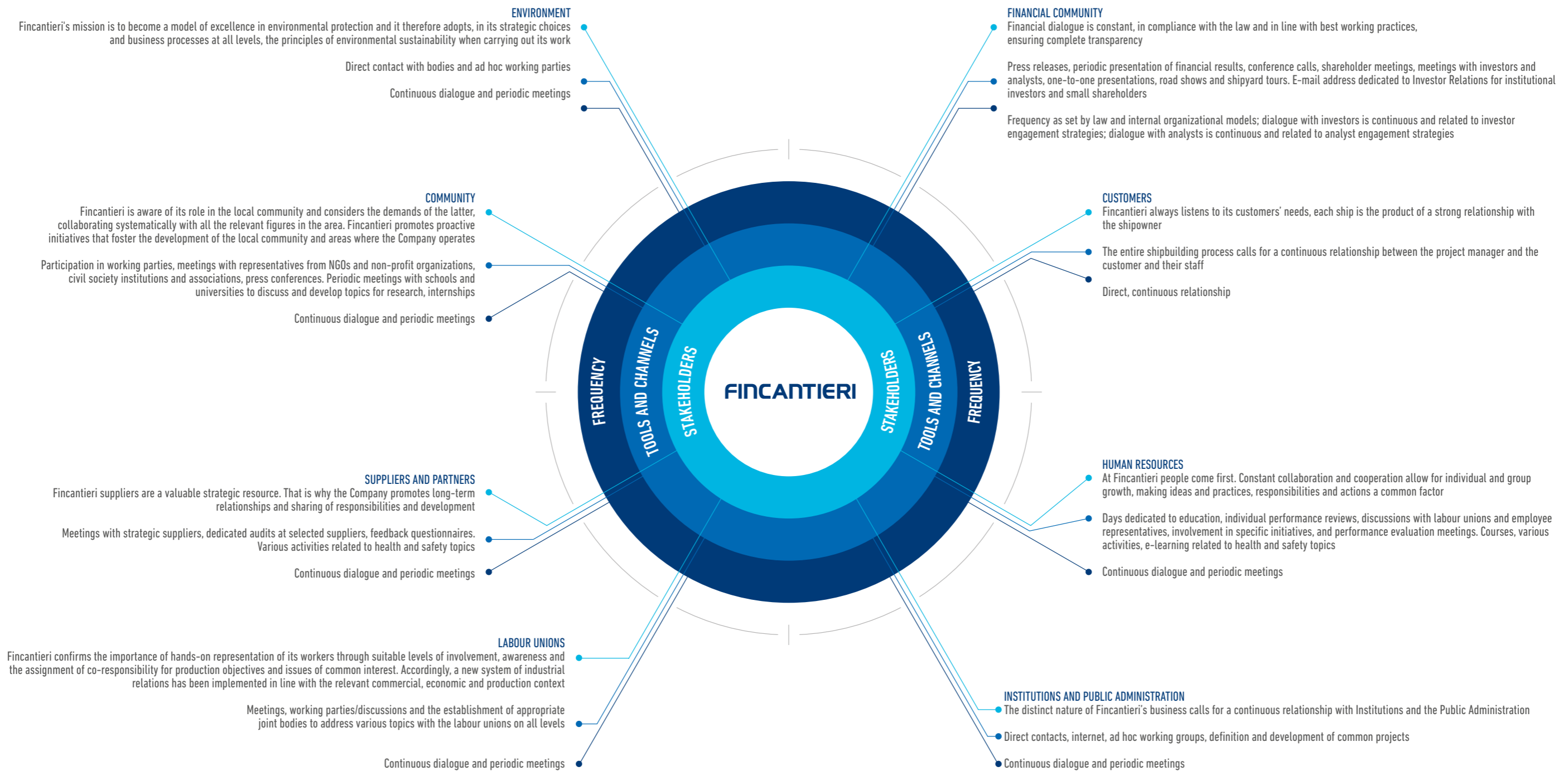
STAKEHOLDER ENGAGEMENT



During the year, we continued our stakeholder engagement activities involving in particular our employees through the Employee Engagement survey, to improve employee engagement and experience in the Company, as well as the Mobility survey, a survey on home-work journeys, and our suppliers with the webinar 'Monitoring Supplier Sustainability from the Qualification Phase: an operational guide'. Furthermore, we participated in the Italian Sustainability Week to engage with the financial community on Environmental, Social and Governance (ESG) issues and how they are managed.

For each group of stakeholders, we have identified the main tools, listening channels and frequency of contacts with the aim of gathering their expectations and their needs, as well as communicating the results achieved and the programs promoted by the Group. Responsibility for managing relations with the various stakeholders is spread throughout the whole Group, with the specific functions constantly engaging with their respective groups of stakeholders.

STAKEHOLDERS



Dialogue with investors and analysts and reporting to the market continued in 2022 through the organization of physical meetings and through remote communication channels, including teleconferences and videoconferences. Since our listing, individual shareholders and institutional investors have been provided with two dedicated e-mail accounts, which are monitored on a daily basis. Our constant dialogue with investors, analysts and rating agencies, providing reliable, transparent and timely information on our activities is aimed at maintaining and increasing the market's confidence in the Company and creating long-term relationships.

Dialogue and exchange of information with investors has taken place in line with the **Policy for managing dialogue with the shareholders and other relevant stakeholders**, available on the company website, which describes the management methods and contents of the dialogue outside the Shareholders' Meeting between the Company and its shareholders, on issues within the Board's remit.

The Policy for managing dialogue with shareholders and other relevant stakeholders is available on the website www.fincantieri.com/globalassets/investor-relations/politica-per-la-gestione-del-dialogo/engagement-policy.pdf

In 2022 we again took part in the **Italian Sustainability Week** organized by Borsa Italiana, meeting 8 investors and analysts with whom, in addition to the main updates on market trends, we discussed the following issues in particular:

- sustainability strategy;
- actions taken to achieve the objectives regarding the reduction of greenhouse gas emissions;
- innovation and green technologies in shipping;
- sustainability objectives, targets and ratings;
- sustainable finance.


We maintain dialogue with national and international legislators and institutions to foster constructive collaboration, interpret and apply new regulations correctly and share expertise, initiatives and projects. We contribute to public consultations for the definition of new legislative measures and regulations for the industry, providing practical indications.

To support the development of its business, Fincantieri S.p.A. and its subsidiaries participate in the governance of various national and international associations, stimulating, along with the other associates, a propulsive and systematic action in the areas of research and development and in the promotion of the various stakeholders' interests. The main organizations and associations with which we actively collaborate with include Confindustria, Federmeccanica, ASSONAVE, Confindustria Nautica, Federazione del Mare, SEA Europe, Euroyards, Surface Navy Association, Shipbuilders Council of America, Norsk Industri Maritim.

 For more information on memberships and participation in associations, please see the website www.fincantieri.com/en/sustainability/governance/memberships-and-participation-in-associations/

We meet regularly with our customers, employees, suppliers and representatives of the communities in which we operate in the pursuit of constant collaboration and continuous improvement.

In 2022, engagement activities focused in particular on decarbonization, new business, innovation, diversity and inclusion, and managing the supply chain.

 The initiatives implemented by the Group for the individual stakeholder groups are described in the various chapters of this Report



Description of material impacts and topics

We launched and have consolidated over time a process called **materiality analysis**, aimed at identifying material topics for sustainability, namely those topics that reflect the company's actual and potential **impacts** on the economy, the environment and people, including their human rights, and that substantially influence stakeholder assessments and decisions.

Based on the results of the analysis, we defined the Group's commitments, the objectives of the Sustainability Plan and the reporting of the Sustainability Report.

In 2020, through an in-house analysis and a market benchmark, we updated the most significant sustainability topics and, through a special online survey, the Sustainability survey, we analysed both perception of the topics from the Company's perspective (Top Management and Board of Directors) and perception from the stakeholders' perspective by involving more than 7,000 people from amongst employees, customers, suppliers and partners, the financial community and other stakeholders.

Both internally and externally, the topics were rated on a scale of 1 to 10, where "10" is "very relevant".

A materiality threshold was defined (corresponding to 6.5), beyond which an issue must be accounted for. Joint consideration of internal and external significance led to the identification of the material topics.

In 2022, the new GRI Standards 2021 introduced the concept of assessing the importance of the actual and potential, positive and negative, short- and long-term impacts the Company has on the economy, the environment and people, including the impact on human rights. The analysis of the organisation's internal documentation and context has been reframed accordingly, together with the market benchmark.

Based on the 2022 analysis, the strategic guidelines of the new Business Plan and the results of the Sustainability survey, we prioritised the **15 material topics**. In particular, **7 strategic topics** were identified. Six of the seven topics deemed strategic are those that scored high in the Sustainability survey and were confirmed by the Top Management as priorities. Although the topic of Diversity and equal opportunity did not receive a high score in the survey, it was considered of utmost importance by the Top Management and the Board of Directors, and was thus included among the strategic topics.

The material topics for 2022 reflect the materiality matrix published in the 2021 Sustainability Report, except for the inclusion of Diversity and equal opportunity in the strategic topics.

The material topics were approved together with the new 2023-2027 Sustainability Plan by the Board of Directors on February 16th, 2023.

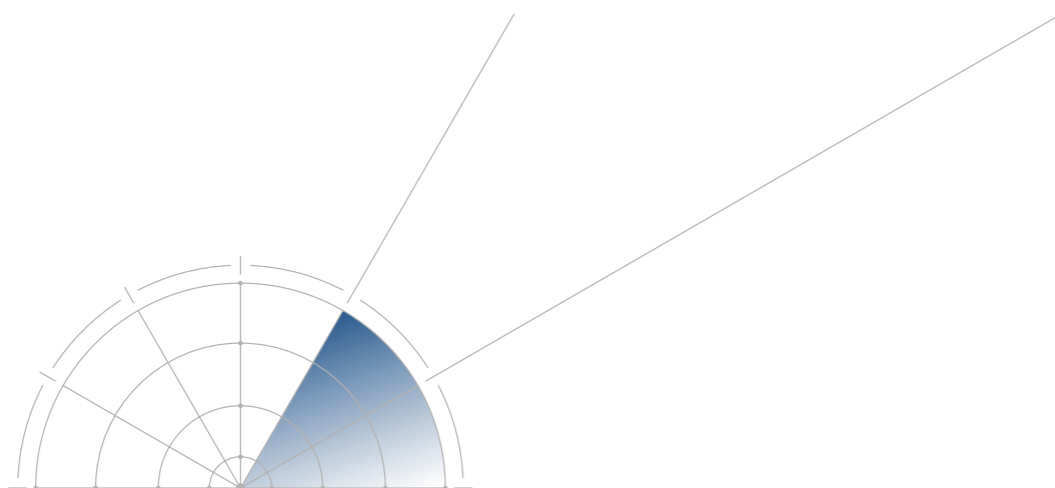
In 2023, the materiality analysis will be complemented with the launch of the new Sustainability engagement survey.

Below are the material topics in the order of importance defined by the materiality analysis; all impacts have been identified as current.

1. Health and safety in the workplace

Safety at work, the health of workers, and the care and improvement of working environments are essential conditions for any work activity. We are committed to promoting a generalized change of culture in relation to health and safety, and we invest in initiatives to prevent the negative effects of poor management of this area. In order to minimise accidents and safeguard our employees and third parties involved in company activities, we are committed to adopting new practices, innovative technologies and advanced management systems, such as ISO 45001 certification. The central elements are training and information for personnel, raising individual awareness and widespread involvement, including that of our suppliers. The trend of accident data and indices constantly monitored both at Group level and for each individual site show the positive effects of our efforts, which also affect production efficiency and cost reduction.

 For more information on this issue and how it is managed, please refer to the chapter 'People - Health and safety in the workplace'



2. Development and safeguarding of human resources

People are the Group's most important asset and we are constantly committed to protecting, developing and enhancing them. To avoid the negative impacts of events such as resignations, dismissals, employment disputes or complaints, we invest constantly in individual growth, through constant collaboration and cooperation in an inclusive and international context that encourages the exchange of ideas, comparison of opinions and experiences and the development of multidisciplinary skills. Investment in staff training and development is of strategic importance to guarantee constant growth in skills and know-how, at all levels. The enrichment of the company's human capital and intellectual know-how can thus become a strategic lever for innovation and business competitiveness. The evaluation processes are structured so as to enhance the value of each individual resource by promoting professional growth in line with their expectations, ambitions and potential. Industrial relations are based on a participative model which values and enhances the role of trade unions and workers, also through the establishment of appropriate joint committees. The Group defines and applies a remuneration and incentive policy aimed at achieving the Company's strategic priorities, including sustainability, and at motivating and retaining its resources. Proper management of this issue makes it possible to retain and attract talent, increase people's job satisfaction and enhance the Company's reputation at the same time.

 For more information on this issue and how the relevant impacts are managed, please refer to the chapter 'People - Development and safeguarding of human resources'

3. Environmental impact of products and services

In developing its business model, the Group is inspired by good practice in terms of the circular economy and operates using a life cycle approach. The aim is to minimize the environmental and social impact of a product or service over its life cycle, evolving from a model that identifies the impact on the environment and society solely in production activities, and extending the analysis to all the links in the value chain and therefore to any negative external impacts. To achieve these goals, the Group constantly invests in new Research&Innovation (R&I) projects and promotes the most innovative technologies with its customers. Scouting for innovative solutions, monitoring and implementation of developments in green technologies on the market offer the opportunity to develop products with innovative technologies with reduced environmental impact, anticipating customer and regulatory requirements, while confirming Fincantieri's leadership position in an expanding market.

 For more information on the topic and how the relevant impacts are managed, please refer to the chapter 'Technology for the climate'

4. Climate change

The Group manages the risks related to climate change, constantly researching new methods to improve its practices and minimize the impact of emissions resulting from its industrial activities.

Strengthening the capacity to respond to extreme events can result in improved capacity to meet customer requirements and demands, minimizing the effects of extreme events on the Group's production processes. In order to mitigate our impacts, promote the energy transition and contribute to a low-carbon economy, we are active in various projects on issues associated with climate risks, also in cooperation with research institutes/universities. The Group's willingness and interest in cooperating with different bodies to explore climate change issues contributes to knowledge production, public debate and information sharing. These results may give rise to new insights for the scientific community or new models of intervention for the private sector.

We are also committed to reporting on our risks and opportunities linked to climate change, as well as our greenhouse gas (GHG) emissions data, setting ourselves increasingly ambitious reduction targets.

 For more information on the issue and how the relevant impacts are managed, please refer to the chapter 'Fincantieri for the climate'

5. Sustainable supply chain

A significant portion of the overall value of each ship depends on materials, parts, components and turnkey systems supplied by third parties, therefore the extent to which suppliers contribute to the overall value of the project is crucial. The Group is committed to reducing any negative impact by actively managing its make-or-buy procurement, also through rigorous qualification processes. The aim is to promote the principles of sustainability, also within its own supply chain, by raising supplier awareness of human rights, environmental and social issues. Adopting an integrated production model facilitates the dissemination of good practices across the production ecosystem.

Responsible supply chain management is of strategic importance to us to ensure the high quality of our products and services, increase customer satisfaction and help safeguard or enhance our reputation.

 For more information on this issue and how the relevant impacts are managed, please refer to the chapter 'Sustainable supply chain'

6. Innovation, research and development

Technological excellence is a key element of the Group's entrepreneurial approach: product, service or process innovation allows it to maintain and strengthen its competitiveness and leading position in complex, high impact markets. The Group is constantly researching new technologies to prevent or reduce any negative impacts of its products. We also use digitalization and artificial intelligence to evolve towards an innovative industry, capable of developing more efficient and sustainable solutions.

Anticipating regulatory requirements, as well as customer and competitor expectations allows the Group to keep its reputation high, boost customer loyalty and retain its position as a market leader.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Innovation and sustainability'


7. Diversity and equal opportunity

For Fincantieri, diversity is a strategic element for the company competitive advantage and the development of its people. The Group is committed to avoiding any negative impact from possible discrimination by constantly striving to respect the dignity of each individual and to offer equal opportunities to all current and future employees, rejecting any form of inequality. Diversity is recognized, at all levels, as a value to be cultivated in the organization in order to encourage the exchange of experiences and to enable the company to seize the transformations and changes currently taking place, developing an increasingly open corporate culture.

 For more information on the issue and how the relevant impacts are managed, please refer to the chapter 'People - Diversity and equal opportunity'

8. Governance and business integrity

Business integrity is the capacity to develop the business fairly and transparently and is a key factor characterizing the identity of the Group and an important element in its reputation and corporate image as well as one of the five values guiding the Group's conduct. Responsible governance ensures fair and transparent conditions in the conduct of business affairs and the related company activities and is an essential element in the development of economically sustainable business activities that avoid the negative impacts that can result from an unsustainable business. The Group also adopts preventive measures and policies aimed at combating active and passive corruption and encourages the dissemination of a culture of legality, in order to avoid generating negative impacts which might harm its business.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Governance'

9. Product quality and safety

Product/service quality and safety are at the heart of every strategic and organizational decision. Excellent levels of quality are in the DNA of the Group: the complexity of its business requires high standards in terms of quality and compliance with technical regulations and standards at each stage of the production process in order to ensure the maximum product safety and to avoid any possible accident on the ship.


Responsibility for ensuring quality is widespread and shared. The Group operates through a rigorous system of measures in all areas of the value chain aimed at eliminating risks and impacts associated with the product and/or service used by the client or end users.

High standards of product excellence guarantee high customer satisfaction and ensure customer loyalty.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Customers and products'

10. Customer satisfaction

Customer satisfaction is the core of the Group's interest and it is pursued by constantly involving the customer at the execution stage, in the continuous monitoring of quality and through the offer of innovative products. The Group's objective is to create relationships with customers based on trust, by activating channels to listen to their needs and expectations, in order to avoid generating possible negative impacts from any dissatisfaction. Listening to and gathering information from the market constitutes a useful communication channel to intercept emerging trends or hidden customer needs.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Customer and products - Customer satisfaction'

11. Human rights


The Group is strongly committed to ensuring that each employee can express their potential by enhancing skills and competencies and promoting a growth path that guarantees recognition of merit and respect for equal opportunities, with the aim of safeguarding the human rights enshrined in the Universal Declaration of the United Nations (UN) and avoiding any form of negative impact arising from the mismanagement of this area. Furthermore, the Group has always paid the utmost attention to ensuring human rights are protected in the supply chain.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Governance - Human rights'

12. Environmental management

Environmental protection is at the centre of the activities of the Group, which, in carrying out its activities, is committed to making the principles of environmental sustainability its own, both in its strategic choices and in its business processes. Therefore, investments are aimed at improving energy efficiency and minimizing its environmental impact by reducing emissions of greenhouse gases and other pollutants and managing water resources and the disposal of waste and waste water correctly. It is also important for us to safeguard the natural value and biodiversity of the territories affected by the activities of our shipyards. To protect these places, specific and special precautions are put in place in accordance with local legislation.

To manage the most significant environmental aspects and prevent our business having a negative environmental impact that may lead to accidents, complaints and fines, we are committed to implementing and maintaining an Environmental Management System at our sites, with certification according to the international standard ISO 14001.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Sustainable management of natural resources'


13. Cyber security

The focus on cyber security has gradually intensified in response to the ever-increasing complexity and frequency of cyber attacks carried out against companies with national and international strategic importance, making it necessary to constantly adapt the corporate defences and processes for safeguarding IT assets. Protecting the integrity and confidentiality of data and information has become a pillar of the corporate digital strategy. The Group guarantees the protection of computer systems and data by avoiding the risks and impacts associated with network breaches and corruption of sensitive data or processes, using prevention, detection and measures against potential cyber attacks that could seriously harm the business and the reputation of the Group.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Governance - Cyber security'

14. Company welfare

This is a tool which permits efficient management of resources which is innovative compared to the traditional pay and incentive mechanisms. The ultimate aim is to meet the specific needs of employees, improving the balance between work and personal needs, promoting the wellbeing of employees and their families and reducing the risk and impact arising from personnel expressing their dissatisfaction.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'People - Wellbeing of the people'

15. Local communities and relations with the local area

Local development is directly linked both with business activities and with the ability to systematically involve local players, showing awareness of the positive impact on the community and eliminating any negative impacts caused above all by production activity which may generate complaints and claims. In terms of business activities, networks of small and medium enterprises (SME), highly specialized in various macro sectors, are engaged. In addition, initiatives supporting the development of local communities are stimulated and encouraged through employment and a synergic network of collaborations with the aim of creating shared value.

 For more information on this topic and how the relevant impacts are managed, please refer to the chapter 'Communities and local territory'

Sustainability commitments

We have updated our commitments for each material topic with the aim of contributing to a healthy, resilient, sustainable society, in which people can advance and prosper. The Group's commitments are contained in the **Charter of Sustainability Commitments** approved by the Board of Directors of Fincantieri S.p.A. in January 2021. The Charter aims to provide an overview of our commitments on environmental, social and governance issues. It is addressed to all stakeholders and presents the Group's mission, values and principles that shape its sustainable, responsible and ethical development. It is a central element of our integrated sustainability strategy because it is an expression of the commitments that guide the Group's actions regarding relevant sustainability issues, which are in turn set out in the Group's Sustainability Plan in qualitative and quantitative goals that can be measured over time and are reported annually in the Sustainability Report. The Charter is part of the set of policies and guidelines that support us in our business, alongside the Code of Conduct and other guidance documents on specific issues.

OUR COMMITMENTS

GOVERNANCE TOPICS

MATERIAL TOPIC	COMMITMENT
Governance and business integrity	<ul style="list-style-type: none"> Promotion of the sustainability culture in line with the Group Values, encouraging managers to think in a sustainable manner within their sphere of action Maintenance of the Corporate Governance system and risk management (including sustainability risk) in line with international best practices Adoption of preventive measures and policies geared towards the prevention of corruption in all spheres of influence Integration of sustainability issues with stakeholders through the promotion of dialogue and listening initiatives with those involved in the Group's activities Increasingly sustainable and responsible corporate performance, creating the conditions for development that ensures the needs and expectations of all stakeholders are met
Cyber security	<ul style="list-style-type: none"> 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
Innovation, research and development	<ul style="list-style-type: none"> 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
Sustainable supply chain	<ul style="list-style-type: none"> 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

SOCIAL TOPICS

MATERIAL TOPIC	COMMITMENT
Development and safeguarding of human resources	<ul style="list-style-type: none"> Promotion of growth, training and enhancement of human capital 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 Industrial relations based on dialogue and listening to protect jobs and employment
Company welfare	<ul style="list-style-type: none"> Increase the wellbeing of people through innovative solutions rather than traditional ones
Diversity and equal opportunity	<ul style="list-style-type: none"> Promotion of programs offering equal opportunities to all employees in order to promote diversity and inclusion within the Group
Health and safety in the workplace	<ul style="list-style-type: none"> Continuous improvement of workers' health and safety conditions
Human rights	<ul style="list-style-type: none"> Commitment to creating the socio-economic conditions to ensure respect for human rights throughout the value chain
Local communities and relations with the local area	<ul style="list-style-type: none"> Dialogue with and support for local communities through social, environmental, cultural and educational initiatives Collaboration with governments, national and international associations to adopt policies and strategies to contribute to a healthy, inclusive, resilient and sustainable society for everyone
Product quality and safety	<ul style="list-style-type: none"> 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
Customer satisfaction	<ul style="list-style-type: none"> Listen to needs and expectations to maximize customer satisfaction

ENVIRONMENTAL TOPICS

MATERIAL TOPIC	COMMITMENT
Climate change	<ul style="list-style-type: none"> Support for research to improve the analysis and management of risks associated with climate change Reduction of carbon dioxide (CO₂) and other pollutant emissions with the aim of contributing to the fight against climate change
Environmental management	<ul style="list-style-type: none"> 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 employee awareness of environmental impact and promote virtuous behaviour
Environmental impact of products and services	<ul style="list-style-type: none"> Development of ecologically sustainable products and services with the aim of contributing to a circular and low carbon economy

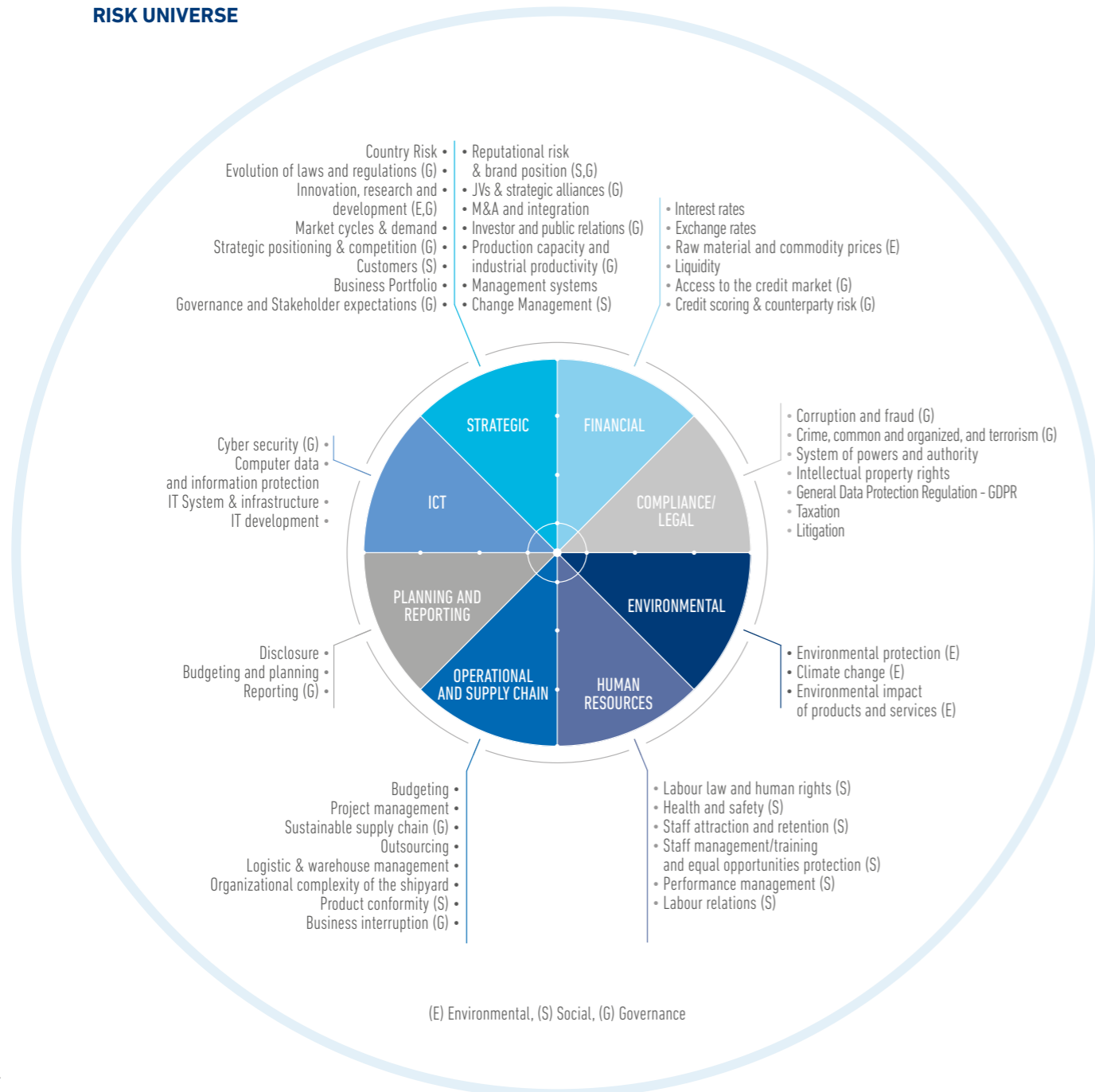
Sustainability risks

We have adopted Enterprise Risk Management (ERM) processes and systems to detect, evaluate and monitor the main business risks ('Risk Universe'), in compliance with the requirements for listed companies as per the Corporate Governance Code.

The Group Risk Universe consists of **52 risks**, divided into **8 macro-categories**, of which **29** are **Environmental, Social and Governance (ESG) risks**.

The risks have been assessed in terms of their probability and impact by the Company's middle and top management. This assessment led to the identification and investigation of the most material risks (Top Risks), i.e. risks that inherently exceed the tolerance threshold established by the Company and risks deemed to be of strategic importance within individual Departments/Divisions and/or subsidiaries, 10 of which are ESG risks. The three most important risks included in the Top Risks from this year are 'Environmental Protection', 'Raw Material and Commodity Prices', which are also ESG risks, and 'Interest Rates'.

RISK UNIVERSE



Management of the **main ESG risks** is described in the chapters of this Sustainability Report.

MAIN ESG RISKS

MATERIAL TOPIC	RISK EVENT	DESCRIPTION OF RISK	MANAGEMENT METHOD
Innovation, research and development/Climate change	Innovation, research and development	Risk that the Company does not monitor and/or invest in technological developments for products, services or processes, as well as in digitalization and artificial intelligence, with a consequent adverse impact on competitiveness, on leadership in complex high-potential markets and on the development of more efficient and sustainable solutions that include systems with low emissions of greenhouse gases or other pollutants and that are energy efficient. This also includes the risk associated with technological transition, which, if poorly designed and executed, can lead to long lead times, high costs, operational inefficiencies and low product/process quality.	Chapters: - Innovation and sustainability - Technology for the climate
Customer satisfaction	Customers	Risk that the Company is unable to meet the needs of its customers or that it establishes contractual relationships with counterparties of dubious integrity or that the excessive concentration of such relationships limits the Company's bargaining power, with a consequent impact on profitability, on business sustainability in the medium/long term and on reputation. This risk may be influenced by inadequate or no technological innovation of the product/process, by technical-functional characteristics of the product that are not in line with market requirements, by inadequate levels of quality and safety of the product/process, by a production model or product that is not socially or environmentally sustainable, by no evaluations of counterparties' business integrity, etc.	Chapter: Customers and products/ Customer satisfaction
Governance and business integrity	Governance and Stakeholder expectation	Risk that the Governance Model is not adequately disseminated at all Company levels or that there is a lack of integration between corporate strategy, values, culture and sustainable development, resulting in activities being carried out that are not in line with sustainable governance in the medium/long term with reference to the social, ethical, environmental and economic impact. This category also includes the risk of failure to monitor planned improvement initiatives, both in terms of progress and performance.	Chapter: The Fincantieri Group/ Value creation model

MATERIAL TOPIC	RISK EVENT	DESCRIPTION OF RISK	MANAGEMENT METHOD	MATERIAL TOPIC	RISK EVENT	DESCRIPTION OF RISK	MANAGEMENT METHOD
Local communities and relations with the local area	Investor and public relations	Risk that the Company does not adopt an appropriate public relations strategy, including corporate sustainability communications to meet ESG agencies' rating targets or investor needs, aimed at building and consolidating long-term relationships with stakeholders. Inefficient relationships with local, national and international counterparties (local cities and authorities/associations, legal and government authorities, industrial associations, SMEs, etc.) can damage the Company's image and reputation, diminish its credibility and creditworthiness, and compromise its competitiveness and operations.	Chapter: The Fincantieri Group/ Value creation model	Environmental management	Environmental protection (TOP RISK)	Risk that the Company does not invest adequately in environmental protection, with consequent harm to the community in both the short and medium/long term. This risk may arise due to a lack of timely or adequate transposition of existing and emerging regulations into internal processes, a flawed system of management, control and mitigation of potential environmental impacts arising from its activities (e.g. pollution, energy consumption, environmental disaster, damage to biodiversity) or poor training, information and awareness raising given to individuals.	Chapters: - Fincantieri for the climate - Sustainable management of natural resources
Governance and business integrity	Production capacity and industrial productivity (TOP RISK)	Risk that insufficient production capacity (either its own or that of its suppliers), excess capacity or incorrect distribution of workloads on the basis of available production capacity (plant, space and workforce) prevents the Company from meeting market demand, achieving optimum levels of efficiency (industrial productivity) and margins. The risk may arise due to inadequate analysis of the production cycle (in terms of frequency and medium-term vision), inadequate maintenance or innovation of the equipment supporting the production process that does not take into account energy efficiency and the possible impacts on the environment.	Chapters: - Economy and market - Sustainable supply chain - Sustainable management of natural resources	Climate change	Climate change (TOP RISK)	Risk that a catastrophic event resulting from acute weather phenomena (storms, floods, earthquakes, fires or heat waves) and/or chronic weather phenomena, i.e. long-term climate changes (temperature changes, rising sea levels, reduced water availability, loss of biodiversity, etc.), may damage assets (plants, buildings, etc.) or cause a production stoppage for the Company and/or its suppliers, and prevent the Company from carrying out its operations by interrupting the value chain or lead to a slowdown in the supply chain.	Chapters: - Fincantieri for the climate - Sustainable management of natural resources
Development and safeguarding of human resources	Change management	Risk that the Company's organizational model is unable to support the Group's business transformation and growth. This risk may arise if there is an inadequate or no reorganization of functions, roles and responsibilities, business processes and procedures, or if the necessary skills to manage change are lacking.	Chapter: People/Development and safeguarding of human resources	Environmental impact of products and services	Environmental impact of products and services	Risk that the Company is unable to develop products or services capable of minimizing their environmental impact throughout their entire life cycle, not taking into account the good practices of the circular economy with consequent air, soil, water and noise pollution. This risk may arise due to a failure to implement (or inadequate implementation of) new green technologies or inadequate structuring of the production process.	Chapters: - Fincantieri for the climate - Sustainable management of natural resources
Governance and business integrity	Corruption and fraud	Risk that employees or third parties with whom the Company has dealings carry out unlawful/illegal activities (i.e. corruption, fraud, lack of transparency, leaking of confidential information, non-compliance with Company procedures and regulations) exposing the Company to fines, administrative and criminal sanctions, litigation, loss of profits, loss of customers.	Chapter: Governance/Legality, integrity and prevention of corruption	Human rights	Labour law and human rights	Risk that the Company does not transpose or verify the correct application of regulations relating to labour law and does not protect human rights with regard to both its own employees and the employees of subcontractors, exposing the Company to fines, administrative and criminal sanctions, litigation, loss of profits, loss of customers and reputational damage.	Chapter: Governance/Human rights
Governance and business integrity	Crime, common and organized, and terrorism	Risk of common or organized crime occurring on or outside of the Company's premises to the detriment of people and Company assets, productivity and business continuity. This includes risks related to industrial security and the protection and safeguarding of state secrets and classified information and information for exclusive disclosure, as well as risks related to the physical security of assets (tangible and intangible) and human resources.	Chapters: - Governance/Legality, integrity and prevention of corruption/ Cyber security - People/Health and safety in the workplace	Health and safety in the workplace	Health and safety (TOP RISK)	Risk that the Company does not invest adequately in the protection of health and safety in the workplace, with consequent harm to its own employees and third parties involved in Company activities. This risk may arise due to a lack of timely or adequate implementation of existing and emerging regulations within internal processes, a flawed system of management and control of health and safety risks related to business activities and related mitigation actions, incorrect or inadequate performance of ordinary and/or extraordinary maintenance, and/or the absence of adequate systems for identifying contamination (for example leaks of fumes and/or spills of paint), and/or catastrophic risks (for example climatic events and/or natural disasters and epidemics), or poor training, information and awareness raising given to individuals.	Chapter: People/Health and safety in the workplace
Climate change	Prices of raw materials and commodities (TOP RISK)	Risk that changes in the price of raw materials and commodities (steel, copper, fuel) will affect the Company's production costs. This risk may arise for example as a result of catastrophic events affecting the supply chain or as a result of changes in customs policies or international agreements regarding import/export.	Chapters: - Fincantieri for the climate - Sustainable management of natural resources				

MATERIAL TOPIC	RISK EVENT	DESCRIPTION OF RISK	MANAGEMENT METHOD	MATERIAL TOPIC	RISK EVENT	DESCRIPTION OF RISK	MANAGEMENT METHOD
Company welfare/ Development and safeguarding of human resources	Staff attraction and retention (TOP RISK)	Risk that the Company is unable to attract and retain highly qualified and competent management personnel with a high level of diversity in terms of age, nationality and gender, or to integrate figures capable of managing the Group's growth and ensuring business transformation into the organizational structure. Disruption of professional relations between the Company and key figures could compromise the achievement of the Company's strategic and operational objectives. This includes the risk that the Company may not be able to offer appropriate remuneration compared to the market or adequate benefits or welfare tools in accordance with the expectations of employees to ensure their loyalty (for example improving the balance between work and personal needs).	Chapter: People/Development and safeguarding of human resources	Sustainable supply chain	Sustainable supply chain (TOP RISK)	Risk of not conducting adequate due diligence on potential suppliers, not monitoring their performance over time and/ or not developing solid and long-lasting relationships for medium/long-term business development in line with current and emerging regulations and the Company's sustainability principles with consequent economic, legal and reputational impacts. This risk includes aspects of economic and financial soundness, compliance with business integrity (ethics and legality), compliance with environmental, social and human rights regulations, compliance with regulatory requirements relating to the awarding of contracts for the supply of ICT goods, systems and services falling within the scope of national cyber security, production capacity and quality. This risk also includes the inability to meet the Company's ESG requirements (e.g. efficiency, technological innovation, ability to provide the required information).	Chapter: Sustainable supply chain
Development and safeguarding of human resources/Diversity and equal opportunity	Staff management/ training and equal opportunities protection	Risk that the Company is unable to adapt/develop internal the specialist skills needed to ensure business transformation or does not implement personnel development policies aimed at enhancing human capital, protecting diversity and promoting equal opportunities. This risk may arise from the failure to invest or discontinuity of investment in staff training or from inadequate training, hiring of staff who are unsuitable for the tasks they need to perform or an incorrect coverage of Company roles.	Chapter: People/Diversity and equal opportunity	Governance and business integrity	Reporting	Risk that the financial and non-financial reporting (external reporting) prepared for the Company's stakeholders is not prepared with a view to transparency, contains significant errors or is incomplete, so that it is misleading and consequently prejudicial for the interests of third parties, exposing the Company to fines, administrative and criminal sanctions, and reputational damage. This also includes the risk of inadequate or untimely internal reporting, which could compromise management's ability to make adequate, timely and sustainable long-term decisions.	Chapter: Methodological note
Development and safeguarding of human resources	Performance management	Risk that the Company does not evaluate and monitor employee performance against assigned targets to the detriment of employee development and the Company's sustainable growth. This risk may derive from individual performance targets that are not aligned with the strategic objectives or specific enough to guide behaviour in support of the Company strategy, and/ or from the absence of adequate indicators to measure staff performance not only in economic terms but also in terms of sustainable development.	Chapter: People/Development and safeguarding of human resources	Governance and business integrity	Reputational risk & brand position (TOP RISK)	Risk that damage to the image (brand) may expose the company to the loss of customers, profits and competitive advantage. This risk may, for example, arise due to unethical activity/conduct that does not meet the standard for regulatory compliance or respect the need for protection of the environment, biodiversity, the protection and enhancement of people, the region and the community by both internal members of the organisation and external parties with whom the company has business relationships, or from a lack of customer satisfaction.	Chapter: Governance/Legality, integrity and prevention of corruption
Development and safeguarding of human resources	Labour relations	Risk that the Company does not manage its relations with its staff and trade union representatives adequately and transparently, resulting in hostility and/or fractured relations. The occurrence of such a risk may lead to strikes and production slowdowns/interruptions.	Chapter: People/Wellbeing for people	Governance and business integrity	Credit scoring & counterparty failure (TOP RISK)	Risk that the Company establishes commercial relations with a counterparty without having carefully assessed the latter's financial solvency and the adoption of adequate Environmental, Social, Governance (ESG) criteria and/or risk that one or more counterparties with which the Company has ongoing contracts are unable to meet their commitments (one or more customers do not fulfil their contractual obligations and/or one or more suppliers do not perform the required services) due to financial causes, with impacts on cash flows, operations and related costs, and legal disputes.	Chapters - Governance/Legality, integrity and prevention of corruption - Sustainable supply chain
Cyber security	Cyber security (TOP RISK)	Risk that the Company suffers a cyber attack aimed at identity, data and information theft (e.g. confidential/ insider information, sensitive data, bank credentials, etc.), temporary suspension of Company services or sabotage of computer systems, exploitation of the computing power of Company computers for criminal purposes, resulting in reputational damage, loss of turnover, loss of customers and suppliers, penalties and claims, and business interruption.	Chapter: Governance/Cyber security				

For further information on the internal control and risk management system, see the chapter 'Governance - Internal control and risk management system'

The strategy for the future

Underlying the Group's ESG identity is a solid and strong desire to be a leading player in all aspects of sustainability. The **new objectives of the 2023-2027 Business Plan and Sustainability Plan** reflect the strategy of the Group, which is increasingly involved in the energy and digital transition as well as in addressing new socio-economic changes. With this new strategy, we want to further emphasise that we are an innovative and responsible Group, and our strong competencies can generate and distribute growing resources for the benefit of all stakeholders. To demonstrate its response to the challenges of strengthening the Group's and the Italian shipbuilding industry's international competitive position, becoming a world leader in the construction and full life cycle management of digital and green ships for the tourism, defence and energy sectors, Fincantieri has identified **5 pillars** and 10 strategic projects in its 2023-2027 Business Plan, approved by the Board of Directors of Fincantieri S.p.A. in December 2022.

2023-2027 Business Plan

STRATEGIC PILLARS & ACTIONS

	<p>FOCUS ON CORE BUSINESS</p>	<ul style="list-style-type: none"> • Operations excellence, with the aim of increasing the efficiency of manufacturing and engineering processes, digitalizing and automating support processes and low added value activities; • Improving competitive positioning in the specialized vessels business to seize opportunities in the fastmoving offshore wind industry; • De-risking and partnering of the Infrastructure business area; • Strengthening the accommodation business area, reinforcing performance in support of the captive business and enhancing the non-captive one; • Contracts management and support for the growth of satellite businesses.
	<p>LIFE CYCLE MANAGEMENT</p>	<ul style="list-style-type: none"> • Development of digital applications and data platforms to enable the transition from Capex provision to leadership also in service provision
	<p>SYSTEM INTEGRATION</p>	<ul style="list-style-type: none"> • Reinforcing the Group's role as Design Authority to maximize the capabilities to act as integrator of complex systems in the defence business.
	<p>FINANCIAL DISCIPLINE</p>	<ul style="list-style-type: none"> • Adoption of an inter-functional and inter-divisional approach, extending and systematizing the Group best practices and providing greater flexibility in procurement practices; • Cost optimization, identifying assigning specific and cross-Group responsibilities to control and standardize expenditure practices.



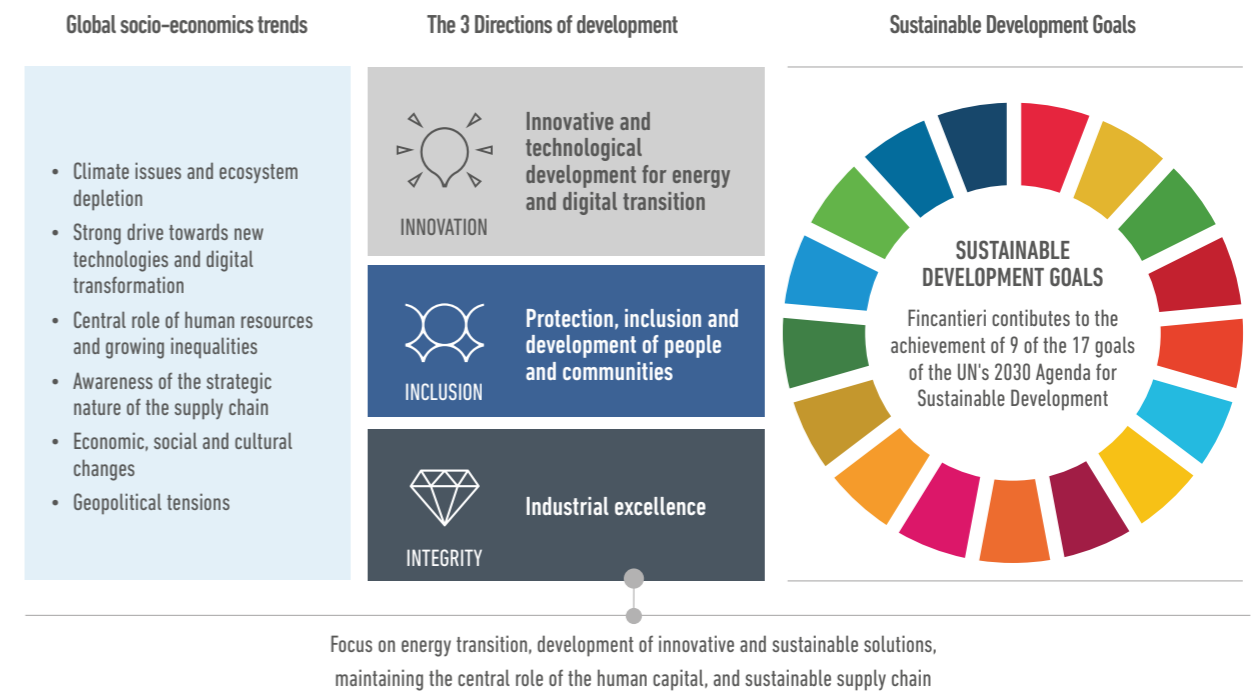
INDUSTRIAL SUSTAINABILITY

- Achieving zero net emissions by 2050, with the delivery of the first Net Zero ship and investing in research and innovation;
- Development and protection of human resources, promotion of equity and inclusion and respect for human rights, improvement of health conditions and dialogue and support for local communities;
- Improving health and safety conditions throughout the whole supply chain.

The Business Plan is available on the website www.fincantieri.com/globalassets/investor-relations/presentations/results/2022/fincantieri-2023-2027-business-plan.pdf

2023-2027 Sustainability Plan

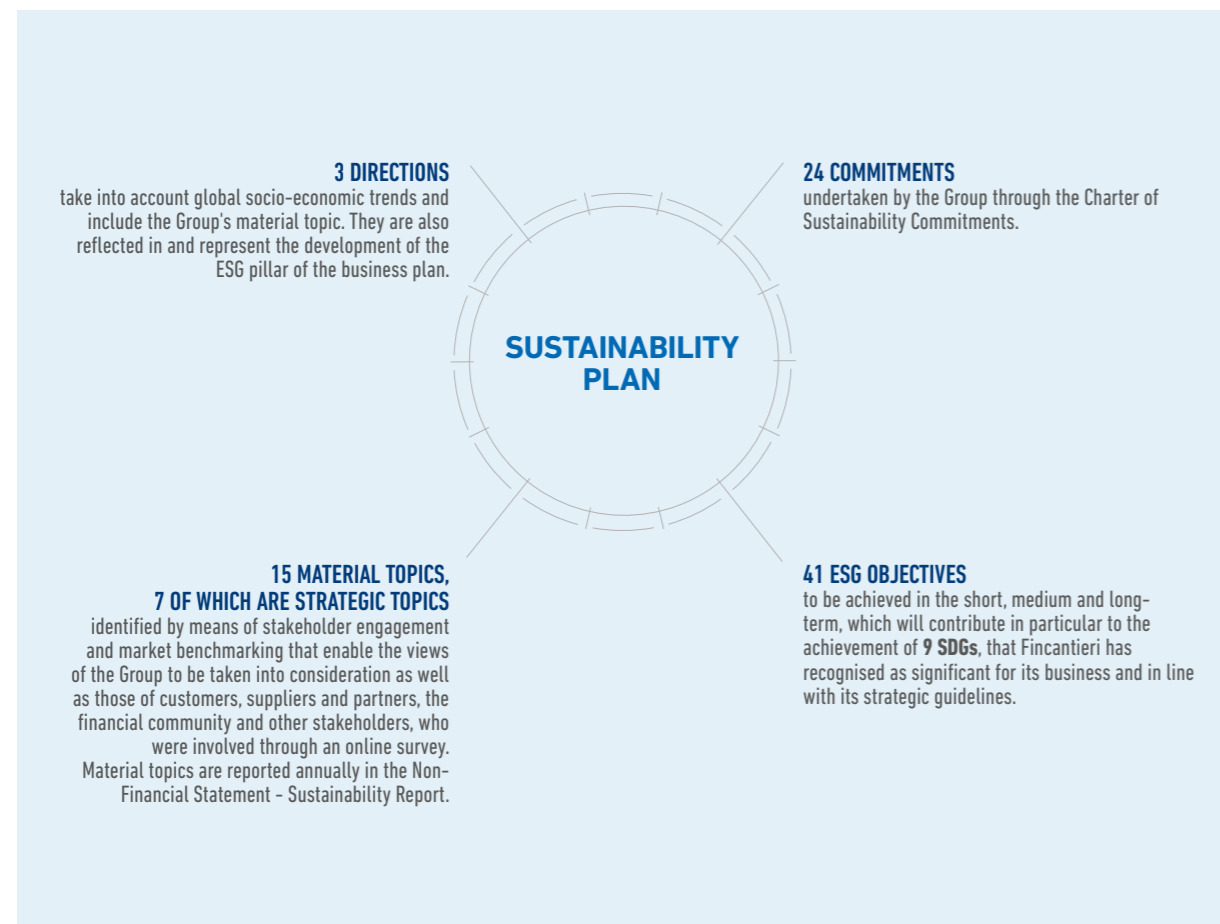
The 2023-2027 Sustainability Plan is an integral part of the strategic vision and is aimed at creating value for all stakeholders. At this time of transformation, sustainability represents a pivotal point in the evolution of production processes and an essential objective in the development of the product portfolio in line with customer needs, helping to ensure a high level of resilience and sustainable development for the Group. In order to respond to socio-economic trends, the new 2023-2027 Sustainability Plan has identified **3 Directions of development** that represent the Group's strategic vision in terms of sustainability, ensure that Fincantieri's commitments are met and contribute to the achievement of the 17 United Nations Sustainable Development Goals (SDGs). In particular, 9 SDGs were recognised by Fincantieri as significant for its business and in line with its own strategic guidelines.



The **3 Directions for development**, defined in synergy with the Business Plan, cover the **15 material topics** identified by the Group from the materiality analysis, **7** of which are **strategic topics** for business development which the Group has decided to focus on:

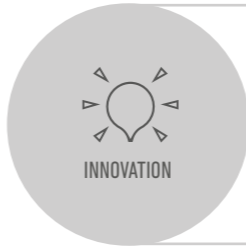


- Climate change;
- Environmental impact of products and services;
- Innovation, research and development;
- Development and safeguarding of human resources;
- Diversity and equal opportunity;
- Health and safety in the workplace;
- Sustainable supply chain.

The Sustainability Plan consists of:



The Sustainability Plan includes **41 objectives** to be achieved in the short, medium and long-term. These objectives make the Group's path towards sustainable development transparent and verifiable. Periodically, these objectives will be updated, and new targets will be defined, according to a process of continuous alignment with strategic lines and results achieved, in order to further integrate sustainability along the entire value chain, taking into account potential impacts on the economy, environment and people.

STRATEGIC GUIDELINES AND SUSTAINABILITY

<p>3 Directions</p>	<p>15 material topics, 7 of which are strategic</p>
<div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;">  <p>Innovative and technological development for energy and digital transition</p> <p>Strengthening activities focused on innovation and digitalization, to offer increasingly advanced, sustainable and safe solutions in line with market needs and decarbonisation and circular economy strategies.</p> </div> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;">  <p>Protection, inclusion and development of people and communities</p> <p>Safeguarding the wealth of skills acquired by the Group, promoting its growth and enhancement in an inclusive and international environment and ensuring the protection of the human capital, to encourage the development of local communities with a view to shared value.</p> </div> <div style="border: 1px solid #ccc; padding: 10px;">  <p>Industrial excellence</p> <p>Increasing competitiveness through continuous improvement of efficiency and safety, maintaining standards of excellence and promoting professional culture and ethics to strengthen world leadership in shipbuilding.</p> </div>	<div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <p>1. Climate change</p> <p>2. Environmental impact of products and services</p> <p>3. Innovation, research and development</p> <p>4. Environmental management</p> <p>5. Customer satisfaction</p> <p>6. Cyber security</p> </div> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <p>7. Development and safeguarding of human resources</p> <p>8. Human rights</p> <p>9. Diversity and equal opportunity</p> <p>10. Company welfare</p> <p>11. Local communities and relations with the local area</p> </div> <div style="border: 1px solid #ccc; padding: 10px;"> <p>12. Health and safety in the workplace</p> <p>13. Product quality and safety</p> <p>14. Sustainable supply chain</p> <p>15. Governance and business integrity</p> </div>



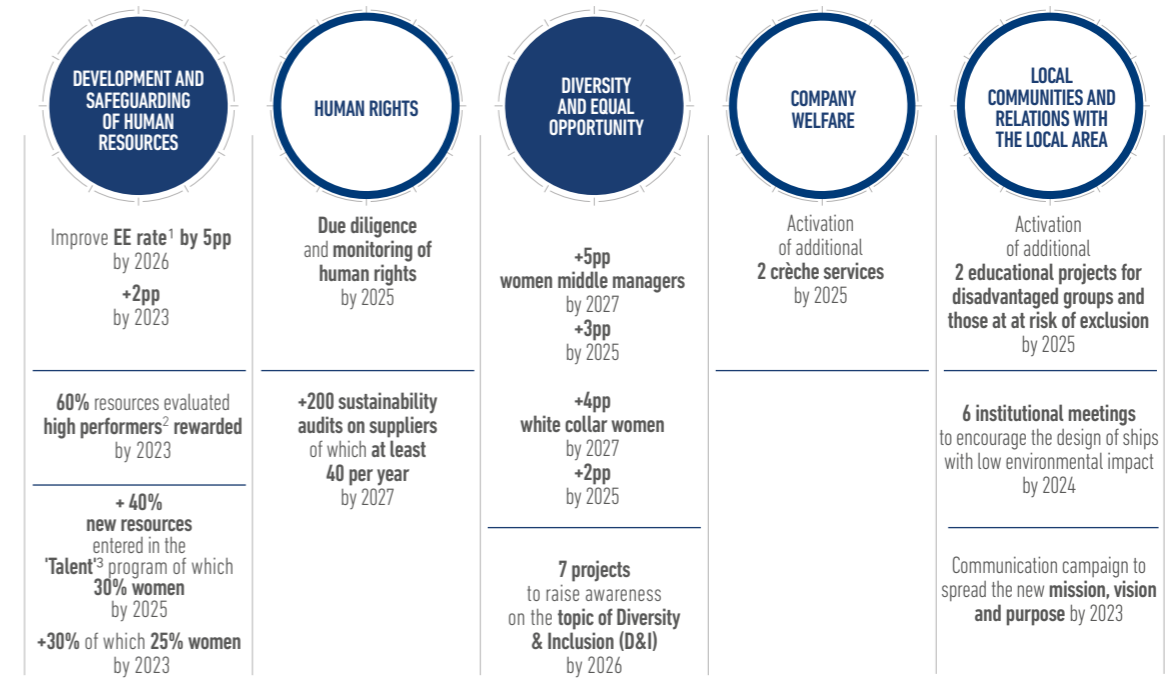
MAIN OBJECTIVES OF THE 2023-2027 SUSTAINABILITY PLAN

INNOVATIVE AND TECHNOLOGICAL DEVELOPMENT FOR ENERGY AND DIGITAL TRANSITION



¹ Volatile Organic Compounds.
² For equal tonnage and miles travelled at the baseline speed for the Energy Efficiency Design Index (EEDI).
³ Customer Satisfaction Index.
⁴ Security Operation Center.

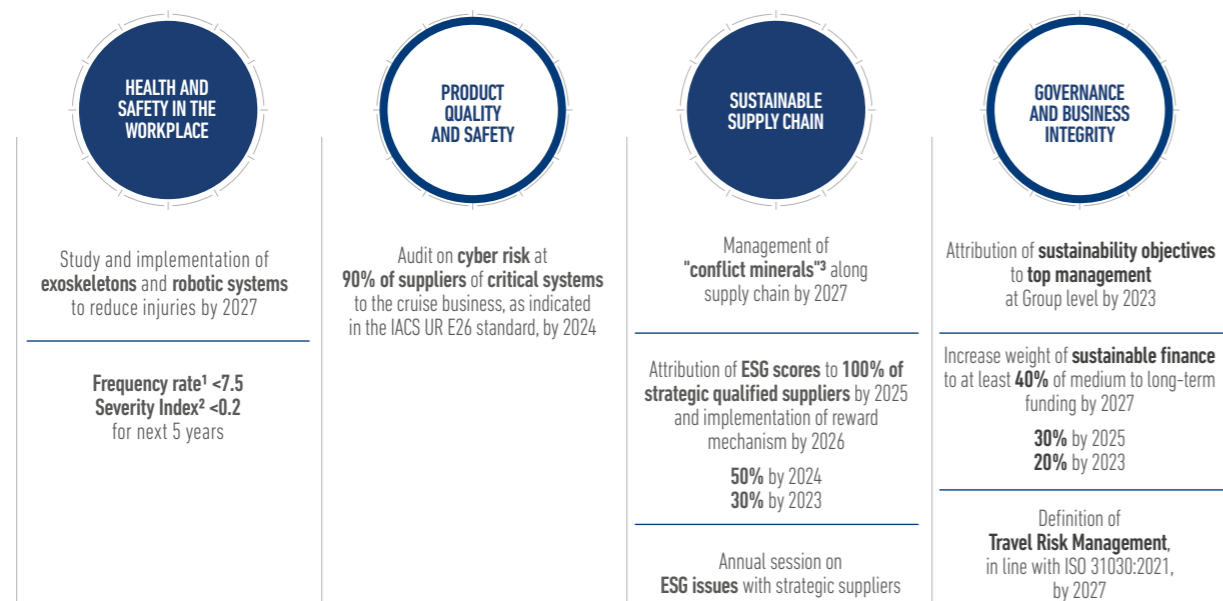
PROTECTION, INCLUSION AND DEVELOPMENT OF PEOPLE AND COMMUNITIES



¹ Employee engagement rate to measure the degree of belonging, satisfaction and motivation.
² High performers refers to employees rated «Above Expectations» or «Excellent».
³ Aimed at young high-potential resources embarking on a career development path.

The 2023-2027 Sustainability Plan was approved by the Board of Directors of Fincantieri S.p.A. on February 16th, 2023. Responsibility for achieving the objectives in the Sustainability Plan lies with the different corporate departments involved, which dedicate resources, tools and know-how to implement the actions underlying those objectives. The Plan's objectives are revised on a yearly basis taking in account the results achieved and adding the new needs that arise over time.

INDUSTRIAL EXCELLENCE



¹ Frequency rate calculated as (no. work-related injuries/hours worked) *1,000,000.
² Severity index calculated as (no. of days lost due to injury/hours worked) *1,000.
³ Refer to raw materials or minerals - tin, tantalum, tungsten and gold (the '3TGs') - from high-risk areas or areas affected by armed conflict, the trade of which can finance armed groups, fuel forced labour and other human rights violations and support corruption and money laundering.

GOVERNANCE AND RESPONSIBLE AND ETHICAL MANAGEMENT OF OUR BUSINESS

Governance

Economy and market

Innovation and sustainability

Sustainable supply chain

GOVERNANCE

Our organization upholds the values of responsible and ethical business conduct through the implementation of a corporate governance and control system aligned with industry-leading best practices.

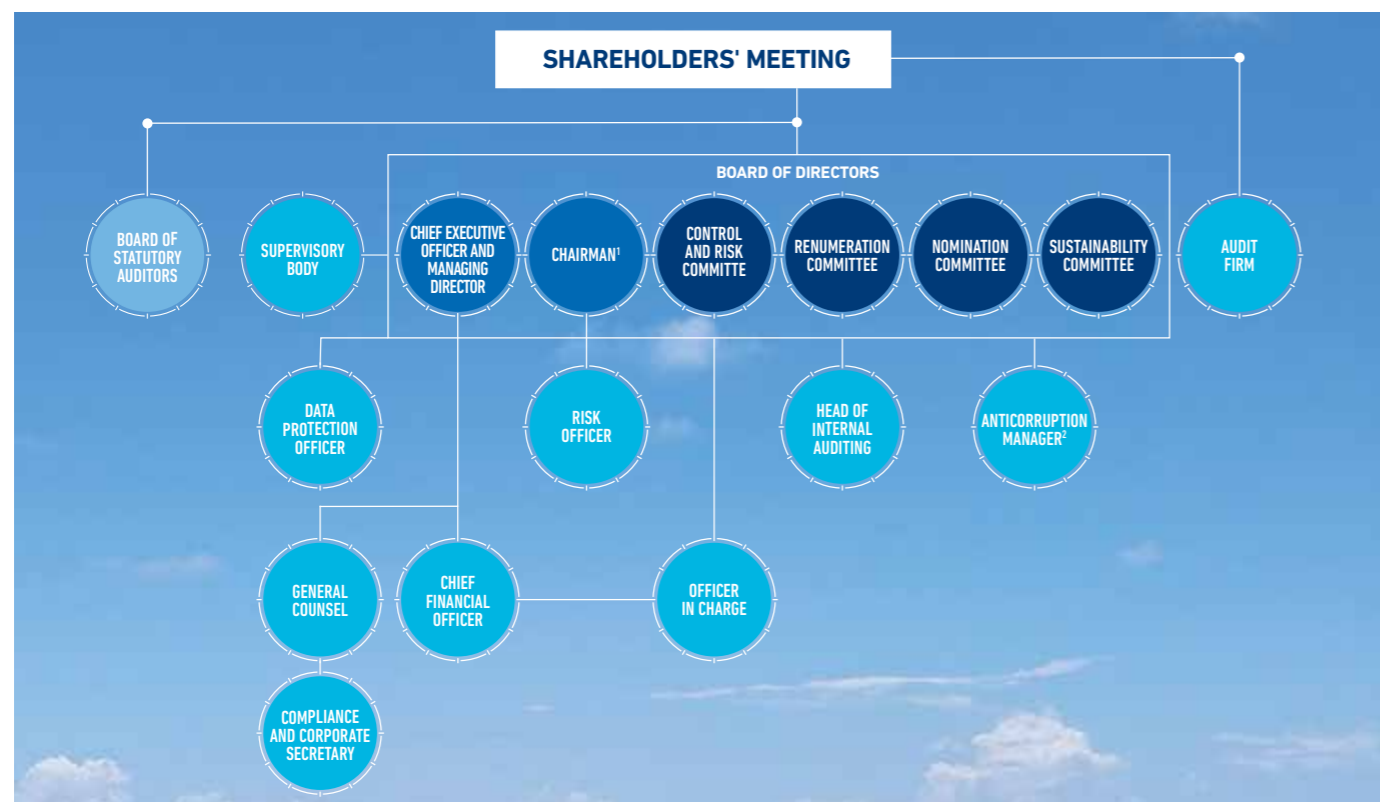


We are aware of the role played by and importance of an appropriate corporate governance model in the effective and responsible performance of the Group's business, contributing significantly to the creation of sustainable value for all stakeholders in the medium to long-term.

Fincantieri performs its business with respect for the law, internal regulations and professional ethics. To this end, we have developed a set of policies and guidelines that support the Company on a day-to-day basis.

Corporate Governance and Remuneration Policy

Fincantieri's Corporate Governance model is in line with the recommendations of the Corporate Governance Code currently in force and is structured as follows.



Shareholders' Meeting

The Shareholders' Meeting is the corporate body through which the shareholders participate in the decisions of the Company on matters reserved to their competence by law and the By-laws.

Board of Directors and Board Committees

Role, appointment process and composition

The Board of Directors (BoD) provides direction to the Company, aiming for its sustainable growth; it formulates its strategies and identifies the most suitable corporate governance structure for conducting the company's operations and achieving its goals. In particular, the BoD is the **key body of the Company's Corporate Governance system**, having the broadest powers for the ordinary and extraordinary administration thereof, including the definition of the Company's and the Group's strategic, organizational and control policies.

The BoD plays a **guiding role**, with recommendations from the Chief Executive Officer and with the support of the pertinent Board Committees, in the definition of policies and strategies that contribute to the attainment of sustainable success, in the identification of medium- and long-term objectives including those related to the variable component of management and executive directors' compensation, and in the verification of the relative results, which are also reported to the Shareholders' Meeting.

The Board also assumes a role in overseeing and assessing the adequacy of the Company's internal control and risk management system. In the performance of this task, the Board receives regular updates, as well as reports on any identified risks and issues from the Chief Executive Officer and the Company's management, particularly upon approval of the periodic financial information.

The management body also promotes dialogue with shareholders and other relevant stakeholders of the Company. For this purpose, we have adopted a **Policy for Managing Dialogue with Shareholders and Other Relevant Stakeholders**. This document, approved by the Board of Directors on 16 December 2021, regulates the management methods and contents of the dialogue outside the Shareholders' Meeting between the Company and its shareholders on issues within the purview of the Board.

The Policy for managing dialogue with shareholders and other relevant stakeholders is available on the website www.fincantieri.com/globalassets/investor-relations/politica-per-la-gestione-del-dialogo/engagement-policy.pdf

The Board of Directors is appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders and the Board of Directors. The appointment is made in compliance with the provisions of applicable regulations, including self-regulation and the By-laws, regarding, among other things, equal access to corporate bodies for the underrepresented gender, as well as the professionalism and integrity requirements and the causes of ineligibility and incompatibility of Directors. With regard to diversity within the Board of Directors, in the first months of the 2022 financial year, the Board in office at the time confirmed, after consultation with the Nomination Committee, that there was no need to adopt a specific policy on diversity in relation to the composition of the management and control bodies. This assessment was reconfirmed in the first months of the 2023 financial year by the Board currently in office, after consultation with the Nomination Committee.

The Board currently in office was appointed by the Shareholders' Meeting held on 16 May 2022 for the financial years 2022, 2023 and 2024, and is composed of **10 members**, of whom 6 meet the independence requirements in accordance with Article 148, paragraph 3 of the Italian Consolidated Law on Finance (TUF), as well as the recommendations of the Corporate Governance Code.

¹ On 16 May 2022, the Board of Directors delegated powers to the Chairman concerning the internal control and risk management system.
² Head of the Compliance Department for the prevention of corruption in accordance with UNI ISO 37001:2016

The Board consists of 8 Non-Executive Directors and 2 Executive Directors, namely the Chairman and the Chief Executive Officer. The Chairman is not also a senior manager within the Company organization.

The BoD has also structured its organization through the establishment of the following four **Board Committees**, with investigative, advisory and consultative functions:

- the **Control and Risk Committee**, which performs investigative, advisory and consultative activities whenever the Board needs to make assessments or take decisions concerning the Company's internal control and risk management system. In particular, this Committee supports the Board in defining the guidelines for the internal control and risk management system; examines the Company and Group's Business Plan; assesses the correct use of accounting standards and their consistency for the preparation of periodic financial reports; examines the content of the Sustainability Report, relevant to the internal control and risk management system. This Committee is also responsible for related party transactions, with the exception of resolutions with regard to remuneration;
- the **Remuneration Committee**, which assists the Board in drawing up the Remuneration Policy, monitoring its correct application and submits proposals or expresses opinions to the Board on the remuneration of Executive Directors and other Directors holding specific positions. This Committee is responsible for related party transactions, in the case of resolutions with regard to remuneration involving Executive Directors and Executives with strategic responsibilities in the specific cases provided for by the Regulation governing related party transactions adopted by the Company;
- the **Nomination Committee**, which assists the Board of Directors in the self-assessment activities of the Board and its Committees; in identifying candidates for the office of Director in cases of co-optation; in preparing guidelines regarding the maximum number of appointments; in preparing, updating and implementing any succession plan for the Chief Executive Officer and other Executive Directors; in the advisory activities concerning the annual verification of Directors' requirements;
- the **Sustainability Committee**, which examines the adequacy of the Company's sustainability policies in light of the Company's strategic guidelines; supports the Board in examining policies that have an impact on the environment, society or relations with all stakeholders; identifies and indicates to the Board, also in cooperation with the Control and Risk Committee, the specific financial and non-financial risks that may arise for the Company's business activities related to sustainability issues; reviews the Sustainability Report in advance; examines the strategic lines of the Business Plan.



In accordance with the provisions of the Corporate Governance Code, the composition, duties and operating procedures of the Committees, as well as the powers and means attributed to them, are governed by specific regulations approved by the Board of Directors, most recently on 1 June 2022, concurrently with the appointment of the new members of the Board Committees following the renewal of the Board of Directors on 16 May 2022. Committees are composed of **four** Directors. In accordance with the recommendations for large companies in the Corporate Governance Code, the Board appoints the members of the Committees while avoiding an excessive concentration of offices.

All members of the Committees are non-executive Directors, the majority of whom are independent and possess functional expertise necessary for the performance of their assigned tasks.

All Committee Chairmen, appointed by the Board of Directors, are Independent Directors.

During the 2022 financial year, as part of the **induction activities** for newly appointed directors, the Control and Risk Committee received a briefing on the Group's Risk Universe, defined with a view to fully integrating sustainability, business and compliance aspects. Also, as part of induction activities, the Sustainability Committee has initiated a series of meetings with the corporate departments most involved in sustainability issues, aimed at achieving a better and deeper understanding of the operating methods with which sustainability issues are addressed and managed within the Group.

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT THE DATE OF THE REPORT*

DIRECTOR	OFFICE	EXPIRY OF TERM	LIST	ROLE	INDEP. BY LAW	INDEP. BY CODE	NO. OF OTHER APPOINTMENTS ***	CRC	RC	NC	SC
 Claudio Graziano	Chairman	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Executive	-	-	-	-	-	-	-
 Pierroberto Folgiero	CEO	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Executive	-	-	-	-	-	-	-
 Paolo Amato	Director	Sh. meeting to app. Fln. Stat. 2024	INARCASSA	Non-Executive	✓	✓	1	X	-	-	C
 Alessandra Battaglia	Director	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Non-Executive	-	-	-	-	-	X	X
 Alberto Dell'Acqua	Director	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Non-Executive	✓	✓	-	C	X	-	-
 Massimo Di Carlo	Director	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Non-Executive	-	-	-	X	X	-	-
 Paola Muratorio	Director	Sh. meeting to app. Fln. Stat. 2024	INARCASSA	Non-Executive	✓	✓	-	-	C	-	X
 Cristina Scocchia	Director	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Non-Executive	✓	✓	1	X	-	C	-
 Valter Trevisani	Director	Sh. meeting to app. Fln. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A)**	Non-Executive	✓	✓	-	X ¹	X	X	-
 Alice Vatta	Director	Sh. meeting to app. Fln. Stat. 2024	INARCASSA	Non-Executive	✓	✓	1	-	-	X	X

* The Board of Directors in office until 31 December 2022 was appointed by the Shareholders' Meeting on 16 May 2022.

** Effective as of 31 December 2022, CDP Industria S.p.A., a wholly-owned subsidiary of CDP S.p.A., was merged into CDP Equity S.p.A., a company also wholly owned by CDP S.p.A.

*** This column shows the number of directorships or auditor appointments held by the person involved in other listed companies or companies of significant size (i.e. other companies with shares not listed on regulated markets that have assets in excess of €1,000 million and/or revenues in excess of €1,700 million on the basis of their latest approved financial statements), as at 31 December 2022.

CRC: Control and Risk Committee.
RC: Remuneration Committee.
NC: Nomination Committee.
SC: Sustainability Committee.

¹ Member of the Control and Risk Committee who stands in for the non-executive director and non-independent member Di Carlo when the committee, meeting as the RPT Committee, examines material related party transactions.

C: Chairman of the Committee.
✓: Satisfies the requirements.
-: Not applicable.
X: Member of the Committee.

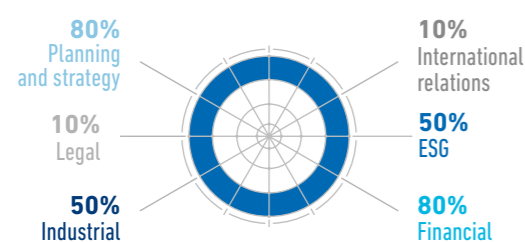
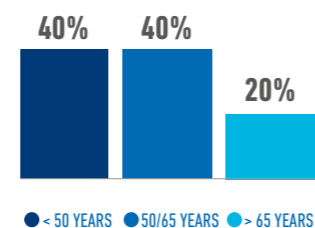
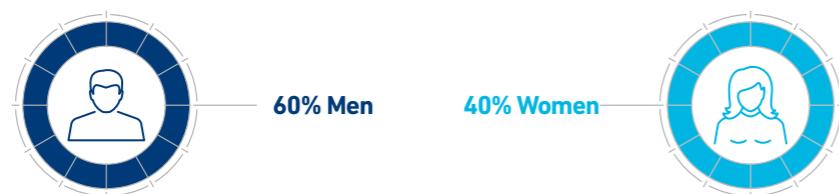
Upon request of the Independent Directors, on January 27th, 2023 the Board of Directors of Fincantieri appointed Independent Director Valter Trevisani as **Lead Independent Director** of the Company, pursuant to article 3, recommendation 13, letter c) of the Corporate Governance Code.

The Lead Independent Director will remain in office until the end of the Board of Directors currently in office and, therefore, until the Shareholders' Meeting for the approval of the financial statements as at December 31st, 2024.

OTHER INFORMATION ON THE BOARD OF DIRECTORS*

Number of directors	10
Number of executives	2
Number of non-executives	8
Number of non-executives that do not qualify as independent under the Code	2
Number independent under the Code	6
% less represented gender	40%
Average age of Directors	55.8
No. of BoD meetings	12
% attendance at BoD meetings	96%
Average duration of BoD meetings	140 min.
Position on multiple offices	Adopted

* The statistical data of this table for Fincantieri refer to the composition and functioning of the Board of Directors during the 2022 financial year.

CHARACTERISTICS OF THE MEMBERS OF THE BOARD OF DIRECTORS**AREA OF EXPERTISE¹****AGE****GENDER**

¹ For further information on the expertise of each Board Member, see the curricula vitae in Annex 1 of the 'Report on Corporate Governance and ownership structure'.

Management of conflicts of interest

In order to define the correct procedures for the prevention and management of situations in which a Director, an employee or a third-party supplier of goods or services to the Company may have an interest, on his or her own behalf or on behalf of third parties, which may potentially conflict with Fincantieri's interests, we have adopted a specific internal procedure, under which all the aforementioned parties sign a **declaration of absence of conflicts of interest**, undertaking to promptly communicate any changes.

If an employee or supplier declares the presence of a potential conflict of interest, the assessment as to whether it actually exists and, if confirmed, the identification of the most appropriate measures to protect the Company's interest, in accordance with the corporate procedure, is entrusted to the Human Resources and Industrial Relations Department.

With reference to the members of the Board of Directors, the company procedure takes into account the existing safeguard by virtue of the provisions contained in Article 2391 of the Italian Civil Code, which provides that each Director 'must inform the other Directors and the Board of Statutory Auditors of any interest they may have, on their own behalf or on behalf of third parties, in a specific company transaction, specifying the nature, terms, origin and scope'. In addition, in compliance with the Regulation issued by Consob with resolution no. 17221 of 12 March 2010, when a related party transaction is approved by the Board of Directors, the Directors involved in the transaction (i.e., the Directors who have an interest in the transaction, on their own behalf or on behalf of third parties, in conflict with that of the Company) abstain from voting on the transaction in question.

It should be noted that transactions entered into with Fincantieri's direct controlling shareholder, CDP Equity S.p.A., and indirect controlling shareholder, Cassa Depositi e Prestiti S.p.A., are handled in compliance with the regulations on related party transactions, including the disclosure obligations that the Company fulfils.



For more information on related party transactions, see Note 33 to the Consolidated Financial Statements available at www.fincantieri.com/en/investors-relations/financial-statements/ and section 4.1 of the Report on Corporate Governance and ownership structure available at www.fincantieri.com/en/governance/corporate-governance-system/corporate-governance-reports/

Board of Statutory Auditors

The Board of Statutory Auditors consists of three Standing Auditors and three Alternate Auditors appointed by the Shareholders' Meeting using a dedicated procedure. The acting Statutory Auditors satisfy the integrity and professionalism requirements along with the independence requirements. The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting held on 9 June 2020 for the financial years 2020, 2021 and 2022.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS AT THE DATE OF THE REPORT

MEMBERS	ROLE	EXPIRY OF TERM
Gianluca Ferrero	Chairman	Sh. meeting to app. fin. stat 2022
Pasquale De Falco	Standing auditor	Sh. meeting to app. fin. stat 2022
Rossella Tosini	Standing auditor	Sh. meeting to app. fin. stat 2022
Aldo Anellucci	Alternate member	Sh. meeting to app. fin. stat 2022
Alberto De Nigro	Alternate member	Sh. meeting to app. fin. stat 2022
Valeria Maria Scuteri	Alternate member	Sh. meeting to app. fin. stat 2022

The Auditors act completely autonomously and independently from all shareholders. Therefore, an Auditor who - independently or on behalf of third parties - has an interest in a particular transaction/operation of the Company must promptly and comprehensively inform the other Auditors and the Chairman of the Board of Directors about the nature, terms, origins and extent of this interest. The Auditors are also obligated to respect the limits on multiple offices held as director and auditor in Italian joint stock companies, as provided for by the applicable regulations and the By-laws.

OTHER INFORMATION ON THE BOARD OF STATUTORY AUDITORS*

Numbers of Auditors	3
Average age of Auditors	60
No. of meetings	12
Average duration of meetings	95 min.
% attendance by Auditors	100

* The statistical data of this table for Fincantieri refer to the composition and operation of the Board of Statutory Auditors during the 2022 financial year.

 For more information on Corporate Governance, see the Report on Corporate Governance and ownership structure available on the website www.fincantieri.com/en/governance/corporate-governance-system/corporate-governance-reports/

Remuneration Policy

The main objective of Fincantieri's Remuneration Policy is to achieve the strategic objectives of sustainable value creation in the medium to long term. The Remuneration Policy is closely related to the new 2023-2027 Business Plan and the Company's growing commitment to make a positive contribution in the Environmental, Social and Governance (ESG) area.

It is approved annually by the Board of Directors, on the proposal of the Remuneration Committee.

The Board of Directors is also the corporate body responsible for the proper implementation of the Policy, which is supported by the Remuneration Committee, which has propositional and advisory functions.

The adequacy, overall consistency, and concrete application of the Remuneration Policy are evaluated by the Remuneration Committee, as indicated by the Corporate Governance Code and provided for by the Rules of the Committee.

The **Remuneration Committee** consists of four Non-Executive Directors, three of whom are independent and at least one of whom has appropriate knowledge and experience in financial or remuneration policy matters, evaluated by the Board of Directors when nominated.

The preparation of the Remuneration Policy consists of the following steps:

1. the Human Resources and Industrial Relations department submits a draft of the Remuneration Policy for consideration by the Remuneration Committee;
2. the Remuneration Committee, with the support of the management and the relevant corporate departments and, if necessary, independent external consultants, examines the draft of the Policy, requesting, if necessary, in-depth analysis, amendments or additions;
3. once the preparation is complete, the text is submitted to the Board of Directors, which examines and approves the Company's Remuneration Policy;
4. the Board of Directors then proceeds with publication of the approved policy and submits it to the Shareholders' Meeting for a vote.

The opinions expressed by stakeholders are always taken into account in the definition of the policy, in particular the assessment emerging as a result of the Shareholders' Meeting vote on the Remuneration Policy.

If necessary, the Committee may make use of independent external consultants, provided that they are adequately bound to confidentiality and subject to verification of the absence of conflicts of interest that might compromise their independence of judgement.

The parties covered by the Remuneration Policy are the Chairman, the Chief Executive Officer and Managing Director, Executives with Strategic Responsibilities and other Key Executives (Top Management).

Management of the Remuneration Policy for Executives with Strategic Responsibilities and other Key Executives is delegated to the Chief Executive Officer, supported by the Human Resources and Industrial Relations department. The verification of the qualitative and quantitative performance targets and the consequent

determination of any economic benefits due to those concerned is carried out after the approval of the financial statements for the year, subject to verification by the Chief Executive Officer.

The 2023 Remuneration Policy is substantially consistent with that of 2022, also considering the broad approval recorded by the Shareholders' Meeting, amounting to 99.396%.

The remuneration of the Company's Top Management is characterised by a balanced distribution between fixed and variable components. The variable component accounts for a significant percentage of the total remuneration.

The use of a **short-term variable incentive plan** (MBO) is designed to translate Business Plan strategies into annual targets that guide the performance of the executives involved. Top Management is given both economic-financial targets and corporate and individual targets, which take into account the role held: EBITDA, Free Cash Flow, Sustainability and additional role and segment targets for the remaining percentage.

Moreover, in coherence with the principles of transparency and ethics adopted by the Company, Fincantieri's MBO system is applied with the same mechanisms (for example, proportionality for fixed remuneration and the claw back clause) to all "high risk employees", i.e. senior and middle managers identified as agents of the Company, as well as the rest of the target company population.

The principles governing the short-term variable component, while taking into account the diversity of the reference markets, are consistent within the Group.


In defining the **long-term variable components**, in line with the 2019-2021 Long Term Incentive (LTI) Plan, the Shareholders' Meeting of April 8th, 2021 approved the 2022-2024 LTI Plan, which essentially follows the same structure and confirms the presence of an objective linked to a sustainability index.

The LTI plans, for which the allocation process has been concluded (2019-2021 LTI and 2022-2024 LTI), link part of the remuneration of Top Management to the achievement of economic-financial (EBITDA) and non-financial targets (linked to a sustainability index). Furthermore, these targets are linked to share performance (the TSR against both the FTSE Italia All Share Modified index and an International Peer Group).

The sustainability index, for the LTI Plan 2019-2021, is linked to obtaining specific ratings from international rating agencies. For every detailed aspect of the Plan, please refer to the Information Documents of the 2019-2021 LTI Plan; the ratings can be consulted on the Company's website in the "Sustainability ratings and awards" section. The operating mechanism of the sustainability index for the 2022-2024 LTI Plan, Cycle 1 (2022-2024), was updated in light of a benchmark analysis conducted with the support of a consultancy firm. The goal includes obtaining a certain rating from international rating agencies, in combination with achieving the sustainability targets outlined in the corporate Sustainability Plan during the reference period.

The sustainability index makes it possible to measure the achievement of the sustainability targets set by the Company, combined with and/or in addition to targets related to financial and stock performance, also in order to align with best practices and the growing expectations of the financial community on sustainable development.

The creation of sustainable value in the medium to long term, the alignment of the interests of management with those of the shareholders and the support of retention capacity are the primary objectives of this Plan, in line with the guidelines of the Corporate Governance Code and in accordance with the best and most widespread market practices.

 For further information on the LTI Plans see the Information Document on the Performance Share Plan 2022-2024 and the Information Document on the Performance Share Plan 2019-2021 available on the websites www.fincantieri.com/globalassets/governance/assemblee/assemblea-degli-azionisti-2021/documenti-relazioni/eng_information_document-litp_2022-2024.pdf and www.fincantieri.com/globalassets/governance/assemblee/assemblea-degli-azionisti-2018/documenti-e-relazioni/fct_eng_2018_documento-informativo_06.04.2018_senza-tabelle.pdf

As part of the incentive systems, both short and medium to long-term, Top Management is given sustainability targets, closely related to the commitments made in the Sustainability Plan, which identifies objectives that have an impact on, for example, innovation and which relate to environmental issues, inclusion, people, integrity, health and safety in the workplace and sustainable supply chain.

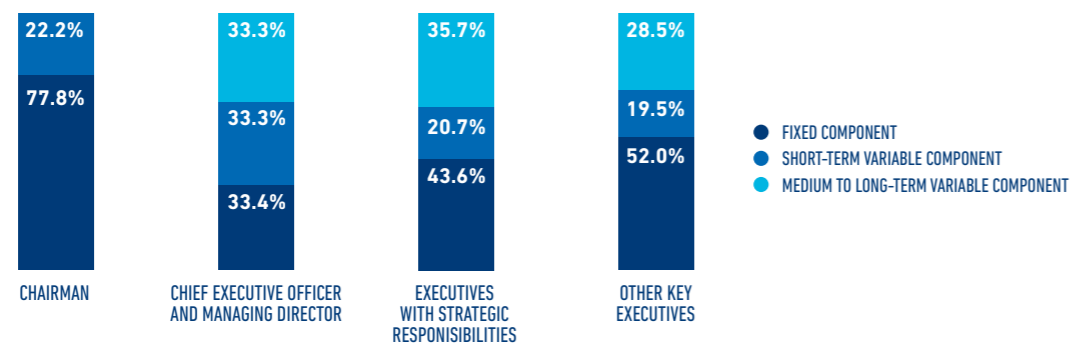
By aligning management interests with the pursuit of the primary objective of sustainable value creation in the medium to long-term, the Remuneration Policy contributes to generating positive impacts on all material topics identified by the Company.

Fincantieri's Remuneration Policy provides, on an exceptional and extraordinary basis, for the possibility of granting **specific benefits at the time of hiring**. These are only envisaged for selected high-profile managerial figures and may consist of: entry bonuses linked to economic losses resulting from the termination of the previous employment relationship that would hinder the entry/hiring of the new resource (such as, for example, recognition of short to medium-term incentives, etc.) and variable components guaranteed only for the first year of employment.

The Policy also defines **severance payments**. Individual agreements may be envisaged for the Chief Executive Officer, Managing Director and Executives with Strategic Responsibilities, which may not, however, exceed the maximum limits set by the current National Collective Bargaining Agreement (CCNL) for Executives of Companies Producing Goods and Services. Specifically, for Board members, with the exception of the Chief Executive Officer, there is no provision for individual agreements in the event of termination of office.

Fincantieri's Remuneration Policy also provides for **specific insurance coverage** for the Chairman, the Chief Executive Officer and the Managing Director. Executives with Strategic Responsibilities and other Key Executives, as well as other Company Executives enjoy more favourable treatments than that established by the CCNL for their category in terms of insurance, social security and supplementary pension coverage.

2022-2024 PAY-MIX LTI

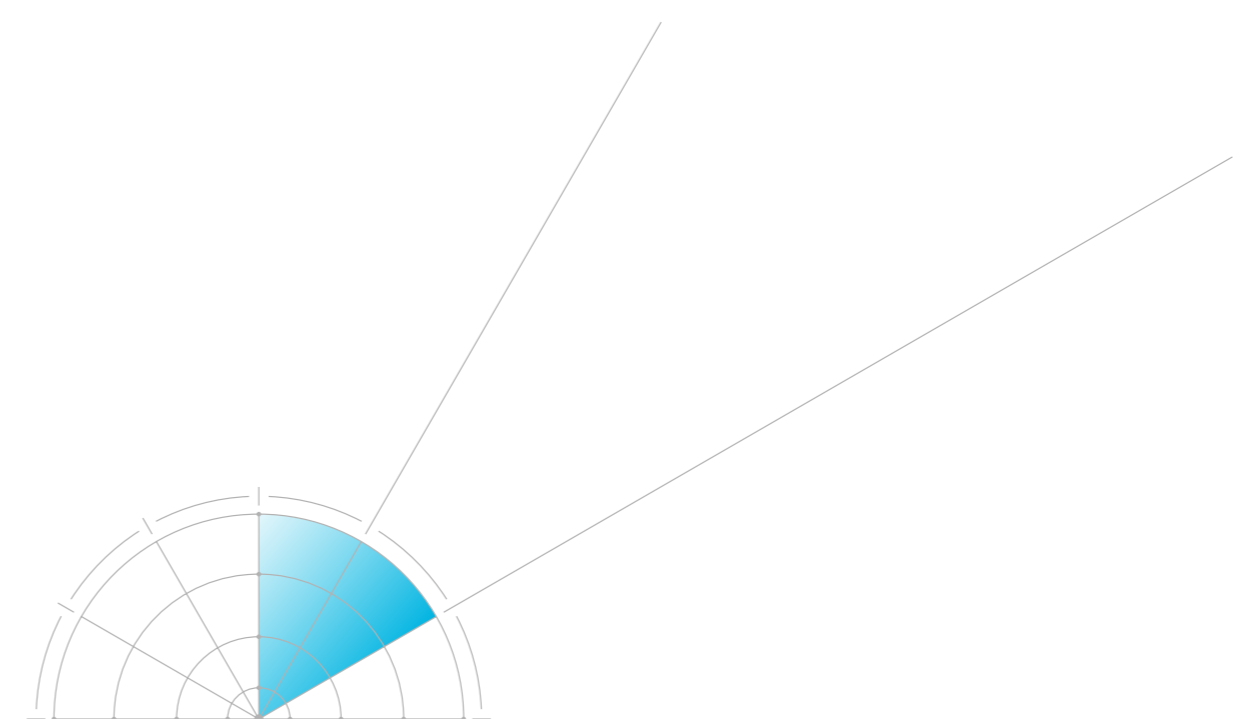


The pay-mix outlined above makes it possible to link part of the remuneration of management and executive directors to the achievement of strategic objectives for the organization, including economic, environmental and social goals.

The structure of the remuneration package is set out below.

TYPE OF REMUNERATION	PURPOSE	POSITIONS INVOLVED
Fixed remuneration	It remunerates the role and more specifically the responsibilities assigned to the recipients, taking into account, among other things, the experience, quality of contribution made to achieving the business results, and level of excellence for the assigned duties.	<ul style="list-style-type: none"> Chairman Chief Executive Officer and Managing Director Non-executive Directors Executives with Strategic Responsibilities Other Key Executives
Short-term variable remuneration (annual MBO)	It remunerates results achieved in the short term and aims to translate the Business Plan strategies into a series of annual, individual and company objectives, capable of decisively influencing the performances of the managers involved.	<ul style="list-style-type: none"> Chairman Chief Executive Officer and Managing Director Executives with Strategic Responsibilities Other Key Executives
Medium to long-term component (Performance Share Plan)	It remunerates results achieved in the medium to long-term and aims to improve the alignment of beneficiaries' interests with those of the shareholders and to support the retention capabilities for key resources.	<p>The beneficiaries are individually identified by the Board of Directors, on the advice of the Remuneration Committee, among the following persons:</p> <ul style="list-style-type: none"> Chief Executive Officer and Managing Director <p>And, also, on the proposal of the Chief Executive Officer, among the following:</p> <ul style="list-style-type: none"> Executives with Strategic Responsibilities Other Key Executives

For more information, see the Remuneration Report available on the website www.fincantieri.com/en/governance/remuneration/



Internal control and risk management system

Fincantieri's Internal Control and Risk Management System (ICRMS) consists of a set of tools, organizational structures, and corporate procedures which seek to contribute - through a process of identification, assessment, management and monitoring of the main risks - to a sound and correct management of the Company, in a way that is consistent with the predetermined objectives defined by the Board of Directors.

This system, defined according to leading international practices, is based on the three traditional levels of control:

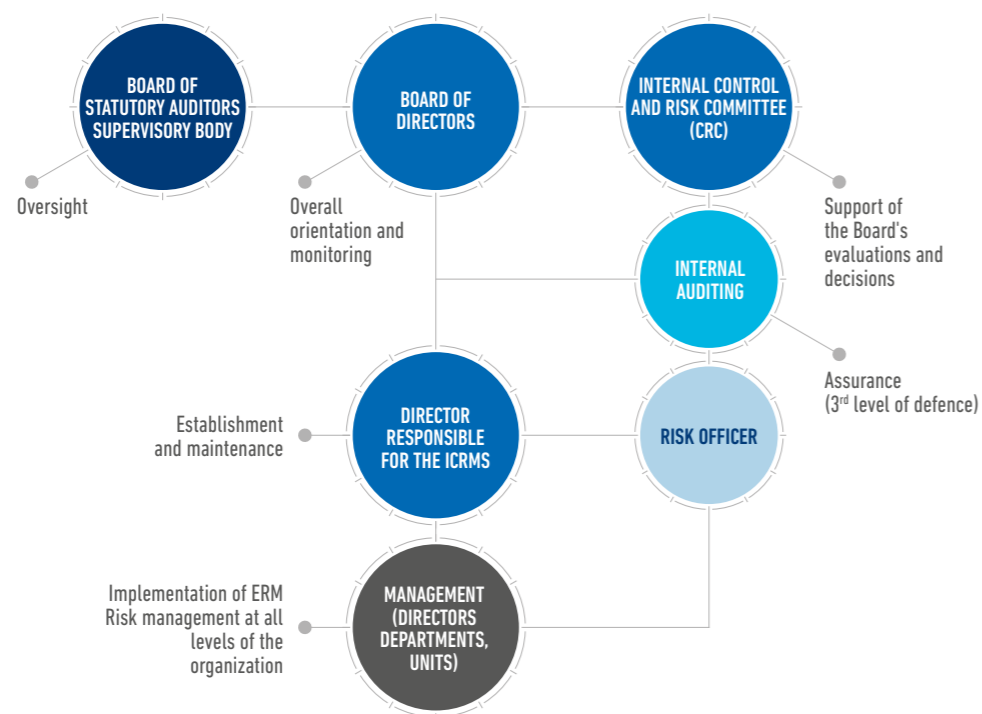
- 1st level: the operational departments identify and assess risks and implement specific actions to manage them;
- 2nd level: the functions in charge of risk management define risk management methods and tools, and conduct monitoring activities;
- 3rd level: the Internal Auditing department provides independent assessments of the entire system.

Fincantieri has adopted a Risk Management Policy, setting out the general principles it intends to pursue in order to implement the guidelines of the ICRMS, adopted by the Board of Directors, that define the methods by which the main risks affecting the Parent Company and its subsidiaries are identified, measured, managed and monitored.

Risk management model

In order to implement these guidelines, Fincantieri has been using an Enterprise Risk Management (ERM) model for some time now. This model, which complies with the principles contained in the Corporate Governance Code for listed companies, takes the 'CoSO ERM-Integrated Framework' as its reference, in order to identify and manage risks in a uniform manner throughout the Group.

The risk management process is carried out using a continuous approach involving different organizational structures, with different roles and responsibilities.



The **Chairman of the Board of Directors** ensures that the ICRMS is an integral part of the Group's business ethic and operations, activating to this end appropriate information, communications and training processes as well as disciplinary and remuneration systems which incentivise the proper management of risks and discourage conduct that is contrary to the principles dictated by those processes. The Chairman also verifies that the ICRMS is capable of reacting promptly to significantly risky situations and facilitates the identification and prompt implementation of corrective actions.

The **Risk Officer** is responsible for:

- supporting the Chairman of the Board of Directors in determining the methodologies to identify, evaluate and monitor the main business risks;
- coordinating the activities of risk management and of support to management, verifying compliance with the ERM methods defined by Fincantieri;
- periodic reporting to the bodies responsible for the ICRMS on the risk management process.

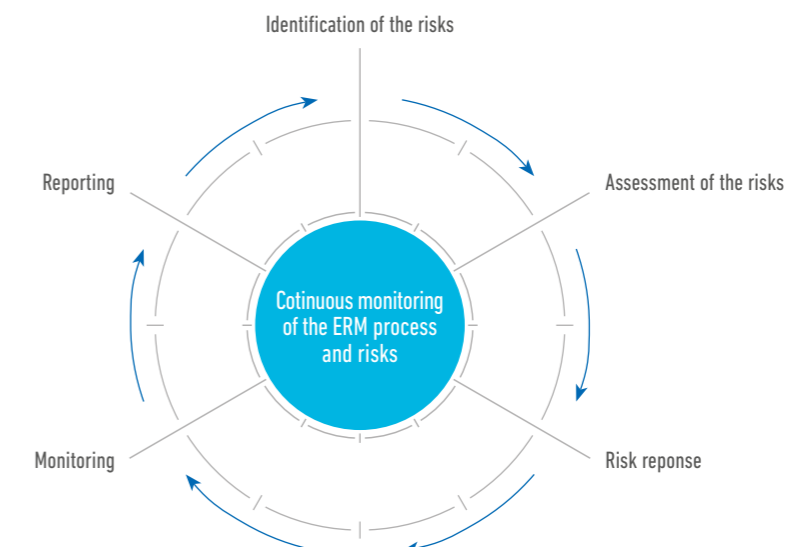
The Risk Officer is not in charge of managing specific risks, which is the responsibility of management, but is responsible for implementing an integrated risk management process. The Risk Officer provides high-level support in the dissemination of risk culture.

Management is responsible for implementing ERM within the corporate processes under its remit, identifying, assessing and managing risks that may have an impact on the defined objectives. On this point, it should be noted that in 2022 specific training on risk management was provided to senior and middle managers and unit managers (new entrants) of the Parent Company for an overall total of nearly 1,720 hours.

In October 2022, the Enterprise Risk Identification, Assessment and Management (ERM) model adopted by the Company was presented to the Control and Risk Committee. Also in 2022, a training and information session was delivered during November to the Board of Directors on the management system adopted by Fincantieri to prevent corruption risks.

The risk management process

Risk management is a continuous and recurring process, spread throughout the organization, that involves the systematic and repeated identification, assessment, treatment and monitoring of risks.



Identification

The identification of possible existing risks, in relation to the defined strategic objectives, is carried out periodically in line with the time horizon of the company's strategic plan or whenever environmental factors inside or outside the Group make it necessary.

The Group's **Risk Universe** consists of **52 risks**, divided into **8 macro-categories**, of which **29 are Environmental, Social, Governance (ESG) risks** that have been identified and assessed in terms of their probability and impact by Fincantieri's middle and top management.



For more information on sustainability risks, see the chapter 'The Fincantieri Group - Value Creation Model - Sustainability risks'

The Risk Officer periodically updates the **Risk Management Model**, which maps the persons responsible for managing and monitoring the risks identified, i.e. the Risk Owners, reflecting in it any changes in the organizational structure.

Assessment

Each identified risk is assessed according to the parameters of probability of its occurrence over the plan horizon and its impact. Assessment scales are used to make the risks comparable. These are defined by the Chairman of the Board of Directors, with the support of the Risk Officer, based on the Risk Appetite and Risk Tolerance thresholds approved by the Board of Directors.

The impact assessment is broken down into 8 types:

- economic and financial;
- operational;
- assets;
- social (community);
- environmental;
- reputational;
- human capital;
- intellectual capital.

The assessment of each risk is carried out at Inherent level (i.e., the theoretical risk assumed in achieving the objectives) and at Actual Residual level (i.e., the risk that remains following the establishment of internal control procedures implemented to mitigate the probability and impact related to the occurrence of the risk event).

As part of the assessment, each Risk Owner identifies the main prevention/mitigation measures in place and assesses their relative level of adequacy.

The combination of probability of occurrence and impact determines the risk rating, which enables the comparison of the risks under assessment and the representation of Fincantieri's overall exposure, comparing it with the defined thresholds, in order to identify the priorities for action for the subsequent risk response strategies.

Risk Response

The definition of the risk management strategy is based on the risk assessment (mitigate, accept, transfer, avoid). For risks within their purview, the Risk Owner is responsible for identifying response plans for risks identified as critical and high and for submitting them, with the support of and through the Risk Officer, to the Chairman

of the Board of Directors. In this phase, if the need arises, the Risk Owner is asked to identify and plan specific prevention/mitigation initiatives in addition to those already in place, in order to bring risks back to a level considered acceptable and consequently keep the risk profile within the set limits.

Having identified further actions and controls to be implemented, the Risk Owner carries out an assessment of their expected mitigating effect in terms of probability of occurrence and/or impact of the risk, determining the rating of the expected residual risk.

Monitoring

The internal and external context is subject to possible changes and it is therefore necessary to regularly monitor the risk portfolio in order to assess its dynamics and verify the operational effectiveness of the defined response strategies. Risk monitoring activities and their management is carried out at least once a year, by repeating the steps described above, and, during the year, with specific verification and/or analysis activities on:

- the existence, traceability and risk mitigation capacity of the controls identified as in place during the risk assessment;
- the additional controls to be implemented and their implementation status;
- any changes in the risk profile following macro changes in the scenario (reassessment of inherent, actual residual and expected residual risk);
- the most significant risks (e.g. cause analysis, impact analysis, risk management and monitoring system).

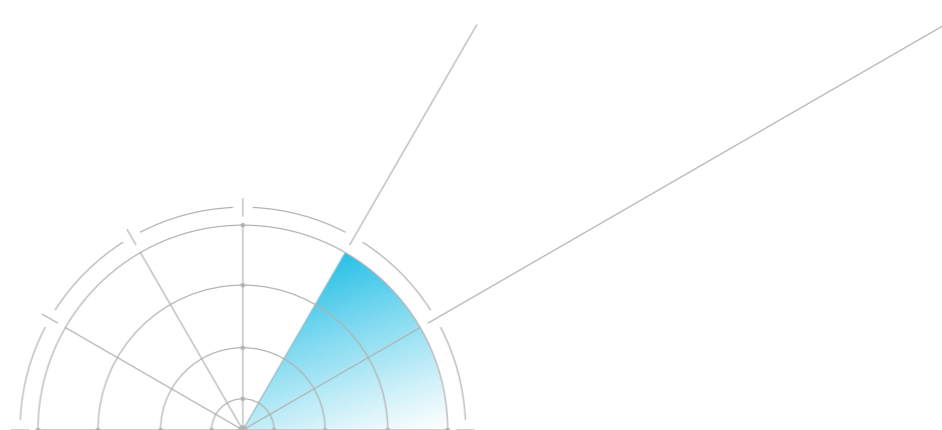
Reporting

The Risk Officer, having completed the assessment and result consolidation process, prepares specific reports for the various actors of the ICRMS. The results of the ERM process are used:

- by the ICRMS actors to provide the necessary assurance to the Corporate Bodies regarding the identification of the main business risks, as well as the reasonable certainty that they are managed in accordance with the limits defined for value creation;
- by the Board of Directors when drawing up the Report on Corporate Governance and Ownership Structure providing information on the subject;
- by Internal Audit as information elements for the preparation of specific risk-based audit plans.



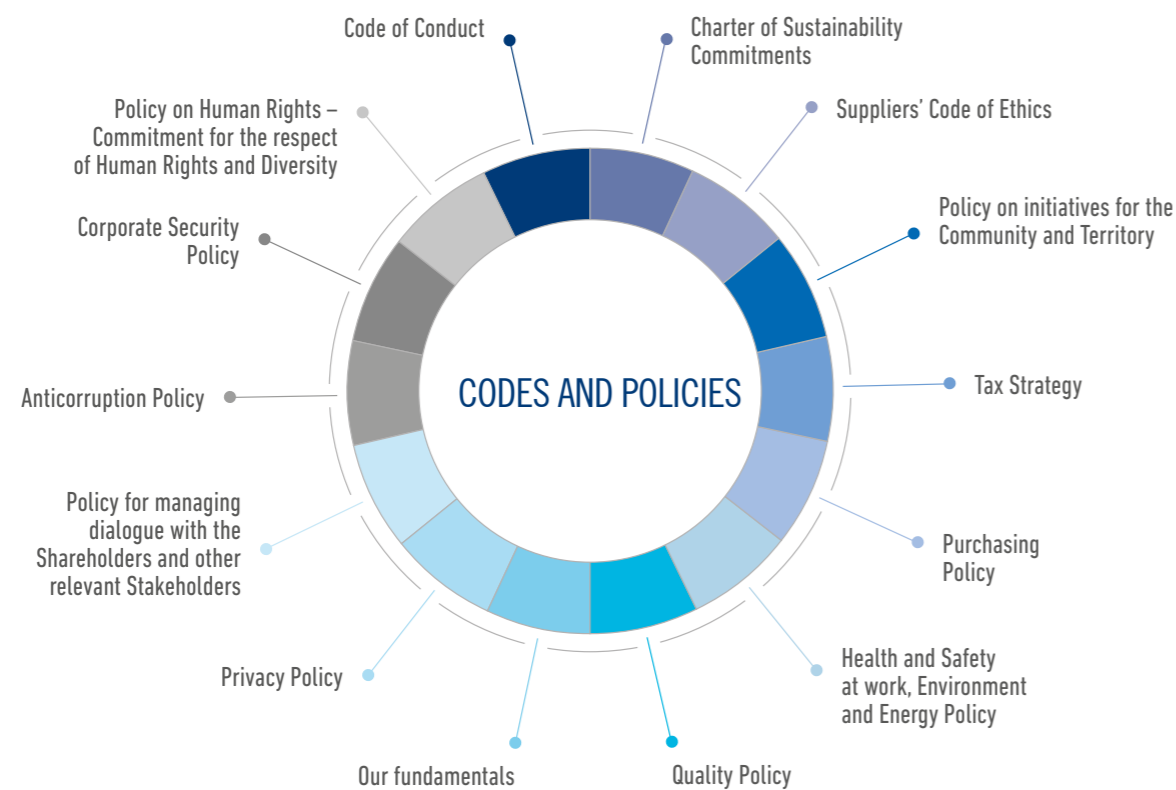
For more information on Corporate Governance, see the Report on Corporate Governance and Ownership Structure available on the website www.fincantieri.com/en/governance/corporate-governance-system/corporate-governance-reports/



Legality, integrity and prevention of corruption

We believe that only responsible, ethical business management ensures a long lasting success. The Group's actions are performed with integrity, honesty and dedication and are based on mutual trust, so that growth is also guided by the principle of shared value.

We conduct our business in compliance with the law, internal regulations and professional ethics. To this end, we have developed a set of policies and guidelines that support us in our activities and which are described in various chapters of the Sustainability Report.



Code of Conduct

Everyone who works for Fincantieri, without exception or distinction, is committed to observing and ensuring the observance of the company's Code of Conduct, which, for the smooth functioning, reliability and reputation of the Group, requires that all the activities are conducted in compliance with the law, with international conventions and in strict accordance with the human rights enshrined in the UN Universal Declaration. Operating according to the principle of fair competition, with honesty, integrity, fairness and good faith, respecting the legitimate interests of our stakeholders, shareholders, employees, customers, trade and financial partners and of the general public and local communities in which we conduct our activities is fundamental prerequisite for the effective operation, reliability and reputation of the Group, but at the same time represents a key asset for Fincantieri's ongoing success. The conviction of acting in the interest or to the advantage of the Company never justifies adopting conduct that goes against these principles and all conduct contrary to the words or spirit of the Code will be subject to sanctions as mentioned in the Code.

We are committed to encouraging and promoting knowledge of the Code among employees and with all parties who have business relations with Fincantieri and we monitor observation of the Code, providing suitable tools for information, prevention and control, and ensuring the transparency of existing operations and conduct. The Board of Directors, who approve the document, and Company management are responsible for verifying the Code of Conduct's implementation and application, and may also make proposals to supplement or amend its provisions.

The Code of Conduct is available on the website www.fincantieri.com/globalassets/sustainability2/business-ethics/codice_comportamento_fc_2020_en_825750714.pdf

For us, training on business ethics and integrity is of paramount importance. This is why we invest in courses dedicated to these issues every year. The table below shows the data on the overall number of employees who received anticorruption and/or business ethics training in 2021 and 2022.

NUMBER OF EMPLOYEES TRAINED ON BUSINESS ETHICS AND INTEGRITY

	SENIOR MANAGERS		MIDDLE MANAGERS		WHITE COLLAR EMPLOYEES		BLUE COLLAR EMPLOYEES		TOTAL		% of total employees	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	95	242	86	529	644	5,882	2,974	103	3,799	6,756	35%	62%
NORWAY	0	0	0	0	0	0	0	0	0	0	-	-
ROMANIA	0	0	0	0	0	0	0	0	0	0	-	-
REST OF EUROPE	2	2	6	6	44	36	6	0	58	44	27%	20%
NORTH AMERICA	61	60	227	251	576	709	20	33	884	1,053	40%	44%
SOUTH AMERICA	0	0	0	0	0	0	0	0	0	0	-	-
ASIA, AFRICA AND OCEANIA	0	0	0	3	24	13	189	252	213	268	22%	24%
TOTAL	158	304	319	789	1,288	6,640	3,189	388	4,954	8,121	24%	39%
% of total employees per category	36%	67%	28%	64%	14%	71%	32%	4%	24%	39%		

The data refer to the entire Fincantieri Group.

In Italy, a training update on Legislative Decree 231/2001 was held in 2022, involving senior managers, middle managers and white collar employees. The change from last year in the training received by blue collar employees is due to the anticorruption training program carried out in 2021.

In North America, Fincantieri's subsidiary Marine Marinette conducted anticorruption training courses during 2022, which mainly concerned the white collar employee category.

In 2022, the VARD group did not deliver business ethics and integrity training in Norway, Romania and Brazil because of the recent update to its ethics guidelines and whistleblowing policy. E-learning courses are under development.

Organizational Model

Fincantieri has adopted an organizational, management and control model according to the Legislative Decree No. 231/2001 (Organizational Model), the latest version of which was approved by the Board of Directors on July 26th, 2022. It consists of a general part, in which the principles, functions and essential components of the Organizational Model are illustrated, and of special parts, in which the activities at risk of crime for each type of crime deemed relevant, the principles of conduct and the control procedures are identified.


 The organizational model is available on the website www.fincantieri.com/en/governance/business-ethics/model-231/

Anticorruption Policy

Given the extensive geographic context in which we operate, the Company has adopted a number of internal regulatory instruments aimed at identifying and applying a global anticorruption policy that defines the expectations for conducting business operations in strict compliance with the best international standards on anticorruption legislation. The Group's commitment to anticorruption - established in primis by the Code of Conduct - is reflected in a series of corporate documents that are its existing means to combat corruption. The first of these documents is the **Anticorruption Policy**, signed by the Chief Executive Officer, adopted by the Company in 2014 and updated in February 2020 with the introduction of a regulatory system to protect sensitive areas. The policy is addressed to all employees and third parties.

The primary objective of Fincantieri's Anticorruption Policy is to emphasise the Group's commitment to the fight against corruption in all of its forms and to zero tolerance for this phenomenon through constant reinforcement of the degree of integrity and transparency in internal conduct able to positively influence the Company's reputation in the areas where it works.

The Policy is delivered to employees at the time of their recruitment, with signature certifying the receipt and the commitment to become familiar with and observe the relevant rules, and to third parties when contracts are stipulated.

 The Anticorruption Policy is available on the website www.fincantieri.com/globalassets/sostenibilita2/business-ethics/anti-corruption-policy.pdf

Since 2020, Fincantieri S.p.A. has been in possession of the **ISO 37001** certification for its **Anticorruption Management System**. An essential step which underscores our organization's commitment and unwavering attention paid to the business ethics topics and refusal of all forms of corruption. The Anticorruption Management System implemented by Fincantieri guarantees:

- implementation of the Group Anticorruption Policy;
- identification, analysis and assessment of the corruption risks to which the Company is potentially subject;
- assignment of adequate responsibilities and execution of appropriate controls of the processes sensitive to the risk of corruption;
- adoption of the measures aimed at preventing and facing possible corruptive situations;
- meeting requirements set by the applicable legislation on the subject of corruption prevention.

At an organizational level, in order to oversee the Company's Anticorruption System, in accordance with the ISO 37001 standard, it is the responsibility of the Board of Directors to identify and appoint the compliance department for the prevention of corruption, giving it the appropriate operational responsibilities and authority to carry out its duties.

The Anticorruption function was established in 2020 by the Board of Directors for this purpose.

At the subsidiary level, Fincantieri NexTech and SOF are also ISO 37001 certified.

With reference to the Parent Company, the **Internal Auditing** function examines and independently evaluates the internal controls to verify if what is required by the anticorruption procedures has been met within the range of the annual planned audits approved by the Board of Directors. The **Supervisory Body** plays a special role. Its activities call for the periodic collection of confidential information in order to identify potentially risky conduct with reference to corruption with respect to both Italian and foreign Public Administrations, and to private parties. The Organizational, Management and Control Model, according to Legislative Decree No. 231/2001 and the corporate regulatory framework, are subject to a continuous updating process in order to adapt them to the organizational and legal changes and to adequately respond to the possible risk of committing crimes.

As regards **training** on the anticorruption procedures and policies, during 2022 the following courses were delivered at the Parent Company:

- **According to Legislative Decree 231/2001 - general part:** aims at disseminating and sharing, at all levels, the measures prepared by Fincantieri to prevent offences from being committed by subjects that might bind the Company.
- **According to Legislative Decree 231/2001 - specific part:** analyses the topic introduced by Legislative Decree 231 of 2001 in terms of responsibility of entities and companies. In particular, some special parts provided for by the decree are analysed in depth in this module: corporate crimes, workplace safety offences, environmental offences, offences against the individual, offences against the PA and tax offences;
- **Fincantieri's Anticorruption Management System:** concerns the elements and essential characteristics of the anticorruption system adopted by Fincantieri to manage the prevention of corruption; it also deals with the tasks and responsibilities of the anticorruption function and the whistleblowing system implemented by the Company;
- **Specific training on the Anticorruption System in Fincantieri:** provides an overview of the main corruption risks and of a few indicators for identifying possible corruptive phenomena; it also describes the content of the 'Grants, donations, sponsorships, gifts and hospitality' procedure, the methods for managing non-conformities found and the tools made available to its resources to recognise and fight the corruption phenomenon.

These courses were delivered to **all employees** of Fincantieri S.p.A. (white collar employees, middle managers and senior managers), while agents and specific corporate departments were given the specific modules.

Since 2021, the Anticorruption Management System has also been disseminated to **blue collar workers**.

For employees of Italian subsidiaries, training activities in the area of anticorruption and prevention of offences related to Decree 231/01 are carried out through e-learning courses or through specific meetings organised by their supervisory bodies.

The **Board of Directors** receives an annual report from the Supervisory Body on the activities performed, including the training, which is generally provided after the installation of the new Board. The last anticorruption training was provided to Board members in 2022.

The table below shows the data on the overall number of employees who received anticorruption training in 2021 and 2022.

NUMBER OF EMPLOYEES TRAINED ON ANTICORRUPTION

	SENIOR MANAGERS		MIDDLE MANAGERS		WHITE COLLAR EMPLOYEES		BLUE COLLAR EMPLOYEES		TOTAL		% of total employees	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	84	40	74	119	326	857	2,974	108	3,458	1,124	32%	10%
NORWAY	0	0	0	0	0	0	0	0	0	0	-	-
ROMANIA	0	0	0	0	0	0	0	0	0	0	-	-
REST OF EUROPE	2	3	6	6	38	36	0	0	46	45	22%	20%
NORTH AMERICA	57	57	215	240	555	724	6	33	833	1,054	38%	44%
SOUTH AMERICA	0	0	0	0	0	0	0	0	0	0	-	-
ASIA, AFRICA AND OCEANIA	0	0	0	3	24	13	189	252	213	268	22%	24%
TOTAL	143	100	295	368	943	1,630	3,169	393	4,550	2,491	22%	12%
% of total employees per category	33%	22%	26%	30%	10%	18%	32%	4%	22%	12%		

The data refer to the entire Fincantieri Group and are an indication of the number of people trained in business ethics and integrity.

The courses were held in the local language of the countries where the companies involved in training are based.

As regards monitoring of corruption cases, it should be noted that once again, no confirmed cases of corruption involving companies in the Fincantieri Group were found in 2022.

National Framework Tender Protocol

In constituting a strategic asset for the national economic system, we consider it imperative to pursue our business strategies in full compliance with the **principles of ethicality, transparency** and strict **compliance with the law**.

We must therefore **continuously assess and identify the risks** arising from criminal aggression that, by threatening the economic fabric of the country system, can directly reverberate on our supply chain, a fundamental and indispensable element of our capacity for development and competitiveness.

In fact, as underlined by the reports of the Anti-Mafia Investigation Directorate (DIA) and EUROPOL, the tendency of criminal organisations to infiltrate legal economic circuits has become ever more evident in 2022, with increasingly complex criminal schemes devised to exploit the permeability of the economic-social fabric in this difficult period.

Aware of the context described above and the need to mitigate its risks, in 2017 we signed as Fincantieri Group a **public-private partnership** instrument represented by the **National Framework Tender Protocol**, which, year after year, allows us to strengthen the information exchanges between Fincantieri and the relevant local Prefectures, already in place since 1999, in order to prevent and counter any possible criminal infiltration of our production process and system of tenders and subcontracts. The Protocol's value also lies in the close cooperation it implies between the Fincantieri Group and the **Ministry of the Interior**, at which a permanent round table has been established to continuously assess the effectiveness of the instrument.

The **strategy of cooperation** between Fincantieri and the Prefectures takes the form of an ongoing process of reporting company suppliers active in sectors with a high risk of mafia infiltration and/or deemed strategic for the Group, which allows the implementation of prefectural checks, thus extending these to supplies and services otherwise excluded from the requirements of anti-mafia regulations.

Through the qualified feedback we receive from the Prefectures in response to the reports we send (**over 4,100** since 2017), we strengthen our business integrity and ensure that the company supply chain tends to the highest standards in terms of integrity and transparency and operates safe from criminal interference.

The Protocol is also a vehicle for Fincantieri to raise awareness among supplier companies themselves, who are called upon to personally fulfil their obligations to combat and report any criminal activities traceable to organized crime, corruption, extortion, fraud or money-laundering offences.

Lastly, fully aware of the Group's strategic, social and economic weight in the communities in which we operate, even in the highest risk cases we aim to reconcile the necessary mitigation measures to protect the integrity of our business with the requirements of production continuity and safeguarding the consequences for employment in local territories, offering ourselves as attentive and involved partners to their institutional and social bodies.

THE PILLARS OF THE NATIONAL FRAMEWORK TENDER PROTOCOL



Human rights

We are committed to ensuring and promoting respect for human rights, a priority for the Group, in all business areas and among all stakeholders, whether Group employees or suppliers. We conduct our activities in accordance with fundamental human rights standards.

As proof of this commitment, our policies and practices are aligned with:

- International Bill of Human Rights, including the United Nations (UN) Universal Declaration on Human Rights;
- Fundamental Conventions of the International Labour Organization (ILO);
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- Ten principles of the United Nations Global Compact.

The Group has adopted the **Policy on Human Rights – Commitment for the respect of human rights and diversity** and the **Suppliers' Code of Ethics**, two relevant documents to guide the company's activities, following an approach to business that is not limited to compliance with the regulations in force in the countries where we operate, but proactively oriented towards the protection of human rights.

The documents approved by the Board of Directors confirm our commitment to protecting human rights as stated in the Code of Conduct, the Charter of Sustainability Commitments and the Sustainability Plan.

Policy on Human Rights

In order to define principles and rules that guide the strategies, activities and initiatives of the entire Group towards respect for human rights and the promotion of diversity and inclusion, Fincantieri has drawn up the Policy on Human Rights – Commitment for the respect of human rights and diversity.

The **principles** on which the public commitment to human rights adopted within the lines of the Policy is based upon and the consequent commitment to share a collective awareness of their importance within the Company can be represented as follows:



The document contains a focus on **Diversity and Inclusion**, strategic factors for the Company's competitive advantage and the development of our people.

The Policy on Human Rights - Commitment for the respect of human rights and diversity is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-umane/diversita-e-pari-opportunita/fincantieri_policy_on_human_rights2.pdf

The Vard Vung Tau company in Vietnam and some Italian companies such as Fincantieri Infrastructure, Fincantieri Infrastructure Opere Marittime, FINSO, SOF and Fincantieri NexTech have the **SA 8000** (Social Accountability) certification, an international standard aimed at certifying certain aspects of company management pertaining to corporate social responsibility. These are:

- Respect for human rights;
- Compliance with labour law;
- Protection against child labour;
- Guarantees of occupational health and safety.

It was decided to certify these companies either because of their particular geographic location or because of the type of business that makes it necessary to pay more attention to corporate responsibility issues.

For more information on the certified sites and companies, see the website www.fincantieri.com/en/sustainability/certifications/

Vard Vung Tau has also prepared a specific policy on child labour. The model guarantees a virtuous process aimed at ensuring their continuous respect and provides specific training to all new recruits. In 2022, more than 6,300 hours of human rights training were provided in the Vietnamese shipyard, an increase of 33.5% compared to 2021.

Group-wide training on human rights involved 1,586 employees.

In the US, Fincantieri Marine Group provides an annual report to the federal government summarising all internal activities related to its workforce, such as recruitment, hiring, promotions, terminations and remuneration.

Suppliers' Code of Ethics

In order to respect the Group's commitment to promoting a responsible and sustainable supply chain, while respecting human rights, we have adopted the Suppliers' Code of Ethics. The document defines the **values** and **principles** of conduct that suppliers must refer to and adopt in order to pursue a development that integrates competitiveness, environmental sustainability and social responsibility, capable of establishing a long-term partnership based on integrity, honesty and mutual transparency.

We implement a rigorous process of evaluating and monitoring the performance of our suppliers based on the assessment of economic, technical, reputational, social and environmental aspects to ensure compliance with our ethical standards. Our contractors are also required to share the Suppliers' Code of Ethics with their employees, collaborators, subcontractors and subsidiaries, monitoring compliance and promptly reporting any alleged or actual violations.

The Suppliers' Code of Ethics is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/fincantieri_suppliers_code_of_ethics2.pdf

To guarantee respect for human rights in the supply chain, a specific objective has been included in the Sustainability Plan that provides for annual second-party audits to monitor and evaluate strategic suppliers in terms of respect for human rights, safeguarding workers' health and safety, and protecting the environment.

For more details on the Suppliers' Code of Ethics and audits, please refer to the chapter 'Sustainable supply chain'

Infringement reporting system for violations on ethical matters

Since 2009, the Company has adopted a system for reporting of infringements to the Supervisory Body ('whistleblowing'), defined in the Organizational Model, which allows employees and third parties to report problems relating to non-compliance with the provisions of the Code of Conduct, the Organizational Model, the Anticorruption Policy, the Suppliers' Code of Ethics, the Human Rights Policy and other policies and corporate procedures adopted by Fincantieri or with legal regulations. The system adopted meets the requirements of Law No. 179/2017 'Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship'.

 For more information on the whistleblowing system, see the website www.fincantieri.com/en/governance/business-ethics/

The main Italian subsidiaries, including Marine Interiors, Fincantieri NexTech, Isotta Fraschini Motori, Fincantieri Infrastructure and Fincantieri SI have a system for reporting infringements as set out in their Organizational Model in accordance with Legislative Decree 231/2001.

In 2022, the VARD group updated its Ethical Guidelines to include the whistleblowing policy. There are several reporting channels through which whistleblowers, whether employees or third parties, can report anonymously. In the United States, Fincantieri Marine Group also has a secure telephone line for reporting infringements. During 2022, at Group level, 16 **reports of violations** of the Code of Conduct were received, 7 of which concerned the Parent Company and 9 the subsidiary SOF S.p.A. The reports concerned one case of harassment in the workplace, one of violations relating to unethical behaviour, and 14 related to procedural violations in the area of safety at work, improper use of company assets or verbal abuse.

13 investigations were initiated, 9 of which resulted in disciplinary action and 4 in awareness-raising actions for the employees involved. The 3 reports not investigated related to events not covered by the Code of Conduct. Furthermore, the Company constantly monitors **complaints** defined as reports or grievances from third parties, received from stakeholders by mail, certified email, fax or registered mail, in order to quickly verify and understand the problems involved and, if necessary, implement all appropriate corrective actions to prevent potential risk factors. Through a special structure, complaints received are assigned to the relevant departments on the basis of the subject matter and request contained in the complaint. The relevant offices check the truthfulness and scope of the reports in order to manage the complaints assigned to them in compliance with the regulations in force, the internal procedures and the policies adopted for their management, also with a view to guaranteeing their proper resolution with a view to efficiency and cost containment. The entities thus involved respond to complaints received, officially and in writing, within a reasonable timeframe, either directly or through leading law firms, preferably by certified email so as to leave an accurate record of the process for handling complaints and adequately justify the reasons for their rejection or acceptance.

If the content of the complaints submitted proves to be well-founded, the possibility of reaching an amicable settlement is checked, if the prerequisites are met and such a solution may prove more advantageous for the Company, also with a view to minimising any negative repercussions. If, on the other hand, an out-of-court solution cannot be pursued and the complaint is taken forward through court action, the Company will manage the dispute thus arising by relying on law firms, following criteria of competence by subject and territory. Complaints provide an opportunity for the Company, which is always striving to improve its organization and to make its internal policies and procedures more efficient through specific action plans, in order to better meet the requests and needs expressed by stakeholders through the submission of complaints.

In 2022, 358 grievances were filed relating to impacts concerning employment (which might concern mobbing, de-skilling, non-observance of occupational safety rules, failure to pay salaries or contributions) of which 293 related to Fincantieri S.p.A. Among the the grievances received, 109 were resolved during the year, 65 of which were resolved through remedial conducts. The remaining complaints have either been rejected by the Company

or are currently pending before the competent judicial authority.

Grievances concerning human rights violations relating to age, gender diversity, race and/or nationality received in the reporting period amounted to 4, of which 2 were addressed and 1 resolved, and all relate to Fincantieri Marinette Marine.

With regard to grievances regarding environmental impacts (which may concern abandonment of waste, unkempt areas, pollution, infestations, smelly fumes, noise emissions), 2 complaints were filed, one of which was addressed (Vard Vung Tau) and one resolved through remedial action (Vard Tulcea).



Cyber security

Fincantieri Group's focus on the issue of cyber security has gradually and further intensified in response to the ever-increasing complexity and frequency of cyber attacks carried out against companies with national and international strategic importance and to changes in the regulatory framework.

The sophistication of cyber threats, made possible by the increasingly aggressive operations of international groups organized (and occasionally sponsored) by hostile governments, requires the constant adjustment of the company's defences and processes for protecting **digital assets**, as an additional element to protect the Company's industrial know-how and market competitiveness.

The European and national regulatory framework also makes it essential to continuously adapt corporate governance, incorporating new security standards applicable in the technological, organizational and procedural areas.

A mature approach to cyber security is also essential to support the strategic development of the **naval product**, which is characterized by high technological complexity. As such, it is exposed to cyber threats requiring the engineering of appropriate security solutions, compatible with the extremely varied nature of the on-board systems.

On this front, through our subsidiary Fincantieri NexTech, in 2022 we launched an innovative cyber protection platform for shipboard infrastructures, which will be able not only to monitor systems, but also to manage and react to cyber attacks directed at the ships' Operational Technology (OT) infrastructure. In view of these developments, we increasingly present ourselves as a business with strong know-how focused on cyber security for naval engineering products and the maritime domain in general.

On the latter front, we have continued our close cooperation with the University of Genoa. The Fincantieri Group has joined the recently established SERICS university foundation with a mandate to support cyber security research for the country system, through a hub and spoke architecture involving leading Italian universities and private groups active in research and innovation in this field.

To boost the discipline, a **single cyber competence centre** for the Fincantieri Group was created in 2022 by merging Esseti, a company focused on managed operational security services, into E-Phors, a NexTech Group company founded in 2020 and specializing in cyber security engineering solutions.

In addition, an ambitious three-year investment plan (2022-2024) was approved, aimed at further improving the Group's cyber security level, through the definition of projects and services structured around the following strategic drivers:

- technological improvement of central cyber security architectures and infrastructures, in response to the evolving threat environment to which the Group is subject;
- insourcing of cyber security activities, processes and services in order to reduce dependence on third-party suppliers/competitors and enhance marketable intercompany capabilities and skills;
- development of features and services that improve compliance with the regulatory framework of reference and the provisions deriving from subsequent implementing decrees, while supporting the mitigation of operational risks identified and quantified within the company's ERM;
- improved 'visibility' of cyber security risks arising from the involvement of direct and indirect suppliers that make up the IT supply chain and support the ship design and production processes;
- development of a comprehensive Cyber Security Awareness plan aimed at increasing awareness of cyber risks and the ability of Group personnel to recognise, report and prevent them.

The **ISO 27001** certification was also renewed in 2022 for Fincantieri S.p.A., Fincantieri NexTech and its main subsidiaries, including Cetena, Issel Nord and IDS, confirming compliance with the level of reliability required by international standards, which represent deeper integration with the information technology required by the personal data protection obligations. Further projects are underway to obtain the above certification in foreign subsidiaries such as VARD.



Governance - Cyber security

In order to standardize and ensure high standards of cyber security at Group level, in line with the provisions of the existing regulatory framework for strategic national companies, the **Group Cyber Security function** has been placed as reporting directly to the Group's Chief Executive Officer and Managing Director, with the following objectives:

- defining and implementing cyber security policies applicable to the Group;
- ensuring the continuous monitoring of the logical perimeter of Fincantieri and the timely reaction to any attempt to compromise it;
- defining the strategic drivers for the development of cyber security solutions, also ensuring adequate processes for verifying and controlling the electronic and IT supply chain;
- defining and promoting the Group's methodology for cyber risk assessment and mitigation, in line with industry best practices and current policies.

Responsibility for the function is assigned to the **Chief Information Security Officer (CISO)** for the Fincantieri Group, who is responsible for:

- defining a cyber security strategy;
- establishing and maintaining an up-to-date corporate cyber security organization;
- implementing protection programs;
- designing and enforcing procedures to mitigate cyber risks;
- managing compliance with cyber security regulatory requirements;
- approve and report on the progress of major cyber security investments to the **Security Committee**, composed of members of the company's front line.

With regard to the **Group cyber security plan**, the following initiatives were implemented in 2022:

- security assessments carried out on digital systems on board civil and naval vessels;
- analysis of the impacts on the product supply chain of the new IACS cyber regulations;
- revision and development of new cyber policies and extension of the Group Security Operation Centre for the subsidiary VARD;
- extension of the Group e-mail protection platform to the Italian subsidiaries (Fincantieri NexTech, Fincantieri Infrastructure, FINSO, IDS, HMS, Isotta Fraschini Motori, Fincantieri Oil&Gas, Fincantieri SI, Marine Interiors, Reicom, SLS);
- adoption of a program to protect industrial networks supporting ship production through a security assessment and the development of a new architecture for managing Operational Technology (OT) systems, and implementation of more robust security measures to ensure data usability, integrity and confidentiality;
- implementation of a dedicated Digital Risk Protection structure to detect and mitigate, by scanning the surface, deep and dark web, threats and attacks against Group resources outside the corporate protection perimeter;
- information sharing with Italian and foreign subsidiaries in relation to international cyber threat trends, with the aim of identifying and preventing potential attacks and breaches.

In addition to these project elements, traditional monitoring activities are carried out on a continuous basis to ensure the security level of the services and of Fincantieri's networks, in particular:

- periodic cyber security assessments aimed at identifying and remedying any gaps;
- awareness campaigns for employees, aimed at improving awareness of cyber risks, implementing simulated attacks and training sessions on the most widespread social engineering techniques and the organizational and behavioural methods for neutralizing them.

Fincantieri, as a strategic company for the national economic system and an international leader, collaborates with the **National Cybersecurity Agency, CNAIPIC (State Police)** and other important **national institutions** in order to share information on relevant cyber events recorded on its IT infrastructure. The Company has also launched other partnerships with **international governmental Authorities** to counter the threat and increase the security and resilience levels of critical infrastructures in the countries where it operates.



Information and data security

In light of the full transposition of the principles of the protection of personal data, during 2018, we launched a process of adaptation to the regulation on personal data protection, namely Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation – GDPR), which ended on 25 May 2018 with the Company's adoption of a personal data protection system.

The founding principles on which the personal data protection system adopted by Fincantieri S.p.A. is based are expressly contained in the Policy on General Principles of the Data Protection System (**Privacy Policy**) which regulates, among other things, the main processes needed to ensure the protection envisaged by the relevant legislation. With this Policy we undertake to establish and maintain over time a control model aimed at protecting the personal data collected and processed as part of the processes inherent to the activities of Fincantieri S.p.A., promoting the development of a pervasive privacy culture at Group level. With this in mind, in addition to the dissemination of privacy statements to the data subjects and instructions to personnel authorized to process personal data, a verification and control of the main data processing operations was carried out as well as training for employees of the Parent Company that was also extended to the Italian subsidiaries.



The personal data protection system was laid out in detail in a specific Data Protection System Manual and by operational procedures that identify certain processes that are especially critical such as management of data breaches and management of requests from data subjects asserting their rights.

During the 2021 financial year, confirming the Company's focus on personal data protection, Fincantieri S.p.A. appointed its own Data Protection Officer (DPO) who reports directly to the Board of Directors, and who is responsible for the following tasks, among others:

- informing/supporting Fincantieri S.p.A. and its employees on data protection regulatory obligations;
- overseeing compliance with regulatory requirements and the Company's privacy policies;
- providing opinions on Data Protection Impact Assessments (DPIAs), ensuring and documenting their conduct at company level;
- cooperating with the supervisory authority (in Italy, Garante per la Protezione dei Dati Personali);
- serving as a point of contact with the supervisory authority on matters related to data processing.

During 2022, the DPO, in continuation with the previous year, supported Fincantieri S.p.A. in the planned review and updating of the Company's Data Protection System and has provided advice and training in the field of data protection to company functions, responding to more than around two hundred requests for advice. Moreover, in full compliance with the regulations and internal procedures, Fincantieri S.p.A. has promptly responded to the requests from data subjects exercising their rights.

As regards foreign subsidiaries, Fincantieri Marine Group LLC, complying with the provisions of the Health Insurance Portability and Accountability Act (HIPAA), has prepared a detailed document on the protection of employees' health data, providing a training course to those who have access to such information. Information containing personal data is filed and accessible only to authorized personnel.



ECONOMY AND MARKET

We contribute to the economy of the countries in which we are present with an integrated dynamic network, built over time to create and exchange value



In recent years, new technologies and shifts in people's behaviour have produced structural changes in many industrial sectors, resulting in the emergence of new markets, growth and employment opportunities, but also the need to adapt the business model in order to seize all the opportunities.

In this context, our business model - diversified by end markets, geographical areas and customer portfolio is able to face new challenges by seizing all opportunities without ignoring their social and environmental implications. Our goal always remains that of combining business with reducing environmental impact, meeting the needs of local communities and improving the safety of our people and our suppliers.

We are committed to developing and promoting innovative solutions that contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, through a structured organization, the activation of virtuous ecosystems, and by leveraging on access to new technologies.

Economic value for stakeholders

The creation of economic value is essential to ensure that the Group is safeguarded over time and, therefore, its sustainability. The distribution of economic value, determined in accordance with the 'Direct economic value generated and distributed' (201-1) of the GRI Standards (2021), represents the economic impact of our business for the benefit of the main stakeholder categories.

In 2022, we distributed a total economic value of €7.4 billion to suppliers, collaborators, lenders, Public Administration and the community. A significant value whose impact remains limited mainly to the territory, particularly with regard to personnel and suppliers.

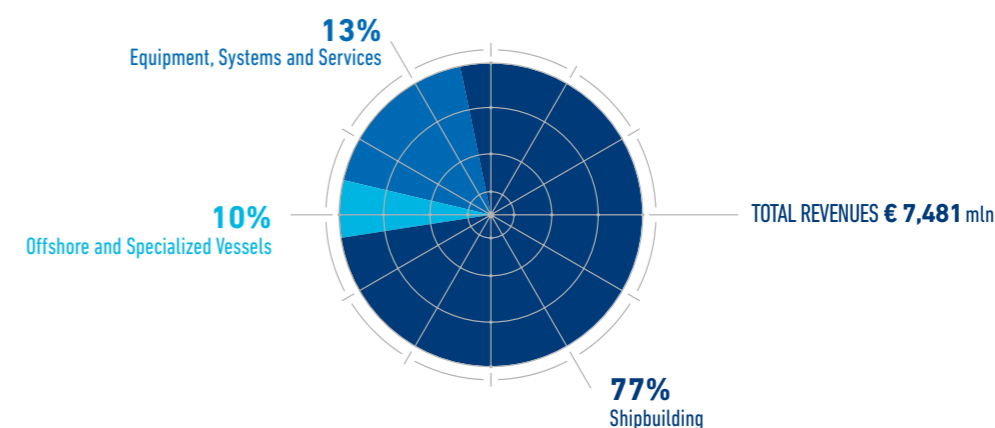
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

(euro/million)

ITEMS	DESCRIPTION	2021	2022	VAR. 2022/2021
ECONOMIC VALUE GENERATED DIRECTLY		6,966	7,639	10%
a) Revenue	Sales revenue	6,911	7,481	8%
b) Finance income	Interest income and return on equity investments	64	158	147%
c) Capital gains/losses on business profits	Business profits	(9)	0	-104%
ECONOMIC VALUE DISTRIBUTED		6,627	7,426	12%
a) Operating costs	Payments to suppliers	5,286	5,990	13%
b) Cost of personnel	Payments to employees	1,085	1,186	9%
c) Dividends	Payments to suppliers of capital (shareholders)	0	0	-
d) Interest paid and financial costs	Payments to suppliers of capital (banking institutions)	183	241	32%
e) Duties and taxes	Payment of duties, taxes and other financial and legal fees	70	7	-90%
f) Donations to associations	Community investments	3	2	-45%
ECONOMIC VALUE RETAINED	Calculated as the difference between the economic value generated and the economic value distributed	339	213	-37%

The data refer to the entire Fincantieri Group.

REVENUES BY SEGMENT 2022



The data refer to the entire Fincantieri Group.

The year 2022 was characterised by both the exit from the COVID-19 health emergency and the Russian-Ukrainian conflict, which led to major instabilities at the geopolitical, economic and financial market levels. In this context, however, we demonstrated that we were able to address the difficulties arising from inflationary pressure, which particularly affected the prices of raw materials (energy, natural gas and steel) and the rise in interest rates.

We have maintained our leadership in the design and construction of cruise ships, and we have confirmed once

again our position as a reference operator in the naval vessels segment, acquiring new customers, forging important partnerships with a view to consolidating defence and guaranteeing visibility of the order backlog with deliveries scheduled up until 2029.

In addition, over the last few years there has been a demand for specialized vessels due to the increased complexity associated with the construction and operation of offshore wind farms characterized by ever larger turbines. In particular, demand for Service Operations Vessels (SOV) has grown, enabling us to confirm our position as market leader in this segment and to strengthen our position in the Offshore and Specialized Vessels segment.

In this context, at Group level we delivered 19 vessels in 9 different shipyards, once again proving our ability to react to the challenges proactively. Thanks to continuous collaboration with our customers, we can rely on a total backlog of €34.3 billion for 109 vessels due for delivery until 2029.



European Taxonomy

With the introduction of the EU Taxonomy, the European Commission has defined a specific EU-wide integrated classification system aimed at **identifying environmentally sustainable economic activities**. The goal of this system is to improve transparency among companies and stakeholders and facilitate the inflow of capital into investments that can contribute to the European 2050 climate targets.

The Taxonomy identifies **six environmental and climate objectives**:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In 2021, the European Commission published the **Delegated Regulation 2021/2139** (hereinafter also referred to as the 'Climate Delegated Regulation'), thus determining the identification criteria for the eligibility of economic activities related to the first two of the six environmental objectives covered by the Taxonomy. It also identified a set of technical screening criteria to be considered in assessing the alignment of these activities with the Taxonomy. Companies subject to the obligation to publish the Non-Financial Statement must disclose the following performance indicators (KPIs): the share of their turnover, capital expenditure (Capex) and operating expenditure (Opex) that potentially contribute to the achievement of environmental objectives, the **Taxonomy-eligible activities**. In addition, they must report on activities that actually contribute to the achievement of these objectives, meeting the technical screening criteria, the **Taxonomy-aligned activities**. An activity is defined as Taxonomy-aligned if it substantially contributes to one of the above objectives, while not causing significant harm to the remaining objectives and respecting the Minimum Safeguards.

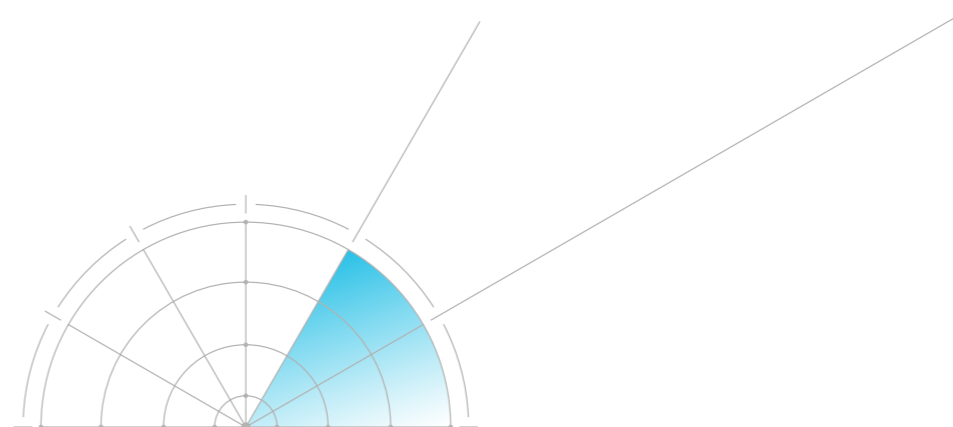
The Fincantieri Group and the promotion of EU environmental targets

Underpinning our ESG identity is solid leadership in the industry and innovation in merchant, naval, cruise and leisure shipbuilding. This is why we find ourselves at the centre of the scenario for transition towards a low-carbon economy and low-carbon shipping mobility, on which our vision of the future is built and for which we have set challenging medium and long-term climate targets.



For more information on environmental commitments and targets, please refer to the chapter 'Fincantieri for the climate'

For us, the Taxonomy is a strategic framework for defining our commitments and objectives, and a preferred means of responding to investor and stakeholder demands for transparency.



Fincantieri Group Taxonomy KPIs

Art. 8 (2) of the Taxonomy Regulation in conjunction with Art. 10 (4) of the Delegated Act.

In line with the Climate Delegated Regulation, Fincantieri publishes the share of Revenues, Capex and Opex, for the reporting year, associated with activities that are Taxonomy-eligible and aligned, and that contribute to the climate change mitigation objective, in accordance with Article 8 of the Taxonomy Regulation and Article 10 of the Delegated Act.

SHARE OF EU TAXONOMY ELIGIBLE AND ALIGNED ACTIVITY IN TERMS OF TURNOVER, CAPEX AND OPEX - 2022

	TURNOVER	CAPEX	OPEX
TOTAL (euro/million)	7,482	316	208
Percentage of Taxonomy-eligible activities	54%	48%	65%
Percentage of Taxonomy-aligned activities	7%	5%	7%
Percentage of non Taxonomy-eligible activities	46%	52%	35%

The data refer to the entire Fincantieri Group.

[For more information, please refer to the annex 'European Taxonomy: KPI calculation methodology and context information'](#)

Analysis of the eligibility of Fincantieri's activities

Sec. 1.2.2.1 (a) of Annex I to Article 8 of the Delegated Act

An economic activity is defined as eligible when it is described in the Climate Delegated Regulation. In order to identify Taxonomy-eligible activities, the activities carried out by the Fincantieri Group and its subsidiaries were analysed with the aim of determining which business activities could be traced back to those in the annexes of the Climate Delegated Regulation, also with reference to the NACE codes for the Group's economic activities. The analysis was carried out with regard to both the climate change mitigation and the climate change adaptation target, making sure to avoid the risk of double counting.



Below is a breakdown of the Fincantieri Group's eligible activities:

ELIGIBLE ECONOMIC ACTIVITIES IN TERMS OF TURNOVER

ECONOMIC ACTIVITIES	OBJECTIVE	DESCRIPTION	NACE CODE
3.1 Manufacture of renewable energy technology	Climate change mitigation	Manufacture of renewable energy technology, where renewable energy is defined as in Article 2(1) of Directive (EU) 2018/2001.	C25, C27, C28
3.3 Manufacture of low-carbon technologies for transport		Manufacture, repair, maintenance, retrofitting, conversion and modernisation of low-carbon vehicles, rolling stock and ships.	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17
9.1 Engineering and other technical studies dedicated to climate change adaptation		Engineering activities and relevant technical advice dedicated to climate change adaptation.	M71.12
9.3 Professional services related to the energy performance of buildings		Professional services related to the energy performance of buildings.	M71

The Group has also identified Capex and Opex related to eligible activities for third parties under Turnover, which are in turn eligible.

[For more information, please refer to the annex 'European Taxonomy: KPI calculation methodology and context information'](#)

In particular, for economic activity '3.3. Manufacture of Low Emission Technologies', which is the Group's largest eligible activity in terms of Turnover, was assessed for eligibility only in relation to the climate change mitigation objective. This activity represents the largest share in terms of Taxonomy-eligibility, since the Fincantieri Group, as a leader in shipbuilding, through its various subsidiaries, manufactures, repairs, maintains, upgrades and modernises a wide range of ships of different types and tonnage, including low-carbon ships, ships powered by renewable fuels (e.g. bio-LNG, ammonia, methanol), electrically-powered ships and hybrid ships. For the purpose of Taxonomy reporting, we have defined 'low-carbon ships' as all civil ships used for maritime and coastal passenger transport whose design meets the criteria set by the International Maritime Organization (IMO), verified through an Energy Efficiency Design Index (EEDI) assessment, and all vessels for auxiliary activities, defined as specialized, which have hybrid diesel-electric propulsion, ammonia-ready ships and hybrid ships developed with biofuel propulsion and readiness for battery power.

As a precautionary measure, activities related to the naval segment, whose ships are not subject to EEDI calculations, were excluded a priori from the eligibility perimeter pending further clarification from the European Union regarding the Defence and Security sector.

A further exclusion from the perimeter relates to activities connected with Group ships that have no EEDI and no renewable or low-emission power supply, as well as the refurbishment of existing ships.

It should be noted that, following the publication of further Delegated Acts, the list of eligible activities could be expanded to include more economic activities contributing to climate objectives.

EEDI Index

The EEDI is defined by the IMO as the minimum energy efficiency level per capacity mile (e.g. tonne mile) for different ship types and size segments.

This index was made mandatory for new ships in July 2011 during the MEPC 62 (Marine Environment Protection Committee) on greenhouse gas emission reduction through the revision of MARPOL Annex VI.

The EEDI index of these ships must record a predefined reduction from the 2008 baseline according to the percentages set for the different development stages identified by the IMO, to promote the design of progressively more energy-efficient ships. The predefined reduction applied is based on the type and tonnage of the ship. The 'third phase' is currently underway, covering the period from April 1st, 2022 to December 31st, 2029, the relevant interval for ships contracted in 2022. At this stage, a 30% reduction in the EEDI value from the 2008 baseline is required.

 More information can be found in the chapter 'Technology for the climate'

Analysis of the alignment of Fincantieri's activities

For the year 2022, given the economic-financial significance of shipbuilding activity, Fincantieri has focused its alignment analysis and assessments on the activity '3.3 Manufacture of low-carbon technologies' for transport specifically on cruise ships, for the purpose of pursuing the climate change mitigation objective. In the coming years we plan to further expand the level of alignment analysis also for the other eligible economic activities carried out by the Group.

Substantial contribution analysis

In order to meet the substantial contribution requirement for the climate change mitigation objective, it is necessary to verify that civil ships used for maritime and coastal passenger transport have an EEDI index 10% lower than the EEDI requirements applicable on April 1st, 2022 and are fuelled with zero direct emission or renewable sources (climate change mitigation objective, activity 3.3, requirement m, item iii). The EEDI requirement applicable as of April 1st, 2022 requires a 30% reduction from the 2008 baseline, for the period from April 1st, 2022 to December 31st, 2029 (Phase 3).

For the year 2022, Fincantieri has identified two merchant ship models, for a total of four ship designs that meet the substantial contribution criteria, with an EEDI index that meets regulatory requirements and capable of running on zero-emission or renewable fuels (e.g. bio-LNG, ammonia, methanol, hydrogen). The Monfalcone and Ancona shipyards are involved in the construction of the first four cruise ships meeting the substantial contribution criteria.

With respect to the low-carbon shipbuilding activity, the Turnover aligned to activity 3.3 corresponds to the revenues recorded for ships that meet the substantial contribution criteria, as described above. It should be noted that these revenues are recorded in accordance with the IFRS 15 accounting standard applicable to contract work in progress and/or construction contracts.

Considering the technical requirements, VARD specialized vessels were not classified as Taxonomy-aligned as the use of dual fuel, hybrid technology or plug-in use for at least 25% of the energy used could not be verified.

SHARE OF EU TAXONOMY-ALIGNED ACTIVITIES IN TERMS OF TURNOVER, CAPEX AND OPEX - 2022

	TURNOVER	CAPEX	OPEX
TOTAL (euro/million)	7,482	316	208
Percentage of Taxonomy-aligned activities	7%	5%	7%
Percentage of non Taxonomy-aligned activities	93%	95%	93%

The data refer to the entire Fincantieri Group.

Analysis of Do No Significant Harm (DNSH) criteria

For the purpose of Taxonomy alignment, Fincantieri must demonstrate that it does not significantly harm the remaining objectives, according to the criteria set out in the Regulation.

Climate change adaptation

For the purpose of alignment of activity 3.3, the DNSH criterion for climate change adaptation requires that companies demonstrate a sound analysis of physical climate risks that may affect business performance, an analysis of climate vulnerability, and an analysis designed to identify relevant adaptation solutions to reduce the risks identified.

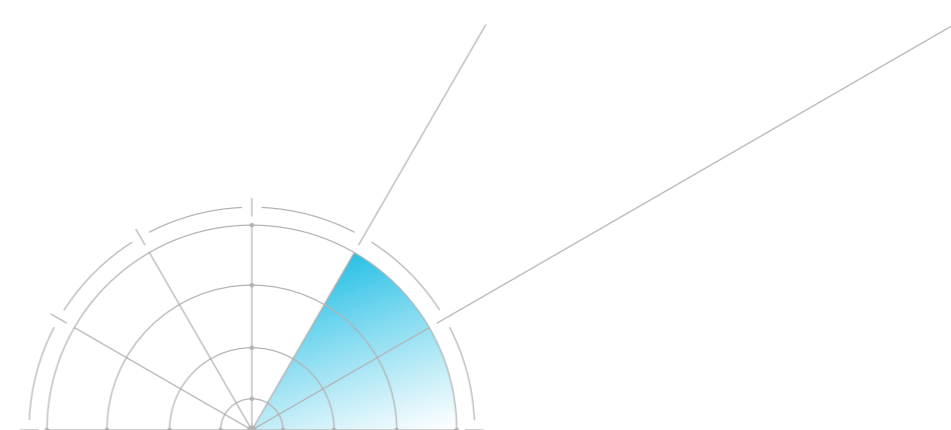
Starting from 2021, we have undertaken climate risk analysis by studying possible scenarios (+1.5°C and +2.4°C). Thanks to these analyses, we managed to identify six main risks, two physical and four transitional, and to categorise them as acute or chronic. Our procedures and management systems comply with the DNSH requirements for climate change adaptation.

 For more information, please refer to the chapter 'Fincantieri for the climate'

Sustainable use and protection of water and marine resources

For the purpose of alignment of activity 3.3, the Climate Delegated Regulation, Annex B, requires that a plan for the management and protection of water and marine resources be implemented, if possible following an environmental impact assessment, which may be required to obtain an environmental authorization (AUA, AIA) under Directive 2011/92/EU. The Group's shipyards for the construction of ships identified as Taxonomy-aligned have an ISO 14001-certified Environmental Management System in place, a discharge monitoring plan in place and have been authorised to carry out shipbuilding activities after obtaining the relevant environmental authorizations.

 For more information, please refer to the chapter 'Sustainable management of natural resources'



Transition to a circular economy

For the purpose of alignment of activity 3.3, the DNSH criterion on transition to a circular economy specifically requires that the company has put in place techniques to promote circularity of processes and products, from the design phase to waste management. Fincantieri has implemented a waste management plan, at production plant level, to promote the maximum reuse or recycling of processing residues, according to the Group's best practices and the regulatory requirements of the relevant country. In Italy, the level of waste recyclability and recovery stands at about 87% of the total waste produced.

The design and shipbuilding phases are designed to guarantee a high durability of the ships produced, with an estimated average life of 30 years, and to encourage refurbishment work that will allow the end use to be changed and/or performance to be improved in the future. The vessels produced are accompanied by a Green Passport, Inventory of Hazardous Materials Booklet, as required by EU Regulation No. 1257/2013, checked by a third party, which facilitates the traceability of hazardous materials used in the construction phases of the vessel: this also facilitates the proper management of these elements at the end of the vessel's life.

 For more information, please refer to the chapters 'Innovation and sustainability' and 'Technology for the climate'

Pollution prevention and control

The products described by activity 3.3 can be considered complex systems in themselves, consisting of a large number of different components. In the case of Fincantieri, the tonnage of ships handled by the Group further affects the number of materials, semi-finished and finished products that are assembled within each ship built. Alignment to the DNSH criteria, both in relation to those directly specified and in relation to the technical requirements of Annex C of Delegated Regulation 2021/2139, is therefore managed by the Group through a careful procurement process, which already limits the presence of chemical agents at the contractual stage to only those situations in which no immediately feasible alternative technical solution can be found.

The Group, implementing the new strategy on chemicals identified by the European Commission and the related provisions of Regulation (EC) 1907/2006 (REACH), has put in place a path of continuous improvement that involves the technical and purchasing departments in the implementation of technical specifications and increasingly binding contractual clauses for the purchase of supplies free of substances identifiable as hazardous, such as substances suspected of being carcinogenic and mutagenic.

 For more information, please refer to the chapter 'Sustainable management of natural resources'

Protection and restoration of biodiversity and ecosystems

For the purpose of the alignment of activity 3.3, the DNSH criterion on the protection and restoration of biodiversity and ecosystems requires, as explained in Annex D, that the actual and potential negative impacts of economic activity on biodiversity and ecosystems be considered.

The aligned vessels included in activity 3.3 are built in shipyards that hold an environmental authorization (AUA, AIA) that provides for constant assessment, as well as environmental monitoring and management, in line with reference regulations to protect the biodiversity of animal and plant species potentially affected by the Group's activities and infrastructures. Where necessary or agreed with the competent authorities, Fincantieri shipyards participate in initiatives to protect the local areas involved.

 For more information, please refer to the chapter 'Sustainable management of natural resources'

Minimum Safeguard requirements

The Taxonomy also requires compliance with the Minimum Safeguards. We conduct our business activities in accordance with the OECD Guidelines for Multinational Enterprises and in compliance with the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

 For more information, please refer to the chapter 'Governance'

Human rights, including workers' rights

Our policies and codes of conduct reflect our commitment to the protection and promotion of human rights. We are aware of the social responsibility inherent in the development of our business and the need to make the entire supply chain accountable, including by means of due diligence activities to prevent potential negative impacts.

Suppliers are chosen following a supplier qualification process, which includes checks on health and safety, pay and contributions, and application of national collective agreements, where available. Suppliers are also subject to the obligation to implement the Code of Ethics as a binding contractual clause for the establishment of business relations.

The Group also guarantees, within the Supplier Observatory involving all the corporate departments concerned, the constant monitoring of its partners' performance, identifying improvement plans in the event of any non-compliance with the minimum requirements and preparing, where necessary, phase-out paths.

 For more information, please refer to the chapter 'Sustainable supply chain'

Taxation

We have adopted a Tax Strategy to ensure the timely discharge of all tax obligations, to safeguard the correct taxation of the Group globally, and to monitor and mitigate tax risk. This strategy establishes the guidelines for the concrete implementation of these objectives at Group level and at individual subsidiaries, and is approved by the Board of Directors of Fincantieri S.p.A., with annual review and updating of its contents. In order to strengthen transparency towards tax authorities, Fincantieri S.p.A. adheres to the transfer pricing provisions in accordance with OECD guidelines. The approach adopted towards tax authorities is transparent and collaborative, while promoting a culture at all company levels aimed at tax compliance and raising awareness of tax risks among all personnel.

 For more information, please refer to the chapter 'Economy and market - Tax approach'

Fair competition

Fincantieri is committed to promoting fair competition, an essential element in the pursuit of its own interests as well as a guarantee for all market operators, customers and stakeholders. The Group has prepared a series of specific policies for the proper management of relations with the Public Administration, offset contracts and conflicts of interest, as well as a document that defines the authorisation process for outsourcing and the necessary measures for assigning tasks to employees or former employees of the Public Administration, or to third parties working with public organizations. Appropriate training measures on fair competition,

communication with the Public Administration and relations with external stakeholders have also been organized to raise the awareness of all those working for and on behalf of Fincantieri.

 For more information, please refer to the chapter 'Governance - Legality, integrity and prevention of corruption'

Anticorruption and anti-bribery

Fincantieri's commitment to anticorruption and anti-bribery is enshrined and integrated in the Group's policies and management systems, as expressed in the Code of Conduct and broken down into a series of adopted procedures that include 'Management of Relations with the Public Administration', the 'Grants, Donations, Sponsorships, Gifts and Hospitality' guidelines, and the internal policy for the management of 'Conflicts of Interest'. In order to prevent and resolve any critical issues in a timely manner and to raise its employees' awareness of these issues, Fincantieri has implemented an ISO 37001-certified management system, a whistleblowing system for the anonymous reporting of potential problems, and a training program involving Group employees at various levels.

 For more information, please refer to the chapter 'Governance - Legality, integrity and prevention of corruption'

Involvement in disputes

There are no definitive convictions against Fincantieri relating to issues of unfair competition, tax evasion, bribery/corruption incidents or violations of human rights and workers' rights. There were no queries from the Business and Human Rights Resource Centre (BHRRC) nor were any cases handled by the OECD National Contact Point (NCP).

 For more information, please refer to the chapter 'Governance - Legality, integrity and prevention of corruption' and indicator 2-27 of the 'GRI Content Index'



Sustainable finance

Funding

In 2022, the Group continued its work to link its portfolio of financial instruments with the strategies outlined in the Sustainability Plan, managing to finalize 'green' finance products totalling €1,430 million during the year, adding to the around €500 million signed off in 2021.

 For more information on sustainability-linked funding signed in 2021, see the Sustainability Report 2021 available on the website www.fincantieri.com/globalassets/sostenibilita2/eng_fincantieri_bilancio-di-sostenibilita-2021.pdf

In June and July 2022, we signed with various bank counterparties two **sustainability-linked construction loans** for a maximum total amount of €600 million, intended to cover the financial needs related to the construction of two cruise ships to be delivered in 2023.

As expected for this kind of financial instrument, in accordance with the latest international best practices, Loan Market Association - publisher of the Green Loan Principles (2018) - and the Sustainability-Linked Loan Principles (2019), the financing is defined as sustainability-linked because the cost is subject to a variation linked to the achievement of three specific key performance indicators (KPIs) indicated in our 2018-2022 Sustainability Plan:

- environmental target: obtaining ISO 50001 certification for the efficient management of energy consumption at certain Fincantieri S.p.A. production sites;
- social target: carrying out audits of priority suppliers of Fincantieri S.p.A. on health and safety issues;
- governance target: extensive training on sustainability issues and responsible sourcing principles for Italian personnel who are in contact with the supply chain.

Whether or not these targets are met by the deadline will result in a benefit or penalty in the cost of financing according to a symmetrical grid.

In June 2022, we also signed a **sustainability-linked revolving credit facility** with Intesa Sanpaolo for a maximum total amount of €500 million. The cost of this facility was linked to certain objectives related to the Energy Efficiency Design Index (EEDI) of the ships built by Fincantieri and due for delivery during the period of availability of the facility, as well as to the improvement of the S&P Global score obtained through the Corporate Sustainability Assessment questionnaire and attributed to the Company during the same period.

Finally, during 2022, four **sustainability-linked term loans** were signed with various banking counterparties for a total value of €330 million. This financing also provides cost benefits or penalties according to symmetrical grids related to the achievement or non-achievement of certain sustainability objectives.

Supply chain Finance

During 2022, we transformed the existing reverse factoring agreements with Eurofactor (Credit Agricole), Ifitalia (Bnl), Sace Fct and Unicredit Factoring (total ceiling of €750 million, 80 suppliers involved) into ESG-linked reverse factoring agreements, which provide for:

- annual assessment of the ESG score of our suppliers by a third party (SupplHI), by means of a questionnaire aligned to the pillars of our Sustainability Plan;
- improvement of the conditions applied to the supplier from the first ESG-linked agreement;
- additional discounts according to the improvement of the ESG score compared to the previous year or for maximum scores.

This approach provides an immediate return for suppliers who have already embarked on a sustainability journey and raises the awareness of the supply chain on the importance of this issue, aligning the various stakeholders with common ESG objectives throughout the supply chain.

Trade Finance

In February 2022, we signed an agreement with BNP Paribas Italian Branch to transform the credit guarantees of up to €700 million granted by the bank into a **sustainability-linked Guarantees Facility** linked to the following KPIs:

- environmental target: obtaining ISO 50001 certification for the efficient management of energy consumption at certain Fincantieri S.p.A. production sites;
- social target: carrying out audits of priority suppliers of Fincantieri S.p.A. on health and safety issues.

The agreement has a minimum duration of more than 4 years and is the first transaction of its kind for the Group. Based on whether or not these targets are met, the agreement provides for an upward or downward mechanism for the cost of the guarantees, calculated according to a symmetrical grid at the end of each year. During 2022, bank guarantees totalling approximately €100 million were issued on behalf of VARD with major domestic and international bank counterparties. The projects underlying these operations, based on their specific sustainability characteristics, allowed them to be classified as 'green' projects, resulting in a cost benefit to the Group.

Tax approach

Since 2021 we have adopted a **Tax Strategy** that, inspired by the principles set out in the Code of Conduct, defines the Group's objectives with regard to the tax variable and sets the guidelines for their actual implementation. The Tax Strategy is approved by the Board of Directors of Fincantieri S.p.A. and is subject to review on an annual basis.



The Tax Strategy is available on the website
www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/approccio-fiscale/fincantieri_tax_strategy_2021.pdf

The **goals** that we have set for ourselves in the tax area can be summarised as follows:

- ensure the prompt fulfilment of all tax obligations;
- safeguard the Group's proper taxation worldwide;
- monitor and mitigate tax risk.

The strategic decisions concerning business and operations are taken also bearing in mind their tax impacts and having our Tax Strategy as a reference, which is based on the following principles:

- **Values:** the Group manages the tax variable with honesty and integrity, aware of the importance of tax revenue as a source of contribution to the economic and social development of the countries where it operates;
- **Principle of legality:** the Group complies with the laws and the tax regulations in force in the countries where it operates, and it adopts interpretations consistent with responsible tax risk management;
- **Tone at the top:** the Board of Directors guarantees knowledge of the tax strategy within the Group and encourages the spread, at all levels, of a culture aimed at complying with the tax regulations and at raising awareness of all personnel regarding tax risk;
- **Transparency:** the Group establishes relationships of loyal collaboration and transparency with the tax authorities of the countries where it operates and does not conduct itself in a way that might obstruct their audit and control activities;
- **Shareholder value:** the Group considers taxes as a cost of the company's business which, as such, has to be managed in compliance with the principle of legality and with the objective of creating value for the shareholders over the medium to long-term.

The tax treatment of the ordinary industrial and financial transactions and the extraordinary transactions examined is defined through appropriate analysis, where necessary with the assistance of the consultant, taking into account the orientation to contain tax risk while respecting the legitimate interests of the Group and its stakeholders.

All applicable company systems and procedures operate in this context, in particular the Organizational, Management and Control Model, the Code of Conduct, the Anticorruption Policy and the Whistleblowing System. With reference to Fincantieri S.p.A., at the organizational level the task of guaranteeing proper fulfilment of the tax obligations and of providing support to the different company departments regarding tax matters is entrusted to a special function that, through appropriate service agreements, lends assistance also to the Italian subsidiaries if they do not have adequate coverage.

Our economic contribution in the various countries where we are present is also expressed at tax level and is divided into various types of taxes, which can be grouped into the following categories:

- income tax, such as corporation tax;
- property taxes, levied on ownership, sale or lease of property;

- taxes on labour, which include taxes collected and paid to the tax authorities on behalf of employees;
- indirect taxes levied on the production and consumption of goods and services, such as VAT, customs duties, etc.

Taxes and duties calculated with the direct economic value generated and distributed method are shown below.

TAXES AND DUTIES BY GEOGRAPHICAL AREA

(euro/million)

	2021	2022
ITALY	67.5	6.0
NORWAY	0.3	4.9
ROMANIA	3.1	1.4
REST OF EUROPE	0.5	0
NORTH AMERICA	0.2	(16.2)
SOUTH AMERICA	(4.4)	6.1
ASIA, AFRICA AND OCEANIA	2.4	4.4
TOTAL	69.7	6.7

The data refer to the entire Fincantieri Group.

The changes in taxes depend on the financial performance of the activities carried out, taking into account that the local tax regulations to determine the taxable amounts, starting from the economic results, might lead to differences. For Italy the change is attributable to the significant decrease in the Parent Company's taxable income. For North America the tax benefit is mainly due to the recognition of deferred tax assets generated in relation to losses on orders recognised during the year. For South America the change is due to the reversal to the income statement of deferred tax assets deemed no longer recoverable.

Expansion of skills: towards digital and zero-emission solutions

We are present in **different geographical areas** in Italy and in the world, some of them in precarious or developing socio-economic contexts, characterized by a limited presence of large companies, a large number of small enterprises, where employment rates and the labour market are not very dynamic and not always evolved. This involves a considerable investment in terms of both organizational and economic resources in order to address and make up for the shortcomings of infrastructure networks and the lack of a widespread business culture. Through our business we are able to guarantee economic stability to entire families and territories and contribute significantly to **employment growth** and the positive evolution of the socio-economic context of the areas in which we operate, with the objective of creating value for the entire production chain. We offer people the opportunity to establish a stable and long-term relationship with us and to share with them the same idea of growth, improvement and personal fulfilment.

In order to support our production, we have created a **production network** that requires our shipyards to work in synergy and collaboration with each other so that a single project brings value to different regions or nations and not only to the production site where the ship is delivered. For example, with regard to the vessels produced by the VARD group, it is worth noting that these are built with the operational contribution of the Norwegian shipyards, two shipyards in Romania and the shipyards in Vietnam and Brazil. With this integration it is possible, on the one hand, to ensure the proper combination of functionality, capacity, cost control and proximity to the

market and thus satisfy the desires of a wide and diversified international portfolio of customers and, on the other hand, to generate internationally distributed value by promoting the transfer of technology and knowledge aimed at fostering independent local development even in non-European countries with different levels of economic development. Moreover, this preventive geographical diversification model also allows us to address possible risks related to climate change.

Thanks to the adoption of a strategic approach to the market, over the years we have evaluated and finalized several M&A transactions and acquired entire companies in financial difficulties but with solid industrial backgrounds, also giving priority to direct hiring or hiring through our chain of subsidiaries belonging to the Group. These actions have enabled us to safeguard know-how, strengthen our skills and support the economic system of the territories in which we operate.

Energy transition and the spread of digital technologies are confirmed as the major levers that will influence all markets, including shipbuilding. They offer additional opportunities to competitors able to ride the wave of technological change and the establishment of new business models.

This context offers significant opportunities for the Fincantieri Group, thanks to its distinctive competencies in high value-added shipbuilding business, its ability as an integrator and its wealth of engineering and project management skills.

The policy of broadening skills was primarily aimed at the **infrastructure segments** and at the **digital** and **green transversal technology segments** with a view to both strengthening the core business and accessing new markets.

The Group aims to excel in digital and 'green' shipbuilding and whole-life management, for the cruise tourism, defence and energy sectors, further enhancing synergies between the cruise, defence and offshore specialized vessel segments, aiming to maximise the overall value offered to the customer (Capex and maximum efficiency in terms of operating costs throughout the ship's life cycle).

The Group's main guidelines include focus on the core business, distinctiveness of the offering with an expansion of competencies towards digital and zero-emission solutions.

DEVELOPMENT OF ECOLOGICAL MARITIME DREDGING SERVICES



As envisaged in the 2018-2022 Sustainability Plan, the offer of services related to maritime dredging has been developed by chartering the vessel Decomar, managed by the subsidiary Fincantieri Dragaggi Ecologici S.p.A. The service has started although some issues need to be resolved in relation to the eco-dredging technology in use. These issues emerged during the first tender in Ravenna and led to the definition of equipment modifications needed to achieve adequate dredging capacity.

For more information on agreements to contribute to a low-emission economy, see the chapter 'Technology for the climate – Agreements and Initiatives to be Eco-Sustainable'

Economic satellite businesses

We believe in an economy that is a system of relations, an integrated dynamic network, built over time to create and exchange value. Thanks to a competitive production model that is strongly linked to the Italian production network, Fincantieri generates additional impact on the national economy.



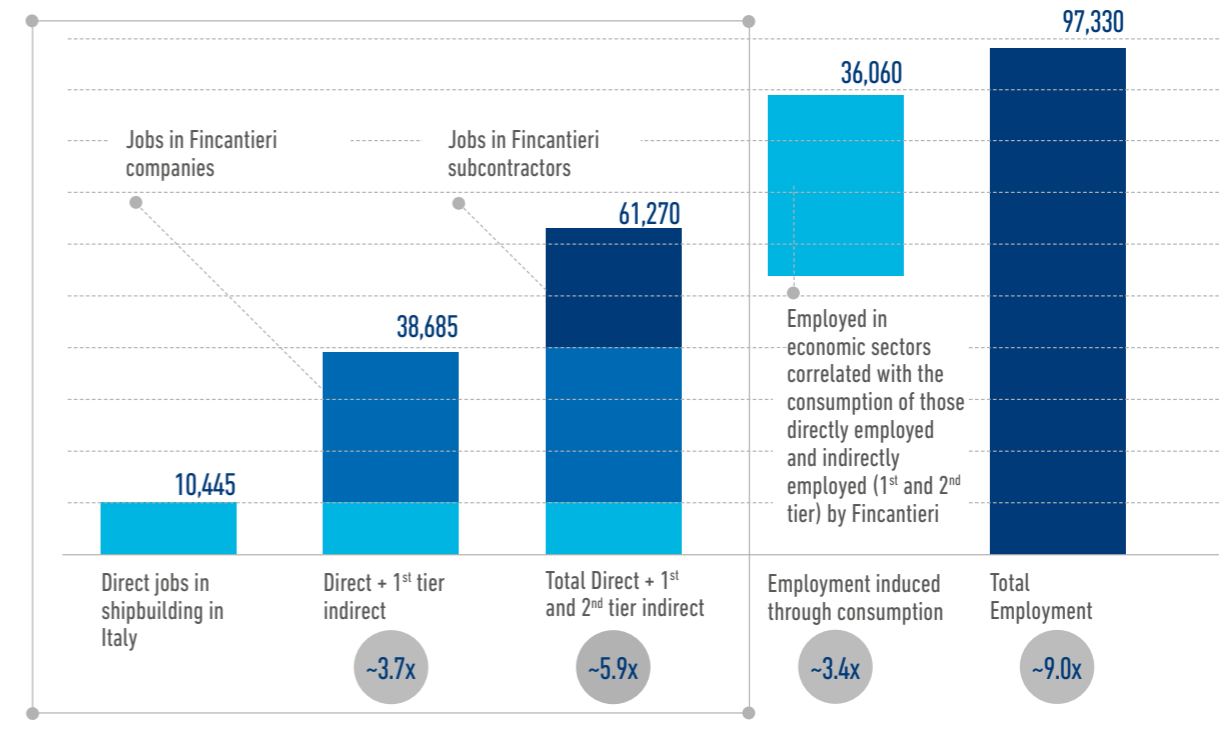
According to a Censis study, the Fifth Report on the Economy of the Sea 2015, every euro invested in shipbuilding produces a value 4.5 times greater, mostly benefitting the area where it is located, through the involvement of a wide and diverse network of companies, many of which are highly specialized small or medium-sized enterprises. In view of the high unit value of the ships designed and built by Fincantieri, the transfer of value to the territory is particularly significant; by way of example, a cruise ship built by Fincantieri develops on average about €2.7 to €4.5 billion in business volume for the 'Sistema Italia':

- directly generated by Fincantieri: about €600 to €1,000 million;
- additional through stimulation of satellite businesses: about €2.1 to €3.5 billion.

The impact on employment can be calculated by initially considering direct employment, that is direct jobs at Fincantieri in Italy involved in shipbuilding, to which first-tier indirect employment is added, i.e. jobs at Fincantieri contractors, as well as second-tier employment, represented by jobs at sub-contractors and personnel working at the supplier's site. It is necessary to add to this final employment figure the satellite business jobs due to consumption by the families of employees.



ECONOMIC SATELLITE BUSINESSES - ITALY 2022



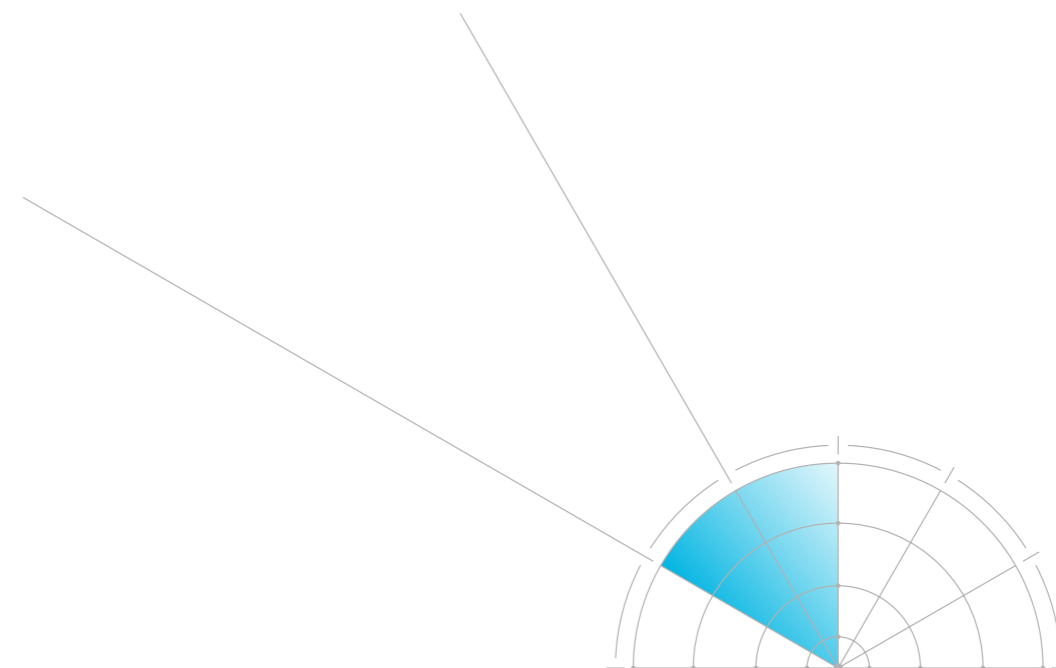
Source: Fincantieri estimates for the 2022 financial year based on Censis data.

MULTIPLIER

From the graph it can be seen that:

- the more than 10,450 direct resources at Fincantieri involved in shipbuilding activate in Italy more than 61,270 employment units in industry (considering contracts and subcontracts) in the manufacturing segment;
- adding to this the induced effect of family consumption, employment exceeds 97,300 units.

Considering both the effects upstream and downstream of its production organization, Fincantieri therefore has a significant employment multiplier effect of ~9.0x, confirming the broad impact the Company has on the country's economic system.



INNOVATION AND SUSTAINABILITY

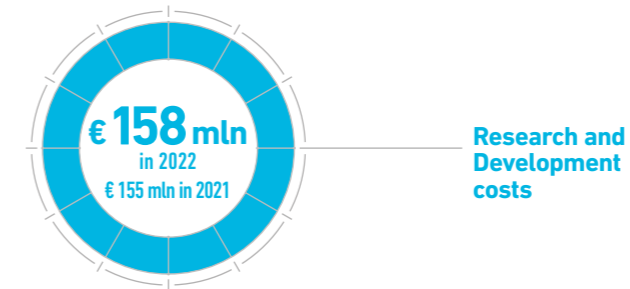
We want to contribute to a low-carbon economy by developing the latest technologies, products and services because innovation is growth and we never cease to innovate



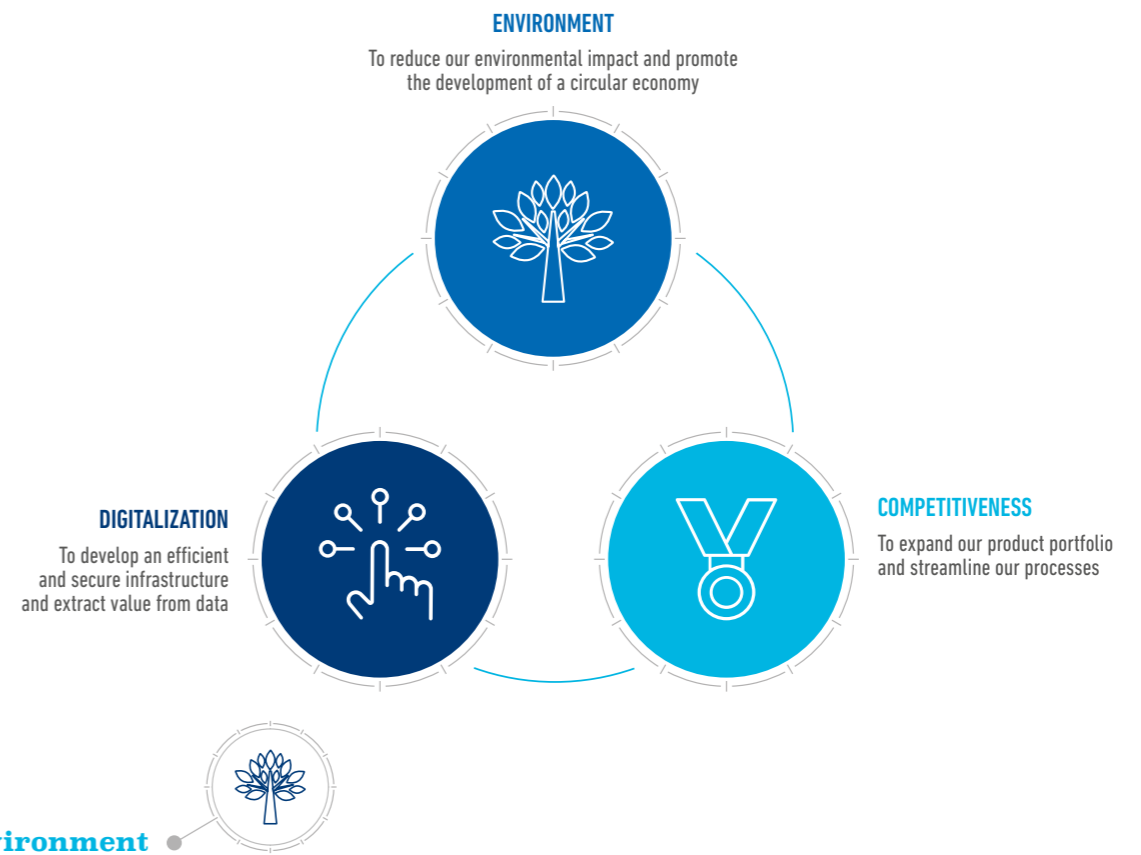
Our main objective is to develop all the high value-added sectors in which the Fincantieri Group operates, aiming to acquire, maintain and strengthen the role of global leader. We are attentive to potential commercial, regulatory and environmental developments, continually seeking innovative and high value-added solutions that anticipate our customers' needs. Our competitive advantage lies in our capability to design and deliver highly technological and customized solutions; this is especially evident in the integration of complex systems. In the current environment, where the challenges associated with the green and digital transition, the impacts of COVID-19 and geopolitical and global macroeconomic changes impose a radical transformation of business models, we have confirmed our position as one of the most competitive global players, thanks to our flexibility and ability to adapt to significant changes in market needs. The latter require us to adopt a continuous process of change in order to develop new technologies to implement our product portfolio and recover productivity. The ability to understand and anticipate changes in the markets in which it operates and the constant updating of products and processes are therefore the key features of our organization.



Innovation strategy



We have identified three technological directions to guide and streamline our innovation efforts:



For many years, the concept of environmental protection the environment has established itself as one of the guidelines for innovation processes and has acquired a fundamental importance for the sustainability of human activity on the planet. Fincantieri is committed to further increasing the level of sustainability of its contracts and reduce their carbon footprint, throughout the product life cycle. These objectives are the cornerstones of our vision and stimulate innovation, including reducing air and water emissions, improving onboard waste management, and reducing noise and vibrations. This approach requires all new technologies be directed towards the decarbonization and the transition to green fuels.

Digitalization



The digital transition is the foundation of the latest industrial revolution, currently underway, which is preparing the ground for a radical change in our business. The pervasive use of smart devices, the Internet of Things (IoT) and artificial intelligence, is already having impacts in most industries, including the design, manufacturing and construction processes in segments related to the maritime sector and other sectors in which Fincantieri operates.

The world of digitization poses significant challenges in the development of pervasive and efficient network infrastructures, in the management of ever-increasing amounts of data, and in the extraction of value from the analysis of the data itself.

These concepts also have important repercussions on the whole value chain, from the design of new systems, to their monitoring and maintenance in the after-sales phase, as well as strong implications on cyber security aspects. Great importance is given to the modelling of possible cyber attack risks and the countermeasures to be taken both at a logical and a physical level to prevent these eventualities. These logics and models are applied to the Group's products and infrastructures, both in the naval and in the civil sectors.

Competitiveness



Maintaining and enhancing our global competitiveness and leadership is one of our main objectives. The current technological transition sees the emergence of breakthrough solutions. Their applicability to the production processes is constantly evaluated in order to seize the best opportunities to increase company performance. With this in mind, we are committed to perfecting all phases of design and production in the shipyard and to studying methodologies, technical solutions and innovative materials. This process of continuous improvement is accompanied by essential training and educational activities in order to develop and update skills.

A working group dedicated to identifying the evolution of customer needs has been set up to identify and anticipate the needs of the market in which we operate. This information is used to identify the necessary technologies, the technological gap to make them operational and consequently the development path to follow, which will be based on real research and industrialization projects.

Since 2021, an **Innovation Plan** and **Innovation Call** have been prepared and are updated regularly from year to year. The first summarizes the results of the market analysis and the Group's strategic positioning and identifies the priority projects to be developed starting from the following year. The second is the tool the Group uses to communicate its strategy both inside and outside the Group. The Innovation Call aims to stimulate and promote project proposals in line with the Plan guidelines, involving internal and external stakeholders. In fact, according to a logic of Open Innovation, the Innovation Call is open to all actors that make up the innovation ecosystem and it aims to define development roadmaps and joint project ideas that allow objectives to be achieved in line with the Plan.

PROCESS OF DEFINING THE INNOVATION PLAN AND THE INNOVATION CALL

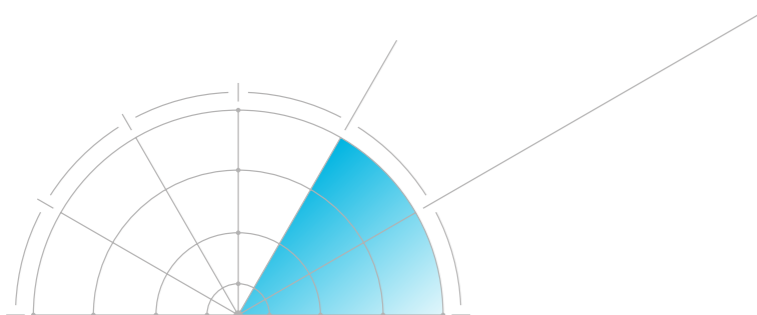
Definition of the Innovation Plan



The Call for Innovation 2022 was disseminated both at Group level and to external stakeholders, including universities and the regional districts in which Fincantieri participates, in order to stimulate participation in Plan implementation.

In the second half of 2022, work started on the definition of the 2023 Innovation Plan.

Our innovation strategy is also fuelled by the **Technology Scouting** process, aimed at analysing emerging technologies in detail, including in sectors other than maritime, to assess their potential impact on our products, services and processes. The results of these activities not only help to spread a culture of innovation within the Group, but also stimulate the development of collaborations and partnerships with external players.



Main projects



In 2022, at Group level, we have carried out over 160 Research and Innovation (R&I) projects and programs, funded either through our own resources or through the use of European, national and regional R&I programs. Several projects are carried out in collaboration with universities and research institutes, through the awarding of specific assignments or the funding of PhD fellowships, research grants, or tenured and temporary positions in partner universities. All projects can be traced back to the three technological directions described above.

Environment



The main projects related to these issues are:

RESEARCH PROJECTS FOR THE DEVELOPMENT OF NEW SOLUTIONS



As envisaged in the 2018-2022 Sustainability Plan, in December 2022 we concluded the project **GREATS - Green Ammonia/Methanol to Green Ships**, developed in cooperation with the University of Genoa, with regard to the objective 'Promotion of research projects for the development of new energy efficiency or emission reduction solutions in cooperation with research institutes/universities on issues related to climate risks'.

The project involved a feasibility study on the use of ammonia and methanol to power internal combustion engines on board passenger ships.

Following the guidelines of Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL), the study analysed the impact caused by the use of ammonia and methanol, both in terms of energy efficiency and consequent polluting emissions, and in terms of integration with and modifications to on-board systems.

In particular, as part of the project activities, HAZID (HAZards IDentification Analysis) was carried out to draw attention to the dangers connected with the use on board ships of systems powered by the two alternative fuels and consequently highlight the main requirements and recommendations to be respected to maintain and guarantee safety.

Finally, a further analysis looked at the maturity of the four-stroke dual-fuel (methanol or ammonia) engines currently available, or under development, for future implementation on passenger ships.

FUCELL (2018-2023)

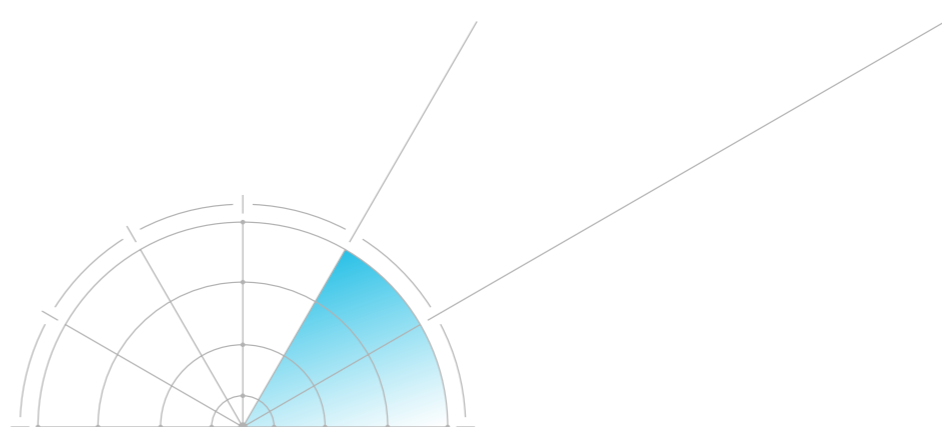
As part of the FUCELL project, in cooperation with the University of Trieste and its spin-off CEnergy, Fincantieri opened a new laboratory in the Area Science Park in Trieste. In particular, a prototype was made of a power generation plant for marine applications, consisting of a hydrogen production, compression, storage and distribution plant to power fuel cell system combined with a system of super capacitors. The research activities, the total cost of which is estimated at about €2,400,000, will enable the acquisition of specific know-how on fuel cell and hydrogen technology. Once the authorizations of the classification and flag authorities were obtained, the technologies developed within the project were applied at prototype level on board ship. Subsequently, downsizing the completed system will generate new business and revenue opportunities for the Fincantieri Group. The application of fuel cells on board has the advantage not only of reducing polluting emissions (GHG, NOx, SOx, particulates), but also of increasing the energy efficiency and the vibro-acoustic comfort of the ship.

- **TECBIA - Technologies with low environmental impact** (2018-2022): a project conducted by Fincantieri and Isotta Fraschini Motori in cooperation with the Italian National Research Council (CNR), Cetena, RINA, the National Research Body (ENR) for the promotion of standardization, and the Universities of Genoa, Naples and Palermo, with the contribution of the Ministry of Economic Development. The project aimed to study exhaust gas after-treatment devices and distributed electricity generation with fuel cells on board cruise ships, giving Fincantieri the opportunity to build a laboratory that is currently unique in the world: **ZEUS - Zero Emission Ultimate Ship**.

In the future, in order to accelerate technological innovation in decarbonization and digitalization,

and thus maximize the positive effect of the investment, the Fincantieri Group intends to use the vessel to test further technologies.

- **GreenCruise** (2019-2022): development and testing of new tools, processes and methods for increasing product sustainability. The project aims to develop technologies, design and production processes and prototyping for verification and testing of different solutions capable of making future large cruise ships safer and more environmentally friendly.
- **EALING** - European flagship action for cold ironing in ports (2020-2023): the goal of the project was to accelerate the deployment of onshore power supply solutions (OPS) in EU maritime ports.



- **GREENSHIP** - Towards zero ship emissions (2019-2022): the project aimed to develop an e-learning course to train a new figure on board ship: the Emissions Manager, in compliance with the new IMO requirements.
- **Zero Coaster** (2020-2023): the project, managed by the subsidiary VARD, aims to develop optimization of design processes for a new class of zero-emission bulk carrier for coastal navigation.



Digitalization

The main projects related to these issues are:

SHOPROM (2021-2022)

The SHOPROM (SHip OPTimization with Reduced Order Methods) project, in collaboration with SISSA (Scuola Internazionale Superiore di Studi Avanzati), is an extension of the IRONTH industrial PhD financed by Fincantieri S.p.A. and carried out at SISSA, which dealt with the single-objective structural optimization of passenger ship hulls through model and parameter space reduction techniques. In particular, the use of such techniques reduces the computational complexity of numerical simulations while maintaining an acceptable level of accuracy.

The aim of SHOPROM was to provide the design functions with software that could explore thousands of different ship configurations in a very short time and identify those that would allow them to minimize the weight of the ship (saving tonnes of steel and reducing production costs).

- **ECHO** - European network of Cybersecurity centres and competence Hub for innovation and Operations (2019-2023): project, funded under the Horizon 2020 Programme, which aims to develop a new coordinated and integrated approach to proactively incentivise the EU's cyber defense through efficient cross-sectoral partnerships.
- **FLARE** - FLOODing Accident REsponse (2019-2022): cooperative project, funded under the Horizon 2020 programme, for the development of a risk-based methodology in order to assess and control the risk of flooding in real time on board passenger ships.
- **SAFEMODE** - Strengthening synergies between Aviation and maritime in the area of human Factors towards achieving more Efficient and resilient MODEs of transportation (2019-2022): the project set out to develop a new 'HUMAN Risk Informed Design' (HURID) design framework to

- **TEOREMA** (2019-2022): the project enabled the design and testing of innovative offshore energy technologies through the development of two technologically advanced platform concepts for the production of wind, solar and wave power as well as Microbial Fuel Cell (MFC) technologies.

identify, collect and evaluate human factor data to base the design of systems and operational procedures on risk models.

- **KPN IPIRIS** - Improving Performance in Real Sea (2020-2023): a project developed by the subsidiary Vard Design to increase the digitalization of design and construction processes in order to achieve the greenhouse gas emissions targets laid down by the IMO.
- **TETI** - Innovative technologies for control, monitoring and safety at sea (2021-2023): the project entails the study and development of innovative technologies to be used in monitoring the environment and safety at sea. Project activities are aimed at optimizing sensors to be used for remote control and real-time interconnections. In addition, the project includes activities aimed at the design and experimental implementation of smart float systems.

Competitiveness



The main projects related to these issues are:

ALS04 – Automated Laser Scanner Operations (2020-2023)

ALS04 is a collaborative project, funded by the Autonomous Region of Friuli-Venezia Giulia, involving other industrial partners (MarineLab and Studio Zerouno) and the Universities of Trieste and Udine. The project focuses on the research and development of optoelectronic control systems based on laser scanner technology in order to create a working prototype for the three-dimensional measurement of ship blocks and sections. The use of such technology is expected to result in less reliance on manual operations (for each ship, approximately 10,000 A4 sheets are filled in by hand), reducing the overall time to survey and process data and optimizing the performance of the design and production system. The above-mentioned advantages will also result in less repair work which, it is estimated, would generate an annual saving of around 1.25% on the cost of the hull (a figure that corresponds to around €400,000 for a shipyard like Monfalcone).

Important positive effects on business are expected as a result of the activities and collaborations developed within the project; an increase in the perceived quality and satisfaction of our customers, as well as the creation of know-how and specific skills that will allow us to maintain and strengthen our competitive advantage.

- **Hull Production 4.0** (2020-2023): the project, financed by the Ministry of Economic Development, aims to optimize hull production processes, by integrating production and quality control processes, in order to apply standards and methods that are as uniform as possible across the Group's various production plants. The project will ensure the development of advanced laser and vision systems to support processes and the construction of demonstrators at the Castellammare di Stabia and Palermo yards.
- **IFuture** (2020-2023): program agreement for the establishment of a research and innovation centre within Isotta Fraschini Motori for the development of a new family of engines for industrial applications, a remote monitoring system and a new engine for marine applications that is based on hybrid technologies and integrates digital tools that optimize performance.
- **AIP 2** - Reactants storage and production systems for second generation fuel cells/2nd phase (2022-2023): the second phase of a project

that focuses on the feasibility study, design, construction and validation of a technology demonstrator for an air-independent, fuel cell-based propulsion system for submarines.

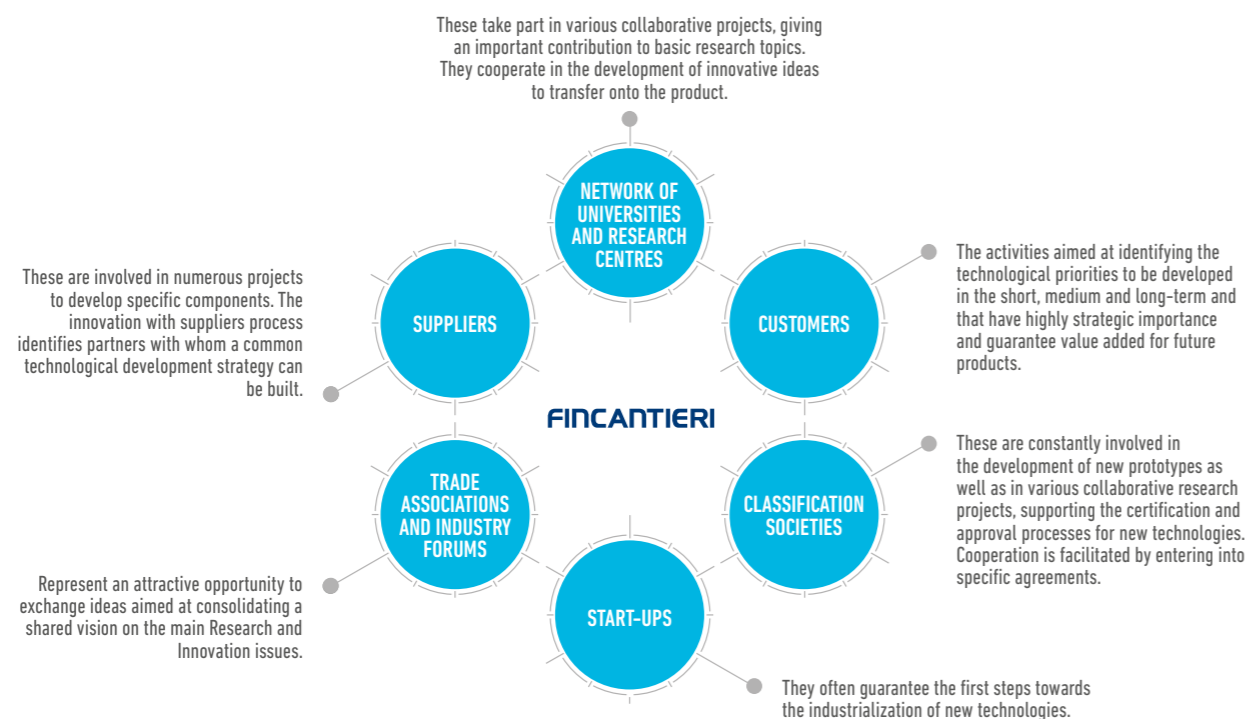
- **SEA DEFENCE** - Survivability, Electrification, Automation, Detectability, Enabling Foresight of European Naval Capabilities in Extreme Conditions (2020-2023): the project, funded under the European Defence Industrial Development Programme (EDIDP), aims to indicate which are the emerging technologies for the next generation naval vessels in relation to future operational scenarios. These technologies will be the focus of European Defence Fund (EDF) investments during the 2021-2027 framework program.
- **ARES** - Naval support platform for underwater and airborne drones (2019-2022): the project aims to extend the operational capabilities of a naval platform through the use of a cooperative system of autonomous underwater and surface drones.

Collaborations

To maximize innovative capabilities, we adopt an open working method open to collaborations with other industry and academic actors that can contribute systematically to an enrichment of our expertise. We continuously research and propose collaborations with partners operating upstream in the value chain, or with other stakeholders working to innovate tools, products and services in the segments in which Fincantieri operates.

In this regard, we favour long-term relationships through the creation of wide-ranging cooperative development programs. Aware of the significant boost that these can provide, we constantly aim to expand our partnership networks at local and international level.

In embracing the Open Innovation model, we take into account a wide range of stakeholders, shown below:



We strongly believe in the possibility of creating value in a collaborative way and, for this reason, we have developed a dense network of relationships and participations in various regulatory and institutional round tables, both in Italy and in the main countries where the Group operates.

A common strategy: from global to local level

In the context of the Group's collaborations, those activated to implement our vision and to jointly define the documents and actions that contribute to establish and pursue the sectoral strategic priorities, at local, national and supranational level, are particularly important. To this end, we maintain numerous relationships with other industry partners, universities and research institutes, and various associations and forums.

We aim to regularly strengthen **partnerships with the entire value chain** to create added value and positive spillover throughout the chain, through co-design activities and sharing of best practices. With this in mind, Fincantieri is among the 35 European companies participating in the first **IPCEI** (Important Project of Common European Interest) **on hydrogen**, which, in July 2022, obtained the European Commission's authorization for funding through the State Aid scheme envisaged for IPCEIs.

On the associative level, during the year, we participated intensively in the work of the main European sectoral

organizations. One of the most important strategic partners of the European Commission is represented by the **European Waterborne Platform TP**, of which Fincantieri is an active member. The platform aims to maintain continuous dialogue between all stakeholders in the maritime, naval, port, logistics and blue growth fields (the latter being an expression that brings together various economic activities including, for example, fisheries, aquaculture, maritime tourism, maritime biotechnology, production of renewable energy from oceans, deep sea mining), through the consolidation of a shared vision aimed at identifying European priorities for Research and Innovation.

Waterborne TP, along with the European Commission, is the driving force behind the co-programmed European partnership, **Zero-emission Waterborne Transport**, which officially launched in June 2021. The partnership's ambitious goal is to demonstrate and provide zero-emission solutions for all ship types and services before 2030, enabling zero-emission waterborne transport before 2050.

Fincantieri has contributed to the work of the industry associations **SEA Europe** and **Hydrogen Europe**. The former is the European association representing shipyards and manufacturers of maritime equipment; the latter is the European association representing the industry and research for the development of hydrogen technologies and fuel cells and supporting the institutionalized European partnership Clean Hydrogen for Europe. The Fincantieri Group is also a member of the **European Clean Hydrogen Alliance**, participating in the work of the round table dedicated to mobility and, from 2022, of the **Renewable and Low-Carbon Fuels Value Chain Industrial Alliance**, where it chairs the Waterborne Chamber (a group that brings together all members of the waterborne transport sector) and participates in the work of the round table dedicated to the maritime sector. The former supports the large-scale development of hydrogen-based technologies with the aim of fostering industry investment; the latter supports the increased use of low-carbon fuels in the aeronautical and naval sectors, with the aim of encouraging the implementation of the proposed FuelEU Maritime regulation.

Internationally, we cooperate with:

- **EuroYards**, European Economic Interest Group of leading European ship builders, where we actively contribute to the activities of the technical committee and the working group on product and process digitalization.
- **Cooperative Research Ships** consortium, focused on the study of hydrodynamic and structural topics and general issues related to large ships, both from an operational and design point of view.
- **European Council For Maritime Applied R&D** (ECMAR), industry association that aims to develop a common strategy for European research in the maritime sector.
- **AeroSpace, Security and Defence Industries Association of Europe** (ASD), an association for the competitive development of European aerospace, security and defence industries.
- **Smart Marine SFI**, centre for innovation in collaboration with The Foundation for Industrial and Technical Research (SINTEF), whose main focus is to increase the potential of the Norwegian maritime sector within the sustainable waterborne transport segment.
- **Move SFI**, centre for innovation in collaboration with Norwegian University of Science and Technology (NTNU), whose activities are focused on increasing the value of maritime operations by developing IT knowledge, methods and tools.
- **National Shipbuilding Research Program** (NSRP), a program funded by the U.S. government to carry out research and innovation initiatives with the dual objective of reducing total cost and improving the capabilities of commercial vessels, providing a cooperative framework for managing, focusing, developing and sharing research and development, leveraging best practices in shipbuilding and repair.

As part of our Italian activities, we have contributed to the work of the **National Technology Clusters** (NTC) and the **regional technology districts** to which we adhere. At both national and regional level, collaborations enable the creation of synergies across different supply chains, identification of future cross-sectoral research

trajectories and efficient targeting of available resources.

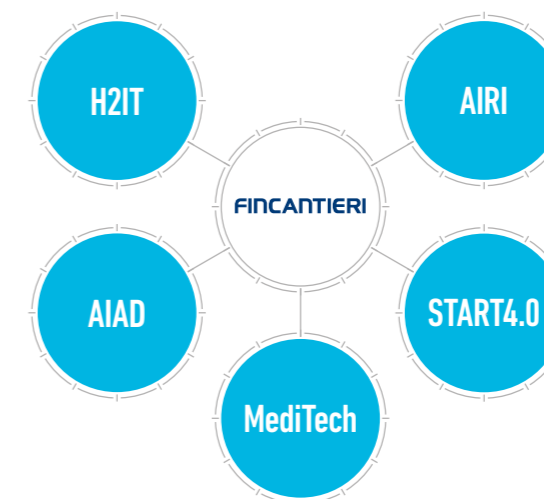
The Clusters and districts involved in cooperation relationships with the Group are:

- **Trasporti Cluster Italia 2020:** which brings together the major national, industrial and scientific actors operating in road, rail, waterway and inter-modal mobility, in telematics applied to transport and integrated transport services.
- **Blue Italian Growth Cluster (BIG):** a structure open to the gradual participation of all interested national actors in order to generate technological development opportunities on Blue Growth issues for Italy's marine and maritime industrial system.
- **Maritime Technology Cluster Friuli-Venezia Giulia (MareTC FVG):** which helps the territory to excel by facilitating dialogue, including at international level, between companies, the research system, the world of education and training, citizenry and public administration, with reference to the maritime technology sectors.
- **Ligurian District of Marine Technologies (DLTM):** which promotes integration between the research system and companies on issues of shipbuilding and yachting, defence and security, and the monitoring, remediation and safety of the marine environment.
- **Technology District of Liguria on Integrated Intelligent Systems (SIIT):** which develops an integrated system between large industry, small and medium enterprises, the University of Genoa, and public, research and financial institutions, with particular focus on the development of industrial research and technology transfer activities.
- **Technological District for the Engineering of polymeric and composite materials and structures (IMAST):** which facilitates the birth and growth of a stable cooperative system between Italy's research institutions and the major industrial companies for the development and dissemination of advanced technologies.
- **Sicilian Technology District for Naval, Commercial and Recreational Transports (NAVTEC),** which transforms the economy of the sea through networking, cooperation and internationalization initiatives, and through the participation in and promotion of activities for a more efficient, safer and less costly and polluting shipping system.

During 2022, Fincantieri actively participated in the initiatives promoted within the National Recovery and Resilience Plan (PNRR) aimed at stimulating technology transfer between various national stakeholders: the **National Research Centre in High Performance Computing, Big Data and Quantum Computing**, the **National**

Centre for Sustainable Mobility, and the Territorial Innovation Ecosystem - Robotics and AI for Socio-economic Empowerment.

Lastly, we are a member of several associations and sectoral initiatives: the Italian Hydrogen and Fuel Cells Association (**H2IT**), the Italian Association for Industrial Research (**AIRI**), the Federation of Italian Companies for Aerospace, Defence and Security (**AIAD**) and the two Competence Centres **START4.0** and **MediTech**, for the promotion of new Industry 4.0 solutions in the infrastructure and engineering sectors, respectively.

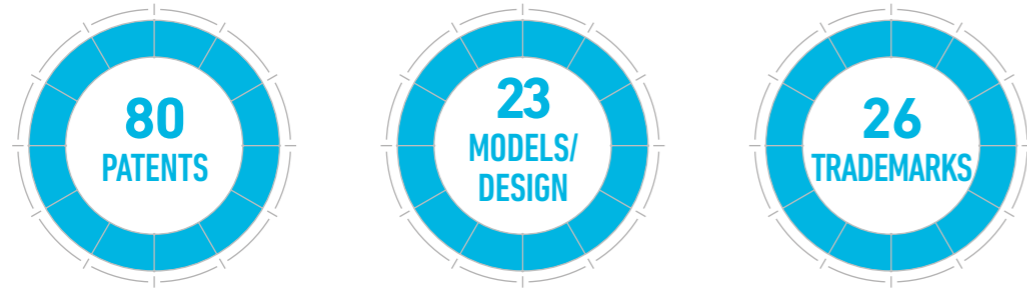


The Group's cooperation activities are often supported by the **Centro per gli studi di Tecnica Navale - CETENA**, which, thanks to its experience in research and consultancy in the maritime field since 1962, represents the cornerstone of the Group's pre-competitive research and engineering. CETENA's main competences range from fluid dynamics to structural design, including the application of innovative materials, from energy efficiency and the control of emissions to safety issues at sea and onboard, and from the development of software and simulation systems to sea trials and lab activities.



Managing and sharing knowledge

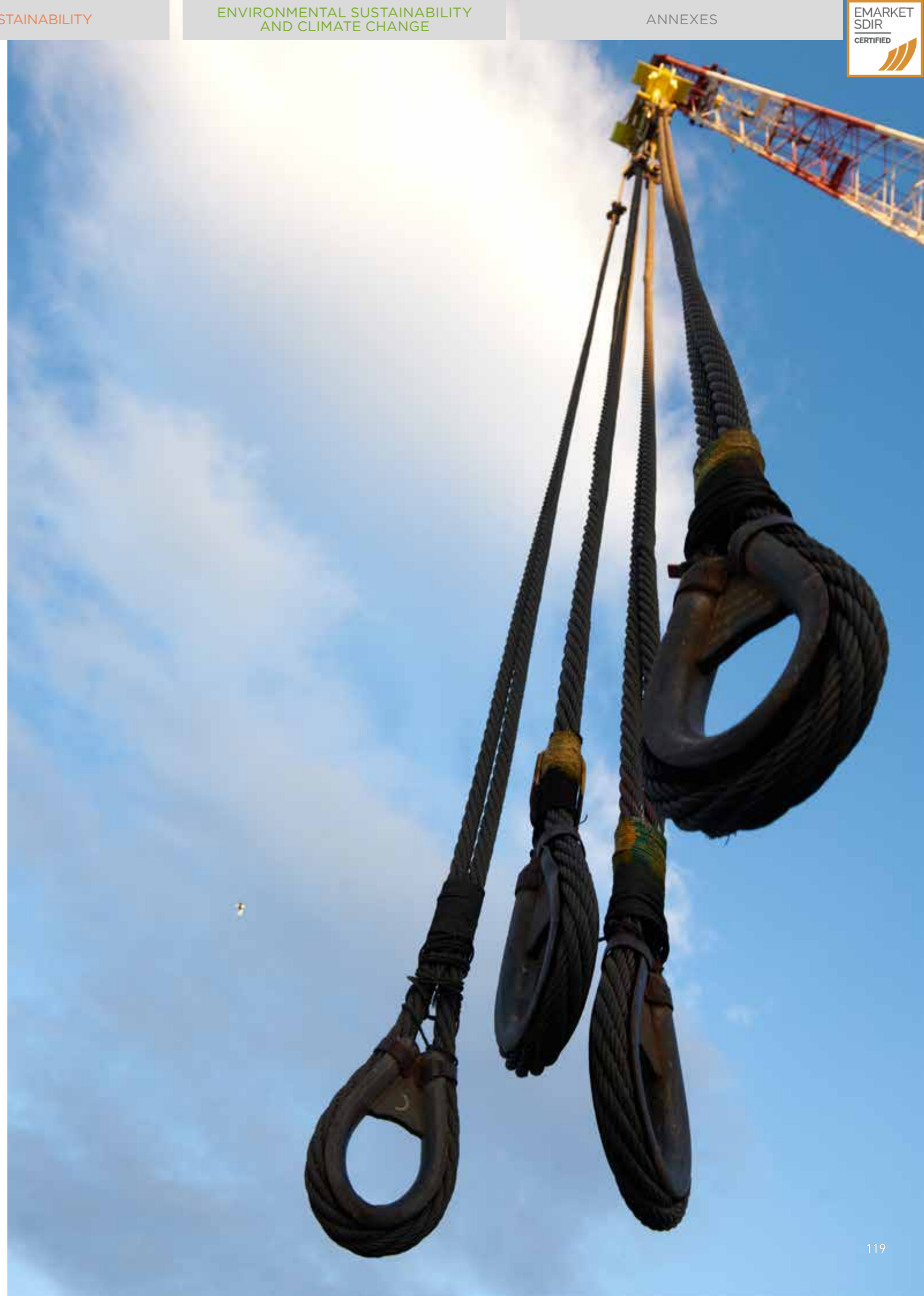
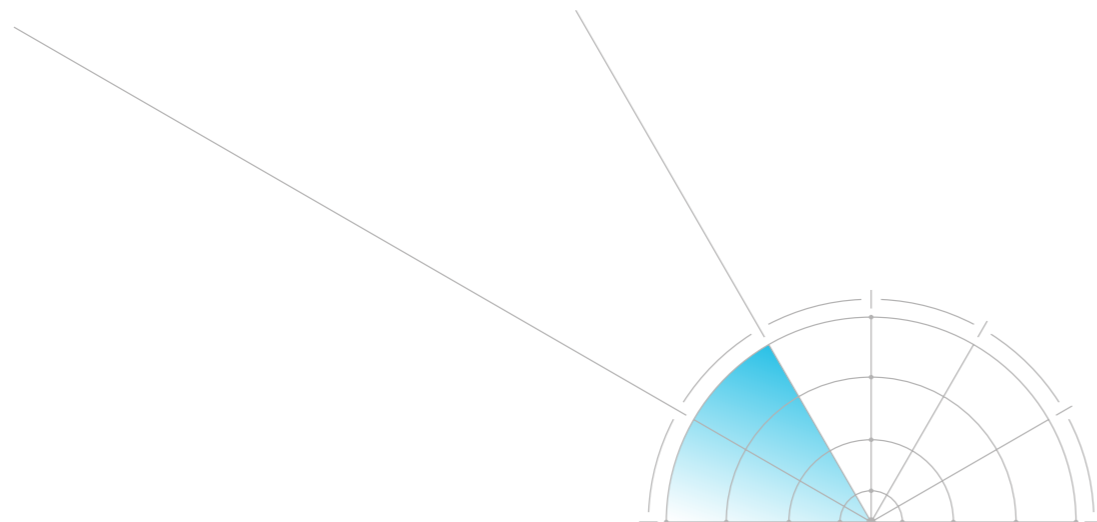
Fincantieri Group's patent portfolio currently contains:



Downstream of the processes for generating new innovative solutions, management of the aspects that guarantee acquisition of value, usability in the Company and exploitation in the market is considered essential, while protecting our ownership of the results.

This vision takes the form of two essential processes:

- **promotion of the innovation culture**, promotion of the innovation culture, which is a fundamental step to transfer knowledge into services and applied technologies, aimed at a wider audience of users. In particular, this phase takes place after each project is closed or has reached maturity, and it is targeted at ensuring that the results are correctly transmitted to the relevant departments of all divisions. In the case of issues of particular strategic interest to the Group, dedicated training sessions open to all employees are organized in the form of webinars in order to further facilitate the dissemination of results;
- **management of intellectual property** favours an inclusive approach towards external actors from industry and academia, ensuring that collaborations can continue while respecting the prerogatives of all actors involved.



SUSTAINABLE SUPPLY CHAIN

We want to create an active dialogue with our supply chain in order to share our knowledge, raise their awareness of sustainability issues and support them on the path to sustainable growth



The development of a responsible and sustainable supply chain is part of a broader corporate vision that actively enhances and protects social and environmental responsibility, fully integrating them into the strategic guidelines.

Our suppliers are an active part of this strategy and they are asked to share the **Purchasing Policy**, the primary goal of which is to affirm the Group's commitment to strengthening the development of solid and long-lasting relationships with its partners in order to pursue a common goal of sustainable development together.

The core aspects of our Purchasing Policy are:



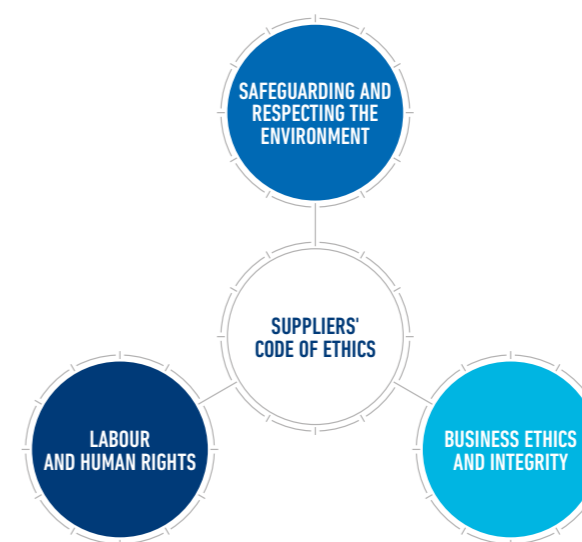
The Purchasing Policy is available on the website www.fincantieri.com/globalassets/sostenibilita2/pdf/purchasing_policy.pdf

The awareness of the supply chain's strategic nature and the need to coordinate a vast and diversified network of suppliers make the search for long-term partner relationships characterized by transparency, collaboration and mutual respect, essential.

In this respect, it is extremely important that suppliers respect the **Code of Conduct** that the Company has implemented, which contains the principles and rules that must be observed.

In order to consolidate relationships with our suppliers, we drew up the **Suppliers' Code of Ethics**, approved by the Board of Directors in 2020. This document sets out and disseminates the **values, principles** and **responsibilities** defined by the Code of Conduct, the Charter of Sustainability Commitments and the Sustainability Plan, based on national and international best practices and principles. The document was developed by the Procurement Department with the involvement of other company functions (Sustainability, Human Resources, Internal Auditing, Legal Affairs), it was shared with Italian and foreign subsidiaries and subsequently published on our website and company intranet.

The Code is based on three fundamental pillars:



The Suppliers' Code of Ethics is available on the website at www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/fincantieri_suppliers_code_of_ethics2.pdf

Suppliers are required to share the Code with their employees, subsidiaries, collaborators and subcontractors, to monitor their compliance and promptly report, through the whistleblowing system, any alleged or actual violations not only of the Suppliers' Code of Ethics, but also of the Organizational, Management and Control Model pursuant to Legislative Decree No. 231/2001, or of any other contractual agreement with the Company, including violations committed by any employee, consultant, partner, agent or other representative acting in the name of and/or on behalf of the supplier or Fincantieri S.p.A.

Observance of the Code of Ethics is one of the conditions contained in orders and contracts, and any breach of it may entail a request for corrective action to remedy the non-compliance in question or, depending on the seriousness of the facts identified, to take any further precautionary measures required to protect the interests of the company and all parties involved.

The importance of the relationship with suppliers is further reinforced by the specifications of our product, characterized by a high level of customization, designed and engineered to meet the specific needs of the individual customer.

Active management of the make-or-buy procurement strategies during every single phase of development and implementation of the naval job is therefore fundamental, in constant synergy with the suppliers and in a continuous search for high value added solutions.

Since 2020, we have had a **Sustainable Supply Chain** project in place, started to integrate sustainability criteria into the supply chain and ensure adequate risk control. During 2021, activities were carried out to analyse the Environment, Social and Governance (ESG) criteria adopted by the quality and supplier management system for Fincantieri S.p.A. together with a market benchmark. Supply chain risks and key performance indicators (KPIs) to monitor suppliers from a sustainability viewpoint were also identified. This assessment phase led to the definition of an action plan to implement an **ESG assessment system for the supplier base** of the Group, supported by the digital evolution of purchasing processes. In 2022, the platform to be adopted for the evaluation was selected as well as the model for the evolution of the sustainable supply chain to be used in future years to measure suppliers' ESG performance, define specific improvement plans, and set up initiatives aimed at rewarding virtuous suppliers.

TRAINING COURSE ON SUSTAINABILITY AND RESPONSIBLE SOURCING PRINCIPLES FOR BUYERS



In 2022, as provided for in the 2018-2022 Sustainability Plan, a training course on **sustainable procurement** was developed for procurement staff working for the Group's main Italian subsidiaries, which included:

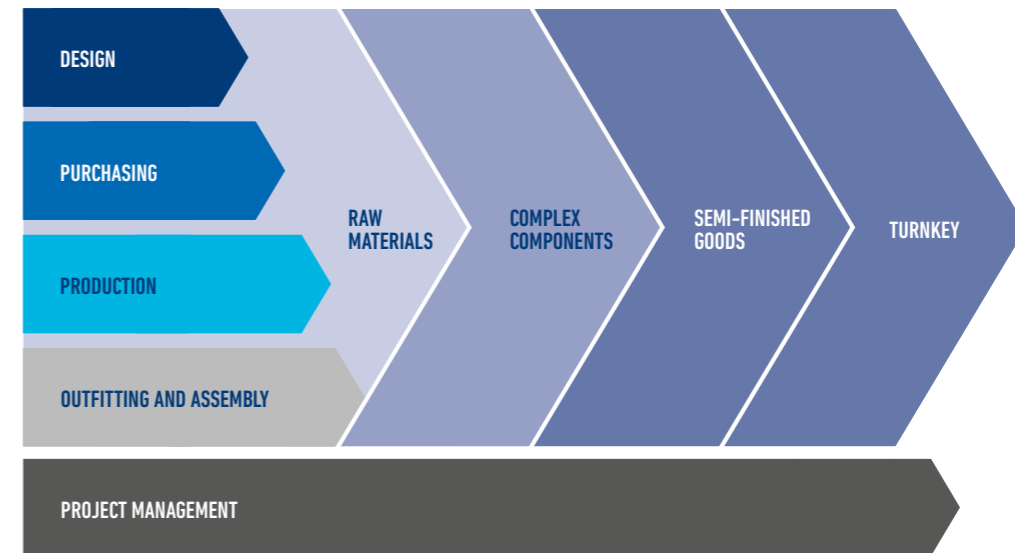
- the delivery of a survey, aimed at understanding participants' knowledge of sustainability issues and their perception of the relevance that sustainability issues have for the buyer's role today;
- an e-learning course, consisting of three video training pills, to foster the alignment of knowledge and provide an up-to-date overview of the main risks and opportunities related to sustainability and supplier management;
- workshop activities (9 face-to-face editions) to present Fincantieri's approach to sustainable procurement and encourage the development of awareness to secure the effective implementation of sustainable procurement as 'change agents'.

The total length of the training was of 7 hours for each resource involved. The delivery reached the set target of 100% buyers from Fincantieri S.p.A. and its main subsidiaries and recorded an excellent level of appreciation and participation.

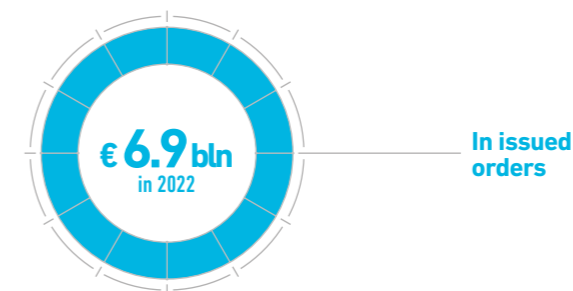
Supplier base

As regards the shipyard, approximately 80% of the finished product is made with the contribution of our suppliers: Fincantieri works as de facto system integrator, taking responsibility for the project as a whole.

FINCANTIERI SUPPLY CHAIN



Supply chain numbers

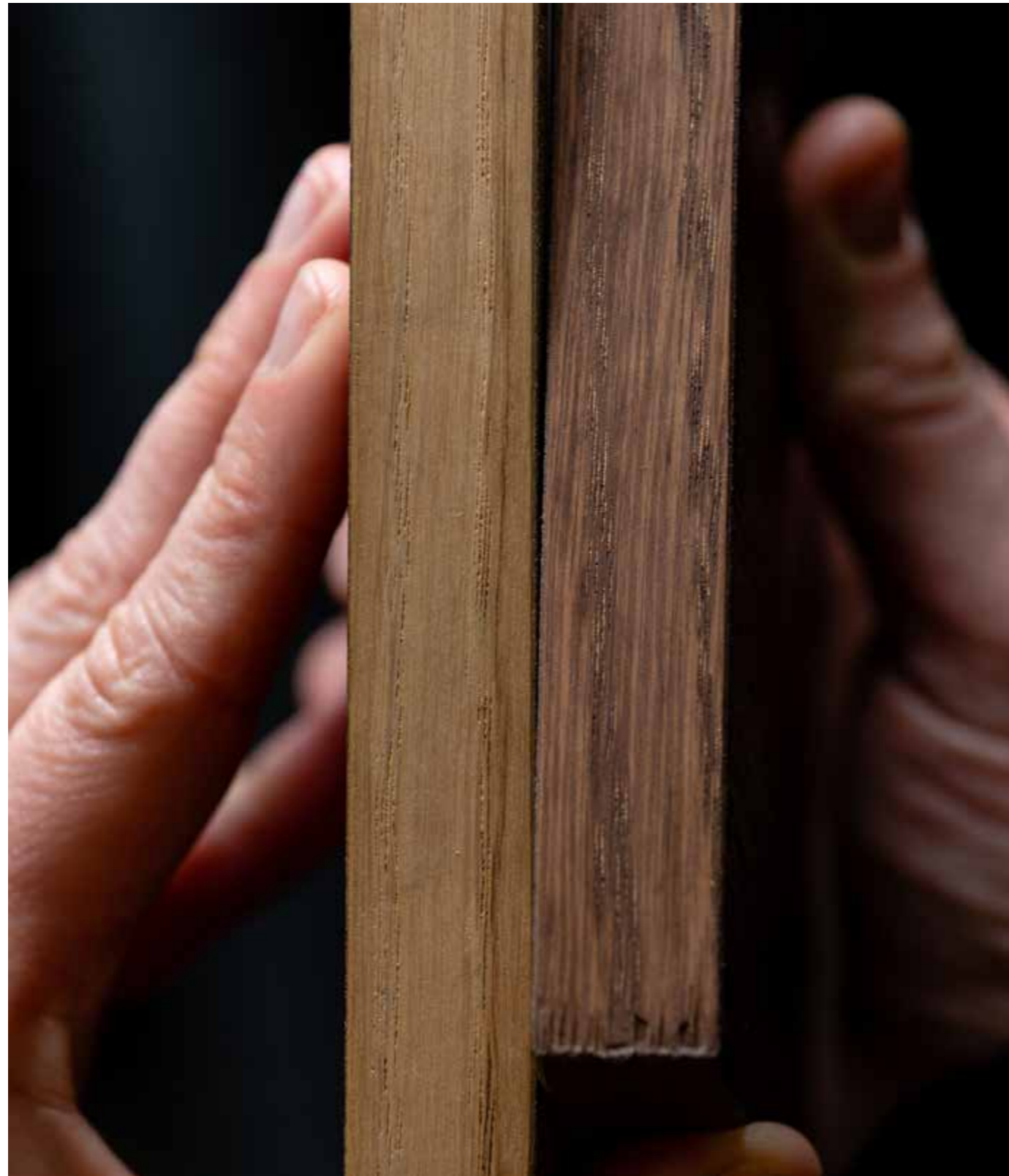


As regards the Italian activities, Fincantieri acts as leader and group hub for a large number (**over 7,000**) of **Small and Medium Enterprises (SMEs)**, giving them access to projects of great breadth and value that allow them to interact with a global market they would otherwise be excluded from due to their small size.

This network of Italian SMEs are highly specialized in various macro-sectors (such as suppliers of furniture, air conditioning systems, electrical/electronic systems, etc.).

In particular, through our shipyards, we contribute to the maintenance and development of the industrial system of the regions in which we operate.

Moreover, with the aim of facilitating access to credit for our suppliers, we have entered into a series of **reverse factoring** agreements with some of the leading Italian financial operators, providing the supply chain with the possibility of monetizing receivables due from the Parent Company and/or its main subsidiaries before their natural due date, at predefined economic conditions.



Reverse factoring agreements, which have been enhanced in recent years to better support suppliers' needs, support the supply chain by optimizing supplier payment flows, increasing their liquidity and facilitating access to credit on favourable terms.

Throughout the Group, a high percentage value of orders are issued to **local suppliers**, whose activities are mainly restricted to the same geographical areas as the companies for which they operate. In Italy, 79% of the total value of orders issued is distributed to local suppliers, while for VARD in Norway, 67% of expenditure is on Norwegian companies, while Fincantieri Marine Group's activities channel 98% of the value of orders to companies in the US.

The latter in particular makes choices with a significant social impact when choosing its suppliers: in addition to supporting small and medium enterprises, it focuses on those run by women, by economically and socially disadvantaged individuals, by veterans and companies covered by the Historically Underutilized Business zones (HUB zones) program. A program, founded in 1997, which aims to promote economic development and employment growth in disadvantaged areas through privileged access to opportunities in the public procurement sector for small businesses located in these areas.

The table below shows the value of orders issued at Group level, grouped by geographical area and product category:

VALUE OF ORDERS ISSUED BY GEOGRAPHICAL AREA

(euro/thousand)

	2022
Italy	4,250,140
Norway	1,688,605
Rest of Europe	1,402,583
North America	1,225,436
Asia	684,005
Oceania	1,857
South America	140,588
Africa	464
Total	9,393,677
of which intercompany value	2,512,268
Total net of intercompany	6,881,409

VALUE OF ORDERS ISSUED BY PRODUCT CATEGORY

(euro/thousand)

	2022
Turnkey	3,324,102
Supply	3,180,660
Contracts	922,283
Services	1,485,207
Investments	271,998
Engineering	209,427
Total	9,393,677
of which intercompany value	2,512,268
Total net of intercompany	6,881,409

The data refer to the entire Fincantieri Group.

e-Procurement

Fincantieri Suppliers is Fincantieri's e-procurement system dedicated to supplier management (www.fincantieri-suppliers.com) providing support throughout all the stages of procurement activities.

With the objective of strengthening communication with our suppliers, the portal is developed to manage the following processes:

- marketing. Each supplier is offered the possibility of participating in the selection process for the Italian territory by registering on the portal;
- invitations to tender. These are made available to the selected suppliers so that they can submit their bids, both economic and technical, directly on the platform;
- purchase contracts. These are digitally signed and are available to suppliers for acceptance without the need for dispatch.

Using the e-procurement system saves a lot of time, transport costs (and related emissions of CO₂) and use of paper throughout the procurement process.

The Group is also in the middle of a digital evolution and transformation that enable us to optimize purchasing processes, management and supplier relations.

Management of contracting companies in Italy

The Company's production model, structured to operate as an integrated system that makes use of both in-house and external skills, technologies and production capacities, requires the broad participation of the resources involved and the sharing of common values, conduct and goals.

On this premise, and in a logic of continuous improvement, action to significantly reduce the use of the supply chain for some specific activities (insulation, painting) has continued and will also affect other labour intensive activities in the future.

With identical goals, unbundling/insourcing initiatives inherent to systems and fitting out activities continued to be strengthened and concerned:

- the design and realization of naval interiors such as public areas, catering, cabins and wet units;
- high-tech activities, such as those in the IT and electronics area, as well as in automation, integrated physical security and logistics;
- the design, production and supply of innovative integrated systems in the field of system engineering and electrical, electronic and electromechanical industrial components.

We have also intensified initiatives aimed at consolidating the **relationship with suppliers** considered strategic, in particular for supply activities and 'turnkey' contracts, through the definition of long-term partnerships that encourage the continued presence of those workers on the territory, thus also responding to the expectations expressed by institutional stakeholders.

The stabilization of companies and the reduction of worker turnover can in fact allow local authorities to improve the planning of infrastructure and social services, as well as result in a more effective management of integration policies.

In 2022, the Company continued to invest to improve the logistics infrastructure of support services for the employees of external companies, particularly as regards changing rooms, canteens and car parks.

The entire procurement process, starting from the accreditation in the Register of Suppliers and the allocation of orders, is subject to controls and constraints aimed at checking that they meet their legal obligations, in particular with regard to the rights of employees. Further controls are envisaged when entering the individual sites and during the entire time they remain at the operating units.

These guidelines were shared at the trade union level and implemented in recent company agreements, the latest being the one signed at national level on May 26th, 2021.

With regard to the monitoring of the supplier pool in terms of turnover of companies in Italian shipyards, 2,397 companies were involved in the various production processes from January to December 2022.

In the same period, the number of workers employed by contracting firms who worked at the main company sites (even for short periods) was 44,976. In these areas, the average daily attendance of workers from satellite businesses was around 27,000.



ORIGIN OF WORKERS



The data refer to all Fincantieri S.p.A. non-employee workers at the end of the year.

The most prevalent nationalities (excluding Italians) were Bengalis (24%) and Romanians (12.5%).

In the field of employment relationships, permanent contracts accounted for 44.7% of the total, while fixed-term contracts accounted for 34.2% and agency contracts 12.2%.

NUMBER OF CONTRACTING COMPANY WORKERS

PERMANENT	FIXED TERM	AGENCY STAFF	OTHER TYPES	TOTAL
20,087	15,365	5,469	4,055	44,976
44,7%	34,2%	12,2%	9%	100%

The data refer to all Fincantieri S.p.A. non-employee workers at the end of the year.

Qualification and monitoring

Supplier qualification process

Development and efficiency of our supply chain start immediately at the supplier selection phase, which follows a documented procedure in order to guarantee impartiality and equal opportunities for all the parties involved. Management and the continuous improvement of a pool of trusted and innovative suppliers is essential in order to achieve the goals we have set for ourselves at Group level in economic and sustainability terms. Fincantieri's purchasing office provides suppliers with **constant technical support** for all activities connected to the selection and qualification process, including those concerning sustainability. The supplier base is recognised as a significant asset of the entire company, and as such it should be valued and protected. This is why a **stringent** qualification and performance monitoring **process** has been developed for strategic suppliers, based on the evaluation of economic, technical, reputational, social and environmental aspects by the relevant corporate bodies, to ensure compliance with and observance of Fincantieri standards.

In this sense, the **collection of environmental and social information** is active during the pre-qualification stage, e.g. possession of certifications for occupational health and safety management systems and for environmental and energy management systems, as well as information on discharges and emissions, renewable sources, types of waste produced and accidents.

Prominence is given to issues related to **safety, the environment and protection of labour rights**, with specific focus on **ethical and reputational aspects** of the suppliers during both the qualification and the monitoring phases. Evaluation of certain fundamental aspects, such as technical/professional suitability, the regularity of contributions and remuneration of employees, and the existence of a structure dedicated to safety at work, takes place during both the pre-qualification document collection phase and the quality inspection phase at the supplier's premises, as well

as during entry in our shipyards. In addition, for all suppliers operating in Fincantieri production units, it is verified that the **contractual minimum** is consistent with the relevant National Collective Bargaining Agreement (CCNL), while for foreign companies it is verified that equal treatment compared to that established by the Italian CCNL is observed.

Integrity in the supply chain

For us, business integrity and the ethical aspects of fairness and professionalism tied to it are a constant guideline which, as also reiterated in our Suppliers' Code of Ethics, we intend to extend to the entire supply chain. Similarly, we are aware that corporate reputation is a strategic asset that should be valued and protected, also to avoid compromising the trust placed in us by our stakeholders. To this end, as part of the qualification process for our suppliers, we adopt a risk-based verification model which, for cases considered to be at higher risk in the ethical and reputational sphere, also envisages the use of enhanced due diligence extended also to the beneficial owners, in order to ensure that our supply chain leans towards more extensive compliance with regard to anti-money laundering, countering the financing of terrorism, international sanctions as well as the highest standards of prevention and combating of corruption, as set out in the Company's Anticorruption Policy, which can also be consulted on the institutional website. To make oversight active and effective, the maintenance of these requirements is verified and renewed every time there is a significant change in the relationship with the supplier. In this regard, we are alert and vigilant to any possible interference of a criminal nature, which could even potentially undermine the integrity of our supply chain during the awarding of contracts, in investments and in the operation of production activities. For this reason we have established stronger cooperation with the Ministry of the Interior and with the competent local Prefectures, stipulating **Legality and Transparency Protocols**, which since 2017 have merged into a National Protocol that aims to promote a culture of legality that is pervasive and also extended to the Company's supply chain.

We are one of the leading manufacturers of medium-sized ships in the United States, operating for civilian customers and government organizations through our subsidiary Fincantieri Marine Group (FMG). In the naval sector, the main customer of Fincantieri Marinette Marine (FMM) - a company belonging to Fincantieri Marine Group - is the US Government, a customer that requires high-quality, high-performance goods and services that must be provided with skill and proven expertise. To verify that they meet certain insurance requirements, an **orientation course** is provided to suppliers performing services in US shipyards before the works begin. To this end shipyard safety training courses are also carried out and, in order to ensure an appropriate communication flow, they are informed about the correct contact representatives within the company. For the VARD group, procurement of the strategic products is managed at the headquarters in Ålesund, while purchases of all other products (minor and non-critical) are handled by the procurement teams at the individual shipyards. Suppliers must be selected from among those that have been registered as approved suppliers (maker list) through a specific evaluation. Among the criteria adopted, anticorruption is a mandatory requirement, as evidenced by the reference in the pre-qualification questionnaire to the transparency law passed in Norway on July 1st, 2022. To ensure inclusion and understanding of occupational health and safety issues, safety courses are provided to suppliers in five different languages.

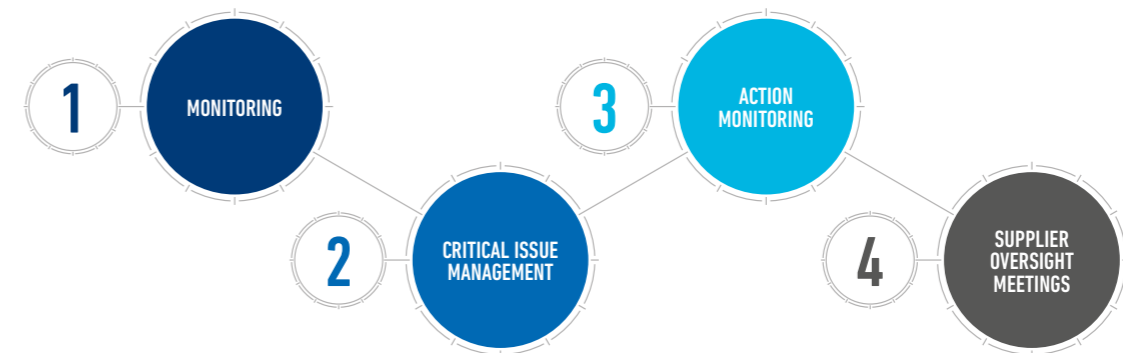
QUALIFICATION OF SUPPLIERS IN THE REGISTER



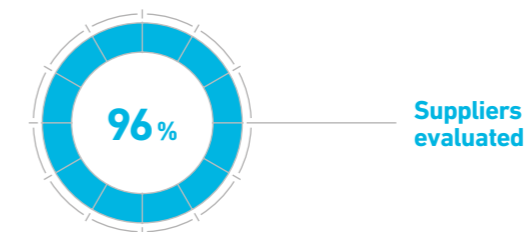
Supplier monitoring process

A stringent performance monitoring process is carried out so that suppliers can maintain their 'qualified status' and to promptly manage any critical issues. A supplier remains qualified as long as the reasons for its inclusion in the Register of Suppliers continue to exist and until the monitoring of its performance is considered critical to the point of expulsion. We monitor the supply chain using a **life cycle** management approach to minimize the environmental and social impact of a product or service over its entire lifetime. In particular, sensitivity towards and respect for the environment are spread along the whole production chain by means of ever more frequent exchanges of information and documents with suppliers.

SUPPLIER MONITORING



As part of the supplier monitoring system, we use a continuous performance evaluation system (**balanced scorecard**) in which all the relevant corporate departments take part, in order to guarantee that the required standards are met over time. Through the use of specific purchase methods adapted for the different product categories, we are committed to obtaining the best conditions and performance throughout the entire life cycle of the product.



In Italy, of the 884 qualified strategic suppliers at the end of 2022, 96% had an evaluation, with the following results:

- 77% satisfactory;
- 22% have some gaps that can be resolved by themselves;
- 1% have serious issues. For these suppliers, the adoption of a specific improvement plan or replacement is programmed.

In addition, the main problems are examined through cross-cutting involvement within the **Supplier Observatory**, the body that brings together several functions and corporate departments (Procurement, Quality, Finance, HR, Security, etc.). This Observatory oversees critical suppliers through close monitoring of the problems encountered and make the consequent decisions, which may consist of identifying targeted improvement plans or, where necessary, defining when and how to phase out the supplier. Monitoring is implemented through continuous cooperation with the entities involved in the process and following the reports received from them. During 2022, **304 suppliers** were managed by the Observatory, with the following results:

- 138 suppliers overcame the critical concerns originally identified;
- 23 suppliers were included in phase-out plans, 14 of which due to ethical and reputational problems;
- 143 suppliers are currently being monitored under improvement plans.

Data on qualification and monitoring activities in 2021 and 2022 are given below.

QUALIFICATION AND MONITORING ACTIVITIES

	2021	2022	VAR. 2022/2021
Total number of suppliers registered on the portal	4,451	4,947	11%
Total number of qualified suppliers (strategic in the register)	889	884	-1%
Total number of qualified suppliers in the year	534	332	-38%
No. of new suppliers qualified in the year	144	109	-24%
% orders run through the portal	93%	93%	-
No. of audit visits carried out during the year	52	43	-17%

The data refer to Fincantieri S.p.A.

The numbers of qualification and monitoring activities have decreased compared to 2021 because, as part of the digitalization of supplier management processes, the transition to the new supplier portal has been started. We periodically schedule checks on our suppliers through audits of various kinds. During 2022, there were 43 qualification and monitoring visits to suppliers, 5 of which were conducted by an external classification body. In addition, the number of visits is affected by a time distribution linked to a significant cluster of qualifications in 2021.

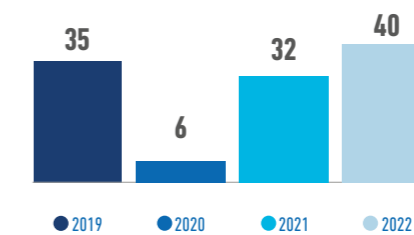
SUSTAINABILITY AUDITS AT SUPPLIERS



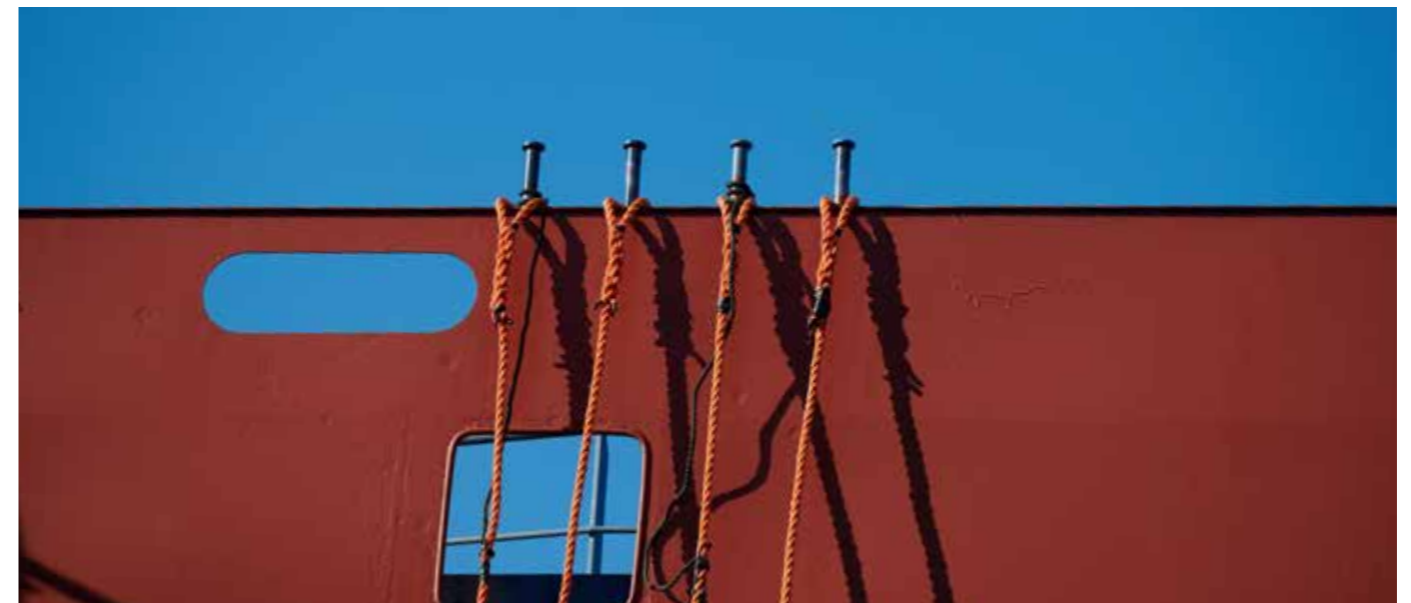
We are committed to conducting **annual sustainability audits** to assess and monitor the most critical suppliers in terms of human rights, health and safety and the environment. As envisaged in the Sustainability Plan, the number of audits to be carried out on an annual basis has been redetermined in consideration of the limitations introduced by the competent Authorities to contain the COVID-19 pandemic, especially regarding travel between the different regions of Italy.

Despite the maintenance of the pandemic emergency status, the target of 40 audits at supplier sites was successfully achieved in 2022. From 2019 to 2022, we were able to carry out 113 audits on those of priority interest to Fincantieri S.p.A. The seven audits that were not carried out due to the pandemic were included in the target for the next 2023-2027 Sustainability Plan.

SUSTAINABILITY AUDIT 2019-2022

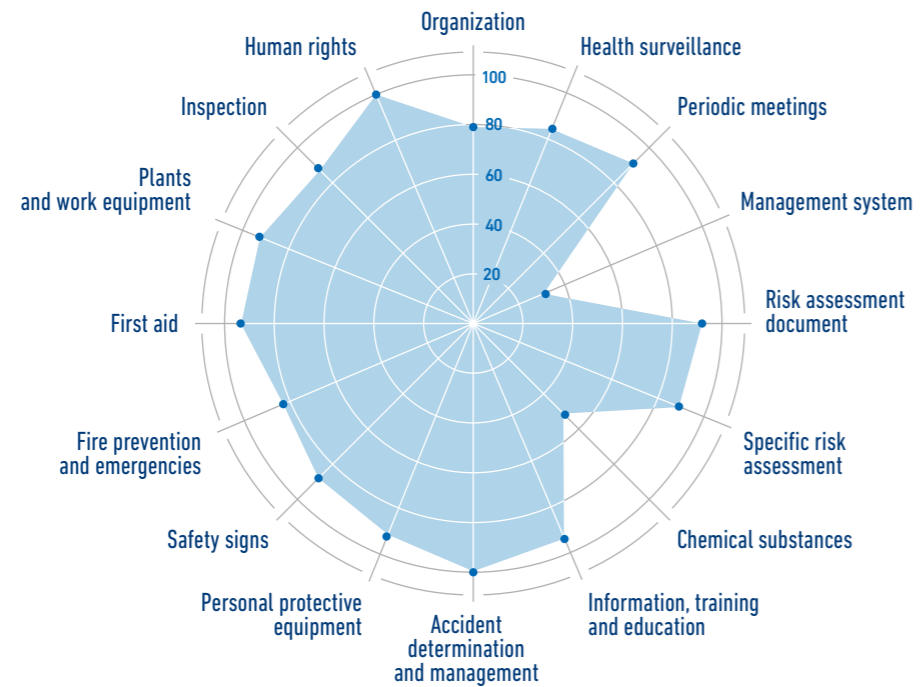


Two checklists were implemented to make the evidence found during the audits more uniform: one related to the environment and one related to health, safety and human rights, both divided into thematic areas that take into account the specific aspects of interest.

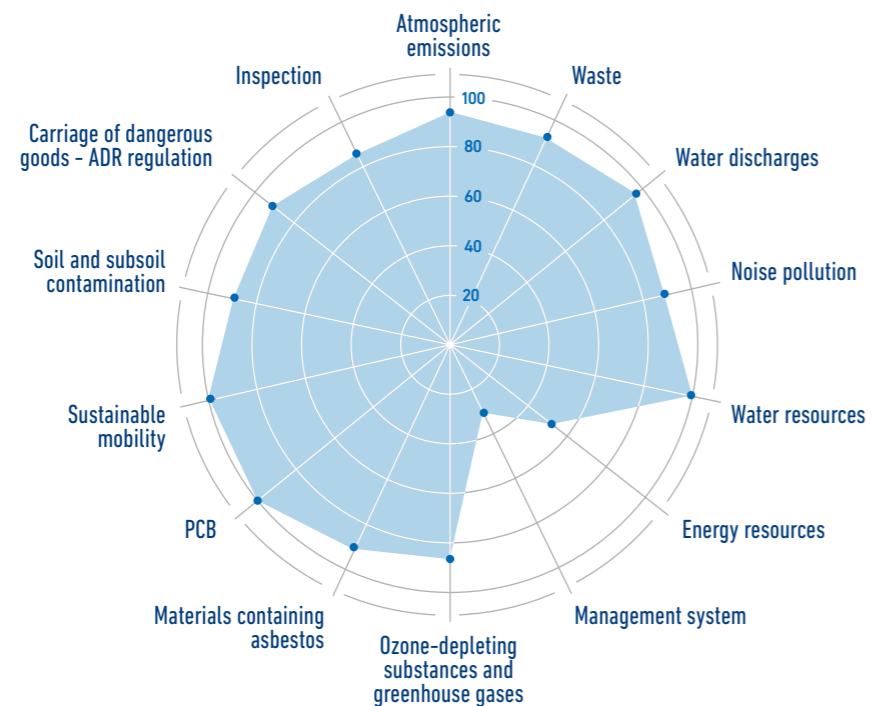


The expectations considered in the checklists and verified during the inspections are summarized in the following diagrams, where a 100% result indicates full compliance with Fincantieri standards. The results presented refer to audits carried out in 2022.

AUDIT RESULTS – HEALTH, SAFETY AND HUMAN RIGHTS



AUDIT RESULTS – ENVIRONMENT



During the year, no audit showed results which fell short of expectations. Suppliers are subjected to continuous performance monitoring from the qualification phase for inclusion in the register and subsequent checks are required, including face-to-face audits at the supplier's site. With regard to the indicator concerning management systems, it should be noted that its assessment is influenced by the fact that the company does not require suppliers to hold any certification other than ISO 9001 as a binding requirement.

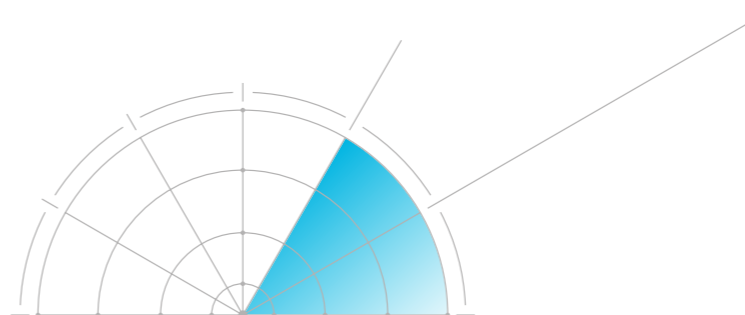
In order to ensure compliance with our standards, we are committed to extending audits over the next five years - as envisaged in the 2023-2027 Sustainability Plan - also to suppliers of Group subsidiaries, excluding those in the US. The checklists used for the audits were updated in 2021 to broaden the topics analysed, including the management of chemical products (with reference to European Regulation 1907/2006, known as REACH, and other sector regulations), the verification of environmental, energy, health and safety management systems and the organizational, management and control model pursuant to Legislative Decree 231/2001, as well as compliance with the Suppliers' Code of Ethics.

In VARD, **audit** activities are carried out periodically through the shipyard health, safety, environment and quality (HSEQ) managers accompanied by the central purchasing function and are focused on compliance with the contractual requirements agreed for the jobs. In 2022, 32 audits based on social and environmental criteria were carried out, 20 of which were carried out by Vard Vung Tau, which holds SA 8000 certification. Only one audit failed to meet environmental criteria and four failed to meet social criteria. For suppliers who did not pass the audits, results were shared, problems found described and the aspects on which to focus corrective actions specified.

In the United States, Fincantieri Marine Marinette performs specific **audits** on suppliers, which are also subject to re-evaluation activities. When a supplier does not maintain the capabilities and qualities that led to its enrolment in the register and becomes critical to the Company's business, it is expelled from the list of usable suppliers. In 2022, 36 audits were carried out, none on environmental and social criteria.

Another aspect of growing importance for Fincantieri is the **management of conflict minerals** along the supply chain. Conflict minerals are raw materials or minerals (tin, tantalum, tungsten and gold) that come from a part of the world where a conflict is taking place and that affect the extraction and trade of these materials. As part of the 2023-2027 Sustainability Plan, we have defined a target that will be realised through the following steps:

- policy on the management of conflict minerals;
- identification and implementation of contractual tools for their management;
- extension to relevant subsidiaries;
- monitoring of relevant product groups.



Engagement with suppliers

The Group's focus on its relationships with suppliers is constantly evolving. Therefore, constant commitment and communication are essential in order to help the Company promote positive and mutually beneficial relationships. We believe that close cooperation with the supply chain is essential in order to achieve high levels of quality in the finished product and in the entire production process. With a view to establishing a stable and long-lasting relationship, based on transparency and cooperation, we are actively committed to **promoting dialogue** with our suppliers through periodic meetings to share information, including on sustainability. Our supplier engagement continued in 2022, resulting in the webinar '**Monitoring Supplier Sustainability from the Qualification Phase: an operational guide**', which was attended by 83 strategic suppliers of Fincantieri S.p.A. From 2019 to 2022, more than 220 suppliers including SMEs and large multinationals participated in our webinars.

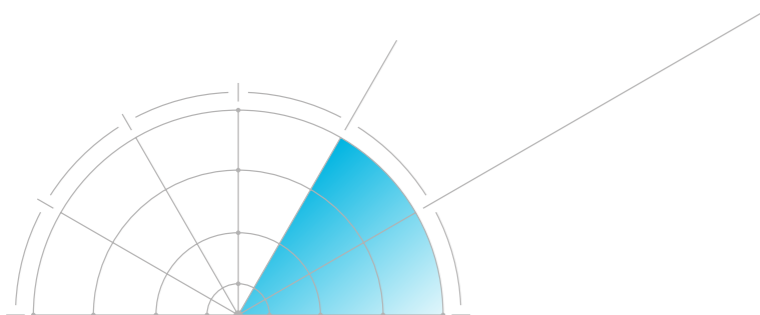
The webinar, which was actively attended by suppliers, developed the following topics:

- **Fincantieri's growing commitment to sustainability**, illustrating the path taken and the main milestones achieved;
- **sustainability in the supply chain, right from the qualification phase**, through the introduction of a new platform that will allow, based on a single questionnaire, users to qualify as a supplier of the Fincantieri Group as well as provide information on ESG aspects to allow the evaluation of these as well;
- **the operational steps in the platform**, aimed at providing a practical guide to its use, emphasising the benefits it provides. This section was of particular interest to participants and the subject of several follow-up questions.

Supplier engagement on sustainability issues will continue in the coming years, involving an increasingly broad range of partners and evolving towards a more mature approach in terms of communication methods and topics addressed. This development is also made possible by the participation of our Group Procurement and Supply Chain department in various working groups with industry peers. In particular, we actively participated in industry workshops as part of the 'ESG Supply Chain Guidelines' working group, promoted by SupplHi, a partner company and provider of the ESG assessment platform. The meetings take place on a quarterly basis with the active participation of large industrial companies, financial institutions, consultancy firms and certification bodies who discuss ESG issues and developments with particular impact on the supply chain.

In addition, we are actively engaged in further discussions on supply chain due diligence and new regulatory trends with industry companies and specialised international bodies.

Finally, Fincantieri's Group Procurement and Supply Chain management promotes the development of supply chain sustainability through the direct involvement of the company's management levels, whose variable remuneration plan (MBO) is also linked to the achievement of specific annual sustainability targets.



SOCIAL SUSTAINABILITY

People

Customers and products

Communities and local territory

PEOPLE

We constantly invest in the development and enhancement of our people, who are the key to the success of a Group that is always looking to the challenges and innovations of the future



The **Group's People Strategy**, developed over the years, was bolstered and updated in 2022 in order to build a solid foundation for the Group's growth and achieve successful performance, in an increasingly complex and dynamic scenario, and to design a sustainable future by seizing the opportunities of the digital and ecological transitions, in line with the new Business Plan and Sustainability Plan.

The implementation of the People Strategy, through cross-functional tools and processes, ensures, on the one hand, the consistency of HR objectives with business objectives and, on the other hand, the centrality of people in the organization. The development of a pipeline of talent and workers prepared for the future, continuous listening and dialogue with people, and the promotion of an inclusive work environment that recognises and values diversity are key elements of our strategy, aimed at constantly improving the employee experience.

Our commitment to the effective implementation of the Group's People Strategy has been recognised by the Top Employers Institute, a company that has certified the quality of people management and development processes as well as the work environment, including Fincantieri in the pool of companies certified as **Top Employer Italy 2022**.

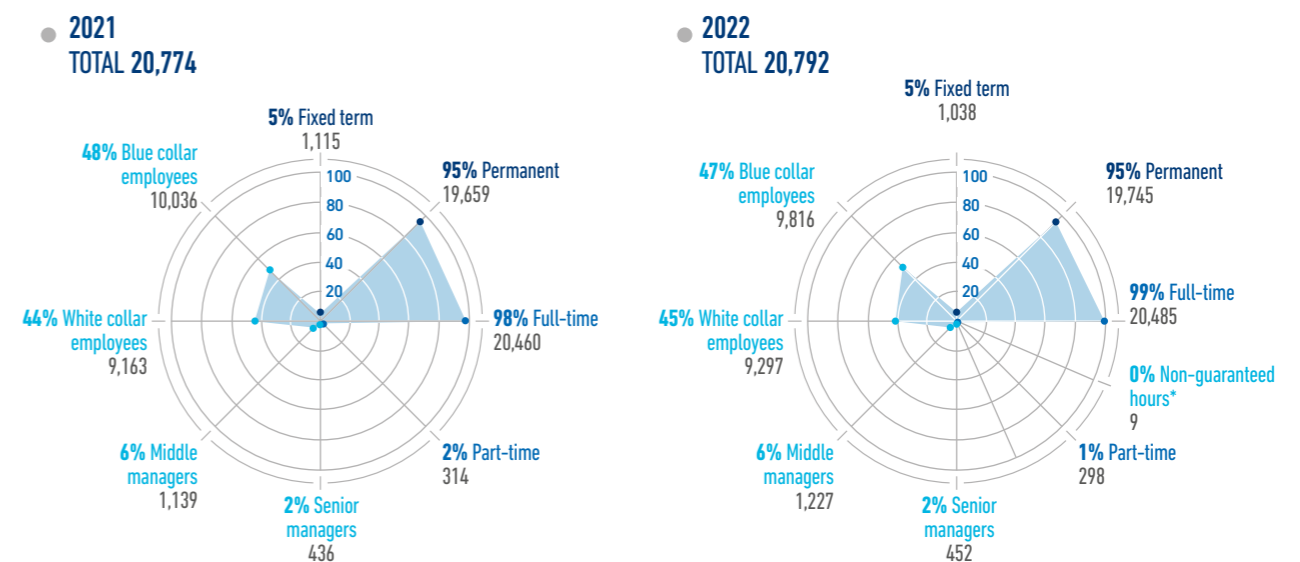
EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA

	2021					2022					VAR. 2022/2021
	WOMEN	MEN	OTHER	TOTAL	% of total	WOMEN	MEN	OTHER	TOTAL	% of total	
ITALY	1,269	9,412	0	10,681	51%	1,344	9,561	0	10,905	52%	2%
NORWAY	208	1,066	0	1,274	6%	209	1,035	0	1,244	6%	-2%
ROMANIA	970	4,120	0	5,090	24%	865	3,536	0	4,401	21%	-14%
REST OF EUROPE	40	173	0	213	1%	37	188	0	225	1%	6%
NORTH AMERICA	398	1,802	0	2,200	11%	474	1,900	3	2,377	12%	8%
SOUTH AMERICA	30	325	0	355	2%	34	500	0	534	3%	50%
ASIA, AFRICA AND OCEANIA*	56	905	0	961	5%	64	1,042	0	1,106	5%	15%
TOTAL	2,971	17,803	0	20,774	100%	3,027	17,762	3	20,792	100%	0%
Incidence %	14%	86%	0%	100%		15%	85%	0%	100%		

The data refer to the entire Fincantieri Group.
*The majority (95%) of employees in the Africa, Asia and Oceania area are in Vietnam.

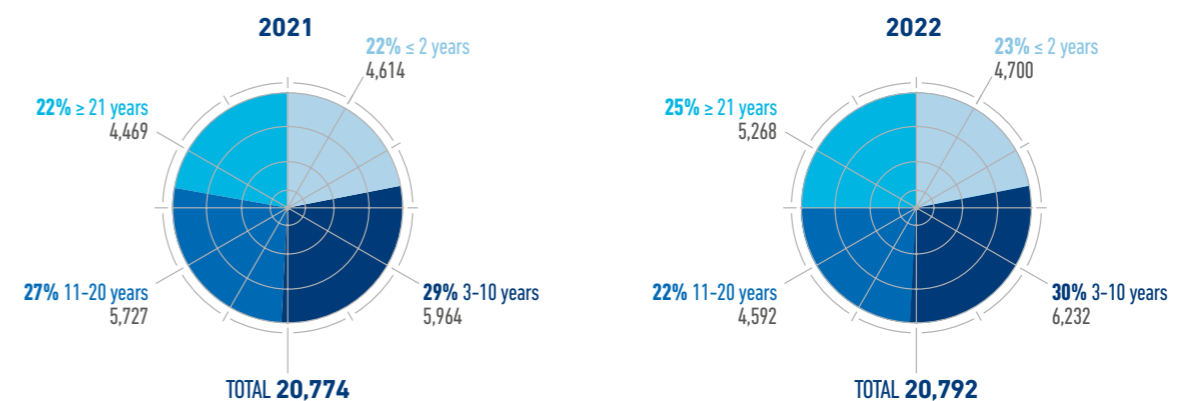
Our workforce as at 31 December 2022 consisted of 20,792 people, in line with 2021 levels. The increase in the workforce in Vietnam, Italy and the US, linked to the development of new projects, offset the reduction following the reorganization of production processes in Romania. In addition, the increase in resources in South America is due to ship maintenance activities (at the Promar shipyard) and to an order of the subsidiary FINSO to build a hospital in Chile.

EMPLOYEES BY TYPE OF CONTRACT



The data refer to the entire Fincantieri Group.
*The figure for employees with non-guaranteed hours (employees who are not guaranteed a minimum or fixed number of working hours per day, week or month but who may have to make themselves available for work as needed) is reported from 2022, as required by the 2021 GRI Standards.

SENIORITY OF SERVICE



The data refer to the entire Fincantieri Group.

Development and safeguarding of human resources

In line with our Employee Value Proposition (EVP) **'Fincantieri, People Ahead'**, we have implemented employer branding strategies and practical actions for the management, training and growth of our people, with the aim of promoting Fincantieri in the labour market and maintaining a high sense of belonging and motivation, leveraging an organization capable of listening to and satisfying individual needs and expectations, enhancing skills and experience and offering real opportunities for growth. The Group's EVP guides all stages of the employee experience, starting with attraction, recruiting and onboarding, through to development processes, professional growth and dialogue with people.



Talent Acquisition & Employer Branding

In a national and international job market characterized by a growing mismatch between supply and demand (professional mismatch), especially for STEM subjects (Science, Technology, Engineering and Mathematics) and the consequent 'war for talent', we are constantly committed to being recognised as one of the most attractive employers, as confirmed by the **2022 Universum award**, awarded for the student and young professional categories.

SELECTION PROCESS



The selection process structured and transparent, built on the principles of equality and inclusiveness in order to ensure equal opportunities for all individuals regardless of age, ethnicity, nationality, religion, gender, disability,

sexual orientation, political affiliation, marital and socioeconomic status. This process guarantees a thorough evaluation of candidates in terms of technical and cross-functional skills, aptitudes, experience and professional aspirations, avoiding distortions of judgement or unconscious bias. For some positions, internationally certified personality and motivational questionnaires are also administered.

In order to maintain Fincantieri's high level of attractiveness as an employer, in 2022 the Group continued to invest in initiatives for the continuous improvement of recruiting processes, which are increasingly tailored to the needs of candidates, in strategic and innovative **employer branding** actions aimed especially at recent graduates and young professionals, and in the digitalization of the onboarding process for new recruits.

Our presence on social networks was further strengthened, also through communication campaigns aimed at describing, through interviews with employees, the different professions in our Group.

The interviews are available on the website at www.fincantieri.com/en/careers/beyond-the-sea/

The collaboration has continued with recruitment start-ups, including Tutored, an online platform for university students, founded by young entrepreneurs, through which the Company has offered dedicated webinars and interviews with company testimonials.

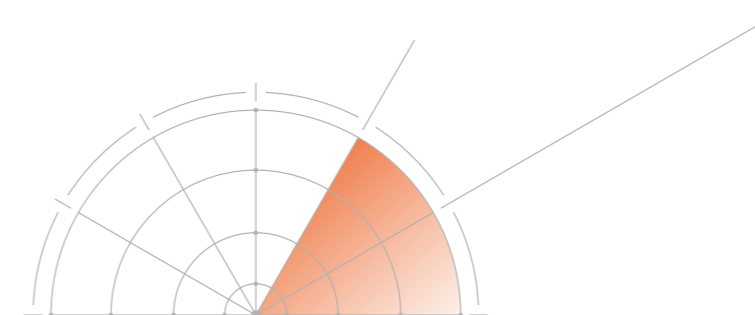
In order to attract and retain the best talent, we relaunched the national and international **job rotation project** dedicated to the Administration, Finance and Control area. It includes an online selection process, a gamification activity and an in-person assessment. The goal of the project is to select the best undergraduates and recent graduates by offering them an accelerated growth path aimed at developing technical and managerial skills in an international context.

Positioning ourselves among the most attractive companies, especially with regard to professionals in our industry, means ensuring a positive **candidate experience** throughout the selection process. This is why we activated two surveys aimed at assessing the degree of candidate satisfaction during the various phases of the recruitment process.

The attention paid to monitoring the quality of the experience that Fincantieri people have throughout their career extends to the process of leaving the Group. Employees who have decided to leave the Company voluntarily are given a structured **exit interview** questionnaire that analyses the reasons that prompted them to resign and is the starting point for the exit interview. The questionnaire aims to investigate the overall degree of satisfaction with the Fincantieri Group and the experience gained, and provides useful information to identify new tools and actions aimed at creating the best possible working conditions for our people.

The onboarding process

Over the years Fincantieri has developed a structured onboarding program for new hires to support them in understanding the Group's business, culture and values and in building their professional network. The program is an important testimony to the attention that we devote to everyone who begins a professional career in the Group and is delivered in blended form through various tools, such as a digital welcome kit, a welcome breakfast with Top Management and e-learning on topics of interest across the different business areas. The onboarding program is also extended to young people on internships, who participate in an induction day, when they are offered the opportunity to get to know the Group better, facilitating the creation of a community among young resources.



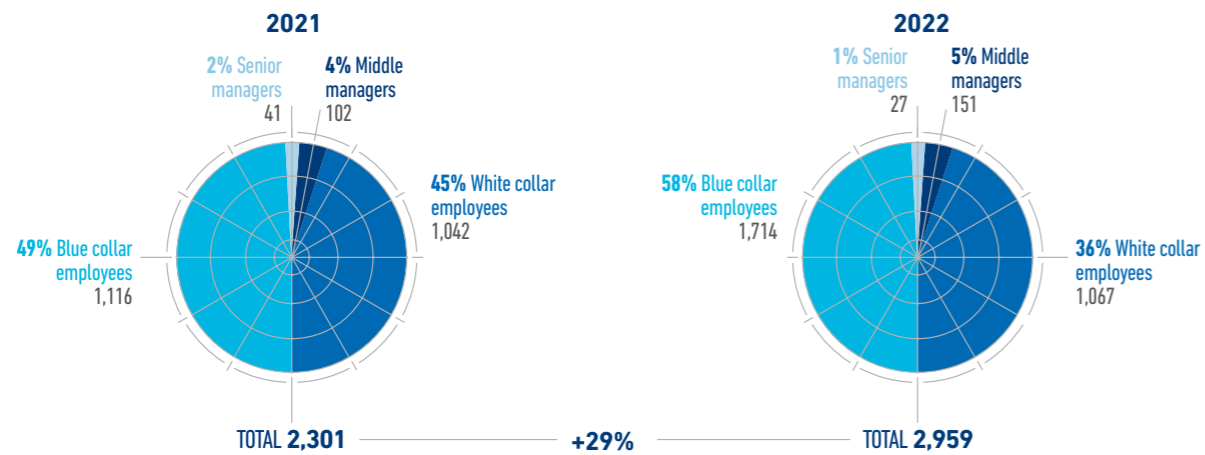
RECRUITMENT BY AGE GROUP AND GENDER

	≤ 30 YEARS		31-49 YEARS		≥ 50 YEARS		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
MEN	711	911	950	1,123	261	409	1,922	2,443
WOMEN	161	223	175	229	43	61	379	513
OTHER	0	1	0	2	0	0	0	3
TOTAL							2,301	2,959

The data refer to the entire Fincantieri Group.

At Group level, a total of 2,959 resources were recruited in 2022, of which 1,135 (38%) were under 30 years of age and 513 (17%) were women. The increase in recruitment compared to the previous year is mainly attributable to hiring by the Parent Company and Italian subsidiaries, as well as the United States due to increased production.

PERCENTAGE OF NEW HIRES BY JOB LEVEL



The data refer to the entire Fincantieri Group.

As regards the recruitment policies for senior managers, 81% of those recruited are from local (national) profiles and candidates.

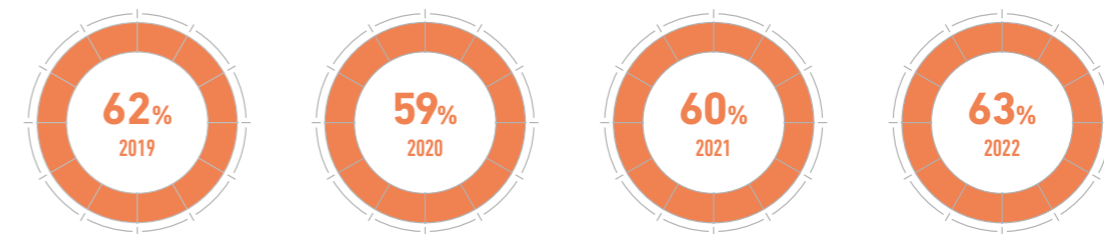


RECRUITMENT OF UNDER 35



The global implementation of the structured employer branding strategy described above and the intensive collaboration, beginning at the student orientation phase, with schools and universities have contributed to us attracting and hiring a considerable number of young resources, either selected within the framework of their studies or from the labour market. These initiatives have enabled us to achieve the Sustainability Plan objective of maintaining a percentage of resources under the age of 35 hired as a percentage of new hires of over 40% in Italy during the year.

PERCENTAGE OF NEW HIRES UNDER THE AGE OF 35 IN ITALY



The data refer to Fincantieri S.p.A. and to the Italian subsidiaries.

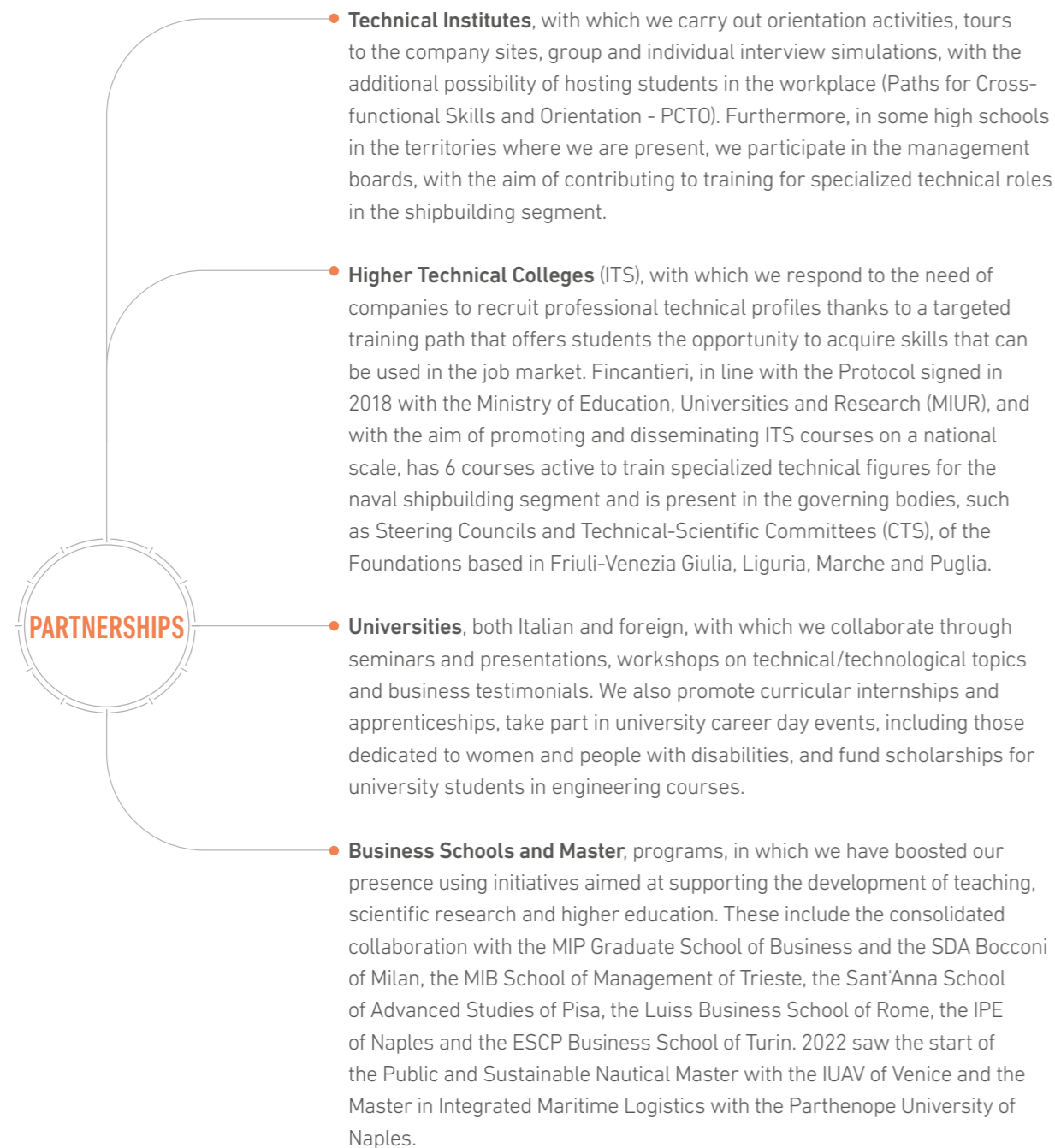
Partnerships with technical institutes, ITS foundations and universities

The Fincantieri Group boasts consolidated partnerships with numerous schools, Universities and Business Schools in the countries where it is present, with the aim of creating a growing synergy between the worlds of work, education and training.

Various social responsibility projects have been launched by different Group entities, aimed at encouraging young people's orientation to the world of work starting from middle school, through company professionals who suggest professional models and profiles that students can identify with, as well as field trips to experience the reality of business.

The internships (on-the-job training) that we offer to young talents leaving training represent a privileged entry point into the world of work and are an opportunity for training and acquisition of both technical and cross-functional skills.

The most important initiatives started up with a view to supporting employment and developing basic skills regard:



Talent Management

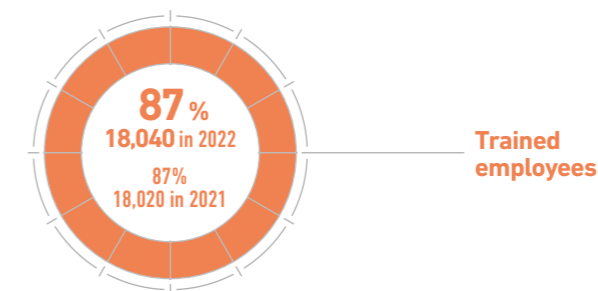
Strengthening skills, enhancing experiences, creating the best possible conditions for employees to express their potential and achieve their aspirations, these are the key drivers of our Talent Management process. Over the years, prioritizing internal mobility on a global scale as an accelerator of growth paths, we have built a **network of talents and professionals** who are ready to face the new work challenges dictated by the digital and green transitions.

With the aim of encouraging the global adoption of a single Group culture, the dissemination and implementation of the new **Skills Model**, common to all companies, continued in 2022 in order to guide people's behaviour in line with the Company's strategy, culture and values, aligned with the current competitive environment, but projected onto dynamic and constantly evolving scenarios. The Skills Model, called the **Excellence Map**, represents the foundations of the main HR processes and ensures transparency in the definition of career paths calibrated to individuals' skills and expectations.

Training

Training is guaranteed to all Group employees without distinction of contract, level, grading or organizational position.

In 2022, Fincantieri invested **€ 9.2 million** in **training, coaching and mentoring** programs with the aim, on the one hand, of enhancing and disseminating the Group's distinctive know-how and, on the other, developing and enhancing new technical, relational and leadership skills with a view to continuous training. The adoption of innovative ways of engaging participants, such as **blended** and distance **learning**, enabled a high number of hours to be delivered while offering the flexibility and potential of digital training and the effectiveness and interactivity of face-to-face training.

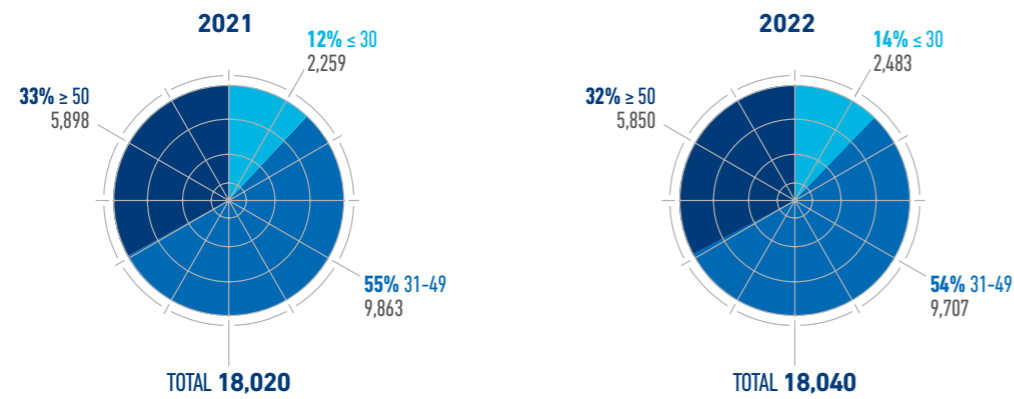


TRAINING PROVIDED

	2021	2022	VAR. 2022/2021
Total hours of training provided	429,957	514,207	20%
Average hours of training per capita	20.7	24.7	19%
Average hours of training per capita – men	20.1	23.7	18%
Average hours of training per capita – women	24.0	30.5	27%
Average hours of training per capita – senior managers	13.7	33.2	142%
Average hours of training per capita – middle managers	17.5	38.5	120%
Average hours of training per capita – white collar employees	20.1	24.4	22%
Average hours of training per capita – blue collar employees	21.9	23.0	5%

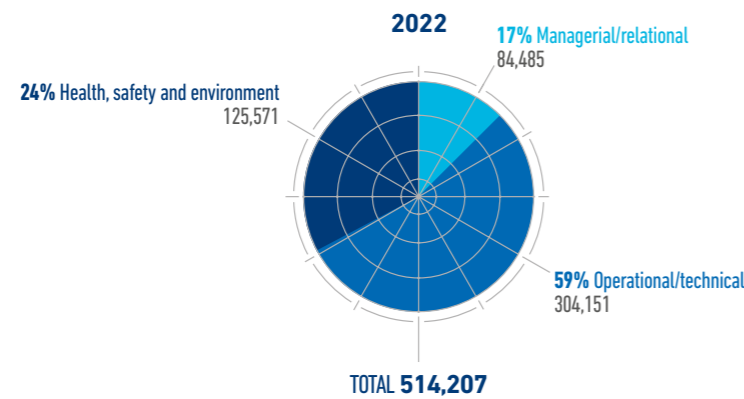
The data refer to the entire Fincantieri Group. The per capita hours were calculated as the ratio between hours provided to the whole workforce and the number of employees in service at the end of the year.

NUMBER OF EMPLOYEES TRAINED BY AGE



The data refer to the entire Fincantieri Group.

TRAINING HOURS BY TYPE



The data refer to the entire Fincantieri Group.

Over 510,000 hours of training were provided in 2022, an overall increase of 20% compared to the previous year. The increase was mainly due to training campaigns promoted by the American companies to support the development and supervision of technical know-how, with particular reference to welding processes, and the new leadership programs developed by VARD, which involved a high number of managers and middle managers. To ensure the skills needed to achieve the company's objectives are maintained and that professional profiles are constantly updated, in recent years we have developed a broad and varied offer by stepping up our use of **customized training programs** based on roles and experience gained. In addition to the traditional courses that focus on functional and transversal skills, we are constantly investing in the development of other training activities concerning health, safety at work and the environment, topics that are considered indispensable (over 125,000 hours of training have been provided globally through the **Fincantieri Safety Academy**). The Group also provides continuous training and updates on legislative compliance and corporate procedures, and does not merely comply with legal obligations. In particular, in 2022, we have been committed to developing and updating employee skills in the areas of Legislative Decree 231/2001, anticorruption, cyber security, GDPR and risk management.

Fincantieri Corporate University

As part of the corporate training offered, the role of the Corporate University, Fincantieri's in-house management training school, is strategic. It consists of technical-managerial training courses aimed at increasing employees' skills at various stages of their career development path. In 2022, more than 22,300 hours of training were provided and 447 employees were involved. Particular importance was given to sustainability topics, which have been integrated in the Corporate University courses since 2019, involving over 830 employees.

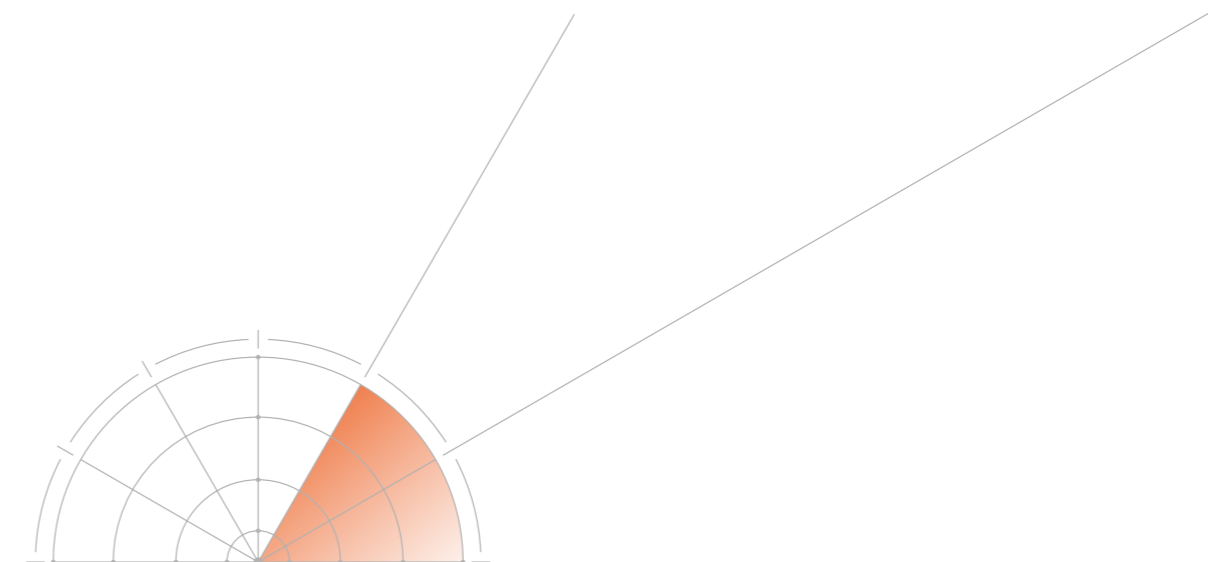
The main thematic pillars of the 2022 training were:

TECHNICAL KNOW-HOW

training initiatives aimed at increasing, transferring and monitoring the technical skills that represent a key element for Fincantieri. The knowledge transfer process, on the one hand, consolidates the knowledge and experience gained in certain areas by senior resources and, on the other, ensures the rapid integration of young talent. In 2022, the technical courses particularly focused on: design regulations and software, welding techniques, project management, procurement, knowledge of foreign languages, and training courses in preparation for obtaining certifications and licences, especially in the areas of production, ICT, and project management. The tool used extensively to raise technical and managerial skills is on-the-job training, which is particularly effective for learning in the production process.

DIGITAL TRANSITION

in recent years, Fincantieri has embarked on a major digital transformation process, necessary to address the ongoing digital transition in the industrial sector, which is radically changing the business in which the Company operates. The pervasive use of smart devices, the Internet of Things (IoT) and artificial intelligence, is already having an impact on most business processes, such as the design, production and shipbuilding processes. This digital transformation process has entailed a major investment in training programs dedicated to developing new digital skills and updating those already present in the Company, which will continue in 2023. The goal behind such upskilling and reskilling activities is to make employees understand the evolutionary context in which they are operating and how digital transformation sees technology as an enabler of change and thus how digital tools are embedded in daily routines and can benefit the operations and competitiveness of the Company.



LEADERSHIP

for several years now, we have been continuously investing in the development of an effective and inclusive leadership model for employees already in management positions and for those who have the potential to become the leaders of the future. The importance the Group attaches to this issue is further highlighted in the new Skills Model and in the managerial training path called Fincantieri Next, developed in collaboration with SDA Bocconi. This training program provides a comprehensive overview of the most current scenarios and orientations of business management, with the aim of stimulating new approaches and perspectives in areas such as: strategy, innovation, sustainability, digital transformation and intercultural leadership. The coaching and mentoring that the Company offers to its managers and young talents are effective tools that contribute to the diffusion of the Group's leadership model.

SUSTAINABILITY

training activities aimed at creating a comprehensive corporate culture of sustainability and conveying to all employees the values underlying environmental and social responsibility actively promoted by the Company. In the area of environmental sustainability, Fincantieri has committed itself to raising the awareness of its employees, making them protagonists of a path of continuous improvement through virtuous behaviour, attention to waste and responsible use of resources, while it has also developed specialist training courses aimed at supporting and accelerating the ecological transition process. These initiatives are aimed at increasing the level of expertise for an increasingly efficient management of energy performance and the use of environmentally sustainable solutions that reduce the carbon footprint of our orders, throughout the life cycle of the product. In the area of social sustainability, the Group has set up training programs focused on diversity and inclusion, in line with the action plan defined in 2021, with the aim of creating a work environment open to dialogue and sharing, leveraging the adoption of a more conscious and inclusive language, the promotion of prejudice-free behaviour and the enhancement of diversity.



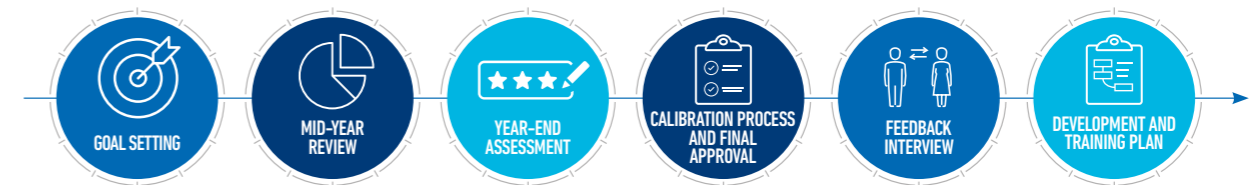
During the year, we organized experiential training initiatives for **team building**, a skill that is of great strategic value for the Group's success, especially in a complex and constantly evolving context. These initiatives aim to promote a climate of collaboration, foster communication and teamwork, create a shared team identity, value individual characteristics, and develop an inclusive work environment. An important team-building program was launched in December, dedicated to the Fincantieri Group's management team, which will continue throughout 2023, with the aim of strengthening teamwork, cross-functional communication and widespread responsibility, which are key elements to enable a rapid implementation of the new strategic plan.

Evaluation processes

A key element behind the development and growth of our people is the **feedback culture**. This is a tool for dialogue and understanding that is present in all our evaluation processes and, through constructive and ongoing exchange, it enables employees to reflect on their strengths, areas for improvement and motivational levers in which to invest. Our evaluation processes were redesigned in line with the new Group Skills Model to guarantee objective assessment, ensure accuracy, credibility and transparency, and incentivise the adoption of behaviour in line with the model.

- **Performance appraisal:** the Performance Management model, common at global level, includes the assignment of individual goals to the entire white collar and management population. This is a strategically important process because it connects employees - their roles, skills and results - to corporate objectives and goals. In order to empower people and make them protagonists of their own growth path, stages for self-assignment of role objectives and self-assessment are envisaged.

PERFORMANCE APPRAISAL



The Performance Management model evaluates two complementary drivers: individual goals (WHAT) and behaviours (HOW), which are linked to the skills in the Excellence Map. The actors in the evaluation process (assesseees, assessors and HR managers) participate in dedicated training activities.

Meritocratic policies are linked to the Performance Management process that are aimed at recognising and enhancing the results achieved, as well as the professional growth paths of employees. The use of clear and objective parameters in performance appraisal ensures fairness in the definition of meritocratic interventions and career opportunities.



PERCENTAGE OF EMPLOYEES EVALUATED

	2021	2022
SENIOR MANAGERS	69%	71%
of whom are women	67%	71%
MIDDLE MANAGERS	76%	83%
of whom are women	74%	77%
WHITE COLLAR EMPLOYEES	80%	85%
of whom are women	75%	80%
BLUE COLLAR EMPLOYEES	82%	84%
of whom are women	87%	88%
TOTAL	80%	84%
of whom are women	78%	81%

The data refer to the entire Fincantieri Group.
The percentage of employees evaluated was calculated as the ratio of the number of evaluated employees to the number of employees in the workforce at the end of the year.

The increase in the percentage of resources evaluated compared to 2021 is due to the implementation of the new performance appraisal model, which included a widespread communication and training campaign at Group level, as well as an increasing dissemination of the feedback culture.

- **360° assessment:** a development tool intended for all managers with at least five staff members. It aims to assess the typical skills of team managers, such as feedback, delegation, management and development of team members and recognition of others. The tool enables the assessment carried out by the person concerned to be compared with those of their manager, colleagues and collaborators, highlighting the most significant gaps, areas of strength and areas for improvement, as a starting point for subsequent self-development actions.
- **Potential appraisal:** an assessment activity that focuses on the person in a forward-looking way, regardless of the role held, with the aim of supporting, on the one hand, the Company in defining growth paths, job rotation, succession plans and organizational changes by mapping the wealth of skills and experience, and, on the other, the employees by highlighting strengths, areas for improvement and motivations for growth.

People Development

The training activities and the evaluation and development processes carried out during 2022, with the related evidence, were the basis on which to carry out **people review** activities, a fundamental management tool for enhancing human capital and defining **professional growth paths and succession plans** for key positions. These are updated on an annual basis in order to ensure the Group's continuity and competitiveness and to identify any new talent to be included as 'successors'.

People development activities also enable 'high potential' people to be identified, namely resources with greater potential and usefulness in the Company, in which to invest using defined growth paths, job rotation, national and international mobility actions, training actions, coaching and mentoring paths, so that in the future they can play key roles in driving the business.

Young resources with high potential are included in the **Talent Project** designed for them. A career development path is defined within the Company for each participant. This path includes a short/medium-term growth plan with job rotation and mobility actions (also abroad), in line with their skills and aspirations, specific training that focuses on both technical and leadership skills and participation in a mentoring program lasting two years.

In order to further encourage **mobility**, especially international mobility, structured **job rotation** programs were developed to which all employees, both experienced and junior, have access. These projects, launched through the **internal job posting** platform, aim to enhance internal resources and accelerate their growth, promoting the

development of new experiences, knowledge and technical and cross-functional skills. During 2022, 16 international job rotation opportunities (resulting in over 100 applications) were promoted at the Group's sites in the United States, India, Romania, China and Qatar, in addition to the program promoted by the US subsidiary, Fincantieri Marine Group, which provides a selected pool of employees with a six-month work experience at one or more Group sites in Italy. With a view to continually improving the employee experience of those involved in international mobility, a monitoring process for the protection, support and development of expatriate staff was implemented at the end of 2022 through surveys.

Diversity and equal opportunity

We reject any form of discrimination based on ethnicity, colour, gender, age, disability, sexual orientation, religion, political opinion, nationality and social origin. We undertake to develop and maintain an inclusive work environment, free from all forms of violence or harassment, as is stated in our **Policy on Human Rights – Commitment for the respect of human rights and diversity**.

In order to enhance diversity and promote inclusion, elements considered strategic for corporate competitiveness, for the development of our people and for the affirmation of a Group culture and identity, in line with the existing regulatory framework for equal opportunities, we are committed to:

- creating an inclusive work environment that ensures respect, integrity, personal development and equal opportunities;
- increasing employee awareness of diversity and equal opportunities;
- encouraging the commitment of all Group employees to act with respect and integrity in every relationship;
- requiring suppliers to behave in a manner consistent with respect for human dignity.



The Policy on Human Rights - Commitment for the respect of human rights and diversity is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-umane/diversita-e-pari-opportunita/fincantieri_policy_on_human_rights2.pdf

Over the last few years we have started a process to develop a **Corporate Diversity & Inclusion (D&I) model** with the aim of enhancing every element of diversity as a source of enrichment and growth for the organization, starting from people, with their experiences, characteristics, backgrounds and skills, who represent our strength and our value as individuals and as part of the Group.

The path of cultural change behind the development of this model must necessarily start from the people and increasingly connect the D&I model to the processes of continuous improvement of the organization. For this purpose, since 2020, we have involved the network of internal facilitators in a specific training and information process which is oriented towards the informal dissemination of positive behaviour models and the activation of a widespread listening system on the subject. During 2022, a call to action was launched to expand the network of facilitators and make it as widespread as possible.

As part of the 'Make a difference!' project, launched in 2021 with the delivery of a survey D&I designed to measure the level of people's awareness of diversity and equal opportunities, a Group action plan was developed and is currently being implemented.

The plan, which aims to foster the development of a single corporate culture on D&I, envisages both actions common to all Group companies and local actions that leverage the specific characteristics of the countries in which we operate, and is structured along the following lines:



During 2022, initiatives focused on the following themes:

- **Inclusive language and writing:** education aimed at increasing awareness of the role language and writing play in shaping thoughts and behaviour.
- **Biases and stereotypes:** training initiatives aimed at identifying biases and stereotypes and teaching how to mitigate them, questioning and reflecting on unconscious biases that hinder the emergence of talent in organizations.
- **Inclusive leadership:** training courses aimed at exploring the core elements that underpin widespread, inclusive and effective leadership, to enable our people to realise their full potential.
- **Gender diversity:** initiatives aimed at promoting a level playing field for women in the world of work and strengthening gender equality and female empowerment. In particular, total reward actions against the gender pay gap, feeding the pipeline of female talent, orientation activities and promotion of STEM subjects among school students through the tutorship of female Fincantieri managers as role models.
- **Parenthood and motherhood:** programs to support parenting, to help parents face motherhood and fatherhood as a shared path of growth and awareness, as well as individual coaching courses for future/new mothers to accompany them through the delicate period of motherhood and return to work, and work-life balance actions (smart working, company crèches, summer centres, holiday camps, etc.).
- **Cultural diversity:** initiatives to nurture an increasingly open corporate culture in order to include and enhance all cultures, nationalities and ethnicities working in the Group, including through actions of growth, exchange and development of people at an international level.
- **Disabilities:** recruiting events dedicated to students with disabilities and awareness-raising activities on the subject for all employees.

Since 2020, Fincantieri has partnered with **Valore D**, the first association of companies in Italy for gender balance and an inclusive culture, which is proof of the Company's commitment to a fairer and more inclusive professional world.

In 2022, the Company took part in the **'4 weeks 4 inclusion'** initiative, a relay of webinars and digital events dedicated to valuing diversity and inclusion in the corporate world by telling and comparing the stories, experiences and testimonies of more than 200 partner organizations.

NUMBER OF EMPLOYEES BY AGE GROUP

	≤ 30		31-49		≥ 50		TOTAL		VAR. 2022/2021
	2021	2022	2021	2022	2021	2022	2021	2022	
SENIOR MANAGERS	0	0	190	176	246	276	436	452	4%
MIDDLE MANAGERS	12	17	654	692	473	518	1,139	1,227	8%
WHITE COLLAR EMPLOYEES	1,520	1,525	5,178	5,101	2,465	2,671	9,163	9,297	1%
BLUE COLLAR EMPLOYEES	1,087	1,177	5,507	5,176	3,442	3,463	10,036	9,816	-2%
TOTAL	2,619	2,719	11,529	11,145	6,626	6,928	20,774	20,792	-
Incidence %	13%	13%	55%	54%	32%	33%	100%	100%	

The data refer to the entire Fincantieri Group.

PERCENTAGE OF EMPLOYEES BY GENDER



The data refer to the entire Fincantieri Group.

PERCENTAGE OF WOMEN ON THE BOARD OF DIRECTORS



For more information on the diversity and composition of the Board of Directors, see the chapter 'Governance - Corporate Governance and Remuneration Policy'

PERCENTAGE OF WOMEN BY CATEGORY OF THE CATEGORY TOTAL



The data refer to the entire Fincantieri Group.

PERCENTAGE OF WOMEN WHO RECEIVED TRAINING OUT OF TOTAL WOMEN



The data refer to the entire Fincantieri Group.

Training initiatives on diversity, inclusion and human rights management policies or procedures also continued in 2022, involving over 43% of the Group's employees.

We are constantly working to promote the insertion of people with **different physical and psychological abilities**, in line with the characteristics of shipbuilding and the risk profiles associated with the industry. 553 people with disabilities work in the Fincantieri Group.

The U.S. companies, Fincantieri Marine Group and Fincantieri Marine Systems North America Inc., as in the past few years, have implemented the actions set out in the affirmative action plan, which guarantees respect for diversity within the entire talent management process and includes specific training activities aimed at creating greater awareness of and sensitivity to diversity issues.

Health and safety in the workplace

Company management of the pandemic situation did not see any major changes in 2022, with the Crisis Management Team remaining fully operational to share information and the consequent actions to be implemented at each site.

As the 'State of emergency' proclaimed at general level came to an end on March 31st, it was agreed to extend the 'Shared Protocol for updating measures to combat and contain the spread of the COVID-19 virus in the workplace', already adopted at each site of the Italian Group, and to provide similar instructions to foreign subsidiaries.

During the course of the year, some of the measures in place, such as temperature measurement at access points, Green Pass verification and screening with the use of rapid swabs, were removed based on the infection trend monitored both at company level and in general.

The smart-working tool, which was already the subject of regulation on the basis of company agreements that made its operation conditional on the end of the emergency period, was the subject of generalized use for so-called vulnerable workers and prudentially applied extensively for other workers as well, even though it was no longer related to the pandemic aspects.

Similarly, the measures already in place to contain crowding situations were maintained, favouring staggered access times to changing rooms and refreshment facilities, as well as related sanitation activities.

With regard to the use of personal protective equipment, its availability to all workers in the form of 'surgical masks' has been constantly ensured, even when this obligation no longer applies nationwide, while the applicable provisions on FFP2 have been implemented in terms of both availability and use.

The use of such devices remains in specific situations, such as the use of lifts or hoists, the use of company vehicles, and access to and while inside medical facilities. In addition, based on the indications of the company physicians, vulnerable people are required to use them.

The Crisis Management Team together with the aforementioned measures are expected to remain in place until the end of March 2023, unless extended or modified as a result of indications from the competent authorities or changes in the pandemic situation.

Towards Zero Accidents

The Towards Zero Accidents project, continuously supported by the company structures within the framework of capillary and consolidated organizational processes, has involved both direct employees and those of subcontracted companies in the numerous planned initiatives.

For the **continuous monitoring** of the conditions in the production processes – which must be developed in harmony with the supervision and good practices in the field of safety in the workplace – inspections and coordination meetings are organized every two weeks in the various production areas, between the Workers' Safety Representatives and the Company's production supervisors and those of the contractors. The findings that emerge are recorded and their resolution is tracked.

Regular meetings of the **Quality and Safety Committees** are also held in each shipyard. The purpose of these meetings, attended by Management and first reports, is to monitor production processes in relation to quality and safety at work issues and to discuss the evidence that emerged during joint inspections of production areas or the issues developed during the sessions of the Safety and Environment Commission. The latter comprises the HSE reference figures and the Workers' Safety Representatives (RLS) and meets more frequently to prevent, monitor and address issues and contexts with significant impact.

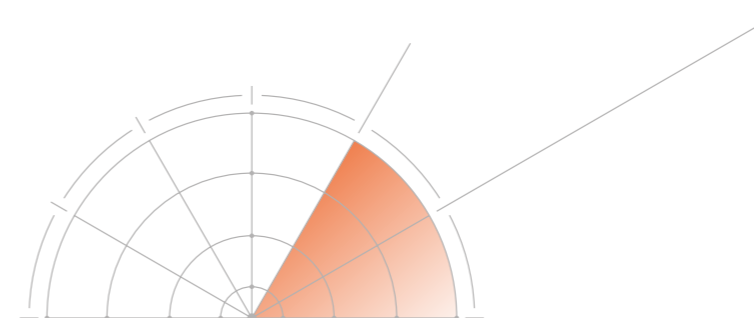
In the United States, the Fincantieri Marine Group organizes meetings each month that involve HSE contact persons and union representatives to analyse and share the results of accident monitoring, performance indicators and the main updates to the safety management system. In 2022, Fincantieri Marinette Marine once again won the Shipbuilders Council of America Safety Excellence Award, confirming the positive trend established over the years.

To prevent any kind of accident affecting both people and the environment, the subsidiary VARD continues to implement its Vision Zero project which envisages additional tools and initiatives:

- using the Safety Observation tool to report any anomalies found;
- reporting health and safety indicators at the monthly management meetings;
- organizing an internal accident prevention week;
- electing an internal commission for the prevention of accidents;
- the internal distribution, based on the Group's guidelines, of a booklet with the ten golden rules for health and safety at work.

At the various sites of the foreign subsidiaries, numerous initiatives were also carried out in various areas, such as occupational hazards in production areas, health promotion and fire safety.

At both Group level and in each individual site, the **trend in injury data and rates** for employees and the workers of contractors is constantly monitored and subject, in various ways, to periodic reporting to the various levels of responsibility and to Top Management. The individual events that have led to an accident, as well as near misses, are the subject of detailed technical investigations and their dynamics are analysed in order to deduce the causes and identify possible corrective measures. The majority of injuries consist of falls or impacts against fixed parts, mainly concerning the injured person's lower limbs and hands.



MAIN HEALTH AND SAFETY INDICATORS

	2021	2022	VAR. 2022/2021
Rate of absenteeism	4.30	5.51	28%
Injury rate/Frequency rate	8.80	9.63	9%
Rate of work-related injuries	7.41	8.14	10%
Rate of high-consequence work-related injuries	0.45	0.58	29%
Rate of fatalities as a result of work-related injury	0.00	0.00	-
Severity index	0.23	0.28	22%
Number of total accidents (occupational and commuting accidents due to travel organized by the Company)	265	298	12%
Number of recordable work-related injuries	265	296	12%
- of which high-consequence work-related	16	21	31%
- of which work-related fatalities	0	0	-
Number of commuting accidents due to journeys organized by the Company	-	2	-
Number of recordable work-related injuries - women	9	5	-44%
Number of training hours in health and safety	128,344	125,571	-2%
Number of employees trained in health and safety	11,019	12,958	18%
Number of medical examinations	12,682	17,372	37%
Number of diagnostic tests	16,750	22,942	37%
Health and safety costs (euro)	12,487,448	10,239,902	-18%

The data refer to the entire Fincantieri Group.

The 2021 figure for the number of medical examinations refers to Fincantieri S.p.A., Italian subsidiaries and the VARD group.

The number of commuting accidents due to journeys organized by the Company has been reported since 2022.

The rate of absenteeism was calculated as: (number of days of absence due to injury and/or illness/workable days) *100.

The injury rate/frequency rate was calculated as: (number of injuries at work and commuting/hours worked) *1,000,000.

The rate of work-related injuries was calculated as: (number of recordable work-related injuries/hours worked) *1,000,000.

The rate of high-consequence work-related injuries was calculated as: (number of high-consequence work-related injuries/hours worked) *1,000,000.

High-consequence injuries are defined as events that caused more than 180 days of absence.

The rate of fatalities as a result of work-related injury was calculated as: (number of fatalities as a result of work-related injury/hours worked) *1,000,000.

The severity index was calculated as: (number of days lost due to injury/hours worked) *1,000.

The health and safety costs refer to the costs incurred for health supervision and the provisioning of Personal Protective Equipment, including the personal equipment used to deal with the COVID-19 epidemiological phenomenon.

The worsening of some of the figures on injuries, albeit against low benchmarks compared to historical trends, was caused by the increased use of resources and the concentration of construction activities required to meet production and ship delivery schedules. In fact, the measures put in place during the emergency period to deal with COVID-19 led to disruptions and discontinuities in production activities with the need to intervene at stages of progress other than those planned.

These considerations apply to a greater extent to Italian and US shipyards, which saw an increase in the number of workers needed to develop activities as scheduled in a specific part of the year.

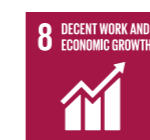
Analyses of the main accident dynamics identified the behavioural attitudes of individual workers as the main cause of the most frequent events in movements around the workplace. As provided for in the Sustainability Plan objectives, a campaign with communication and technological aids has been prepared and will be carried out to make employees aware of the importance of maintaining their vigilance with respect to the context they are working in and the activities they are required to perform.

Company coordination meetings, involving the heads of the prevention and protection services of each production site and the main Italian subsidiaries, are convened on a quarterly basis and are chaired by the Group Health, Safety & Environment (HSE) manager. These meetings involve analysing the data collected, sharing best practices and examining issues of common interest in order to identify improvement proposals on which to direct activities in this area. Each HSE Corporate Coordinator, who is the reference point for the various hubs grouping the prevention and protection services of the Italian and foreign subsidiaries, is then responsible for communicating the decisions taken at central level to the parties involved, verifying their applicability in the various production areas to which the hubs refer.

The process of **assessing the specific risks** present at the production sites is drawn up on the basis of common company guidelines and gives rise to consequent operational procedures, as well as providing the topics for the safety training delivered to all employees.

The company's best performance and health, safety and environment improvement objectives are key benchmarks for the entire company context, as well as the measurement target against which the related economic impact of the people with managerial and supervisory roles are determined as part of **variable remuneration** mechanisms.

IMPROVEMENT OF OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE



The actions described above allowed us to significantly reduce the number of injuries and to achieve the targets we set ourselves in the 2018-2022 Sustainability Plan: to reduce the severity index by 15% and the frequency index by 5% compared to Fincantieri S.p.A.'s 2017 values.

SEVERITY INDEX

	2017	2018	2019	2020	2021	2022	VAR. 2022/2017
	0.48	0.59	0.44	0.48	0.45	0.39	-19%

The severity index was calculated as: (number of days lost due to injury/hours worked) *1,000.

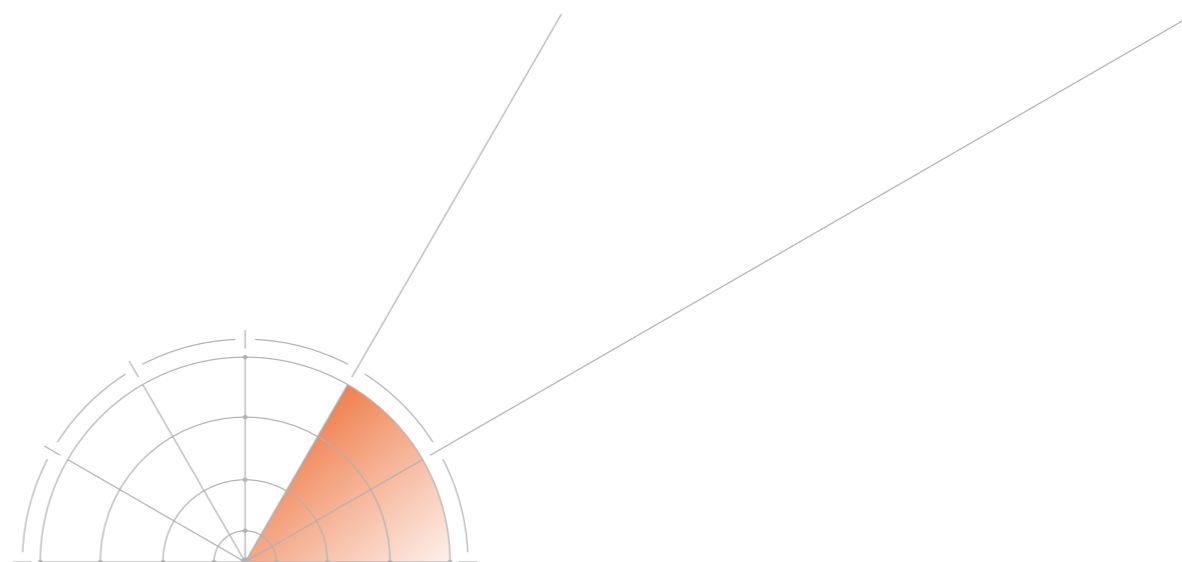
INJURY RATE/FREQUENCY RATE

	2017	2018	2019	2020	2021	2022	VAR. 2022/2017
	18.59	19.79	16.43	14.82	13.90	14.51	-22%

The injury rate/frequency rate includes both accidents at work and commuting accidents (whether travel is organized by the company or not) and was calculated as: (number of injuries/hours worked) *1,000,000.

The data refer to Fincantieri S.p.A.

The frequency rate for Fincantieri S.p.A. is higher than the Group average due to the significant number of commuting accidents for travel not organized by the Company due to accidents occurring during the home-work commute.



PROJECT FOR THE DISSEMINATION OF HEALTHY LIFESTYLES



With reference to the objectives of the 2018-2022 Sustainability Plan, a **health promotion** project was developed **to disseminate healthy lifestyles**. The initiative was launched as part of the Fincantieri for the Future project and involved all the people at Fincantieri S.p.A. and its Italian subsidiaries. The following subject areas were defined and addressed:

- guide to healthy eating;
- informed consumption of alcoholic beverages;
- medical prevention.

A flyer was drawn up for each subject area and sent by e-mail following communication of the project launch. The communication and the three flyers were also published on the company intranet and displayed on monitors in company canteens. Paper copies of the flyers were disseminated widely to all personnel based on the communication channels deemed most appropriate within each production site (handing them out at predefined and strategic occasions or locations, such as company infirmaries). The entire project was implemented with the assistance of the company's Chief Medical Officer and the launch of the initiative was discussed in advance with the Workers' Representatives.

Together in Safety

The multimedia course 'Together in Safety', delivered at the Group's Italian plants to all resources involved in the production process, provides precise references on the safety risks present in shipbuilding activities and on correct environmental behaviour.

The training video, lasting about three hours, is intended for all employees of contracting companies (approx. 30,000 people). It has been produced in the 10 most widely used languages at Fincantieri's shipyard, and it is mandatory to watch it in the classroom when first entering the Group's production sites as it provides, among other things, specific information on each of the production units and their Emergency Plans.

HEALTH AND SAFETY CONTRACTOR INVOLVEMENT PROJECT



As envisaged in the 2018-2022 Sustainability Plan, in December, the vessel divisions and contact persons of the various production units were informed of the methods for implementing the project, which will involve contractor company personnel, along with Fincantieri staff, on health and safety management issues. The initiative, developed at Fincantieri S.p.A. level, will focus on behavioural elements and aims to engage and empower individual workers, whether direct employees or contractor company personnel. The aim is to make the individual worker more aware of the need to adopt working behaviour which complies with the regulations and demonstrates maximum attention to their own and their colleagues' safety. In particular, even in the presence of adequately supervised working conditions, the importance of vigilance from the worker with regard to the context they are working in and the activity they are required to perform is emphasised.

Memorandum of understanding with INAIL

As part of the Memorandum of Understanding between the National Institute for Insurance against Accidents at Work (INAIL) and Fincantieri which aims to develop a safety at work culture and implement activities and projects with the goal of systematically reducing accidents and occupational diseases, a workshop was organized in 2022 which was attended remotely by over 300 people. On this occasion, HSE Managers from Fincantieri and other major companies such as Enel, Eni, Hitachi and Wärtsilä, compared their respective approaches to safety management in contract work with a view to improvement.



Supplier evaluation

SCORECARDS FOR SUPPLIER EVALUATION



Contractors are already subject to evaluation from a financial, quality, contractual and production perspective in order to access the Supplier Register and are subject to periodic behavioural checks using a predefined format, and also through **scorecards** focused on suppliers' performance in health, safety and environmental issues. The assessments by the various shipyards, with the direct involvement of the various production areas, have led to the calculation of the overall performances of the companies and are subject to permanent monitoring within the Supplier Observatory. In 2022, the entire base of main contractors and suppliers with exempt contracts with a significant presence within Fincantieri S.p.A. shipyards was evaluated for a total number of 1,223 assessments. As stipulated in the Sustainability Plan, criteria for scoring the degree of HSE compliance were identified within the e-NGAGE project (Supplier Portal) and entered into the HSE section of the SupplHI application. This will help determine the supplier's overall Environmental, Social and Governance (ESG) rating.

Security

Owing to the more frequent presence of Group employees who travel or are on secondment abroad, with the Travel Risk Management (TRM) program we have developed an ongoing mapping and management of risks in foreign countries which has guaranteed the security of travelling employees and the sustainability of the locations associated with business operations.

2022 saw the launch of a review, audit and progressive adaptation of TRM processes to the new international reference standard ISO 31030 Travel Risk Management - Guidance for Organizations.

The activity, conducted with the support of a qualified external body, found numerous elements of compliance with the guideline in Fincantieri, highlighting a deep-rooted corporate culture of travel risk management. Finally, a road map was defined for the following years aimed at achieving full compliance with the technical standard at Group level.

In 2022, in a logic of harmonization of best practices at Group level, the extension of the TRM program continued, involving the companies of VARD and Fincantieri NexTech.

INITIATIVES TO HANDLE TRAVEL SAFETY



In 2022, the number of business trips increased sharply, marking a clear recovery after the two-year period 2020-21, characterized by the pandemic crisis that had drastically reduced international mobility. The global scenario during the year, which remained fragmented also due to the persistence of restrictions in the East (in particular the Zero COVID-19 policy in China), growing protests in South America and the Middle East and North Africa, the rekindling of war scenarios in Europe and its economic-inflationary impacts, necessitated the supervision of any travel route considered to be at risk. Fincantieri ensured the safety of its people abroad by monitoring more than **10,000 foreign trips** and the double validation process of about 1,000 trips in areas with medium to high risk factors.

With the aim of strengthening the security culture, the training program on travel risks for frequent travellers and staff posted abroad was expanded and digitalized, and a new company video was also created: **around 600 people were trained** in 2022 (90% basic course, 10% advanced course).

As part of the **Crisis Management** system (abroad), **16 contingency plans** have been drawn up and updated for the most important foreign sites and locations where the company is present. The plans are managed by special crisis committees (CMTs) which include, in addition to employers, travellers and the heads of the relevant Security department and Prevention and Protection Service Manager (RSPP), the heads of all functions involved in the travel and personnel management process.

In accordance with corporate procedures, each CMT met at least twice a year, to update team members on the evolution of risks present in local scenarios and for training activities based on contingency plans. A Crisis Management software platform is also in operation. It allows committees to meet virtually to manage possible crisis situations even when on the move or when the Company is closed (at night or on holidays). In 2022, 24 new crisis team members were trained in the use of the platform.

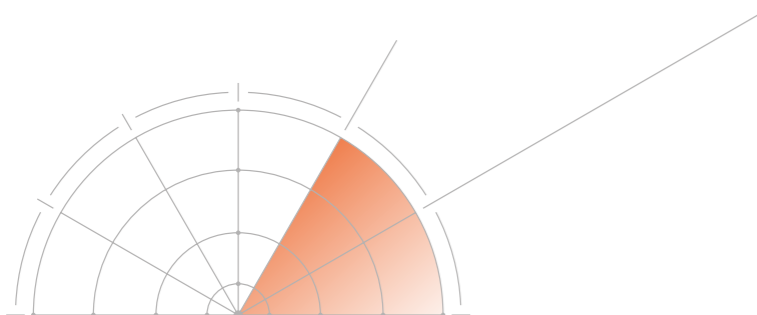
In 2022, maintenance was ensured of the security measures implemented under the **International Ship and Port Facility Security** (ISPS) Code, Chapter XI-2 of the SOLAS Regulation developed by the International Marine Organization (IMO): a comprehensive set of rules to enhance ship and port facility security in order to mitigate the risk of acts of terrorism and other unlawful acts. The ISPS was guaranteed both in the shipyards where such regulations are mandatory (Arsenale Triestino San Marco, Muggiano and Palermo, Monfalcone and Marghera) and in the other shipyards and company headquarters where, though not required, it was taken as a reference standard to ensure an effective corporate governance and risk management system.

Occupational health and safety certifications

ISO 45001 certification is an international standard that defines the requirements for certifying the occupational health and safety management system.

100% of Italian shipyards, and 74% at Group level, are ISO 45001 certified.

For more information on the certified sites and companies, see the website www.fincantieri.com/en/sustainability/certifications/



Wellbeing for people

We have a **welfare model** that has a positive impact on people's wellbeing and responds to the evolutionary processes of the job market and the company, making it possible to improve working relationships and the organizational climate. This model has increased the level of attractiveness of the organization and its work environment, raising the level of employee engagement and sense of belonging, confirming our interest and commitment to improving the living conditions and wellbeing of our employees and their families.

The welfare tools are aimed at employees in general of Fincantieri S.p.A., including part-time and fixed term employees and are also recognized for the employees of Italian subsidiaries and/or associates falling within the scope of the supplementary labour agreement.

The Social Bonus has particular significance in the welfare system. It is paid annually and exclusively in **welfare services** and any unused bonus amounts are automatically allocated to the individual employee's supplementary pension fund. At the same time, to provide an incentive to allocating a part of the variable bonus to the use of welfare services, employees who decide to use it in this direction are awarded an increase of 10% of the value. In 2022, 25% of the overall Performance Bonus allocated was converted into welfare services.

Utilization of company welfare is supported by a website through which employees can access a wide range of goods and services, such as:

- school fees and textbooks;
- assistance for family members;
- sports, wellness, travel, etc.;
- the supplementary pension and health program, which supplement the measures already defined in the National Collective Bargaining Agreement (CCNL) and the company's supplementary labour agreement;
- repayments on mortgages, nurseries, public transportation season tickets, etc.

To address the emergency of high energy prices and its impact on the economic and social context, and especially on families, the Company put in place the conditions so that employees, again through the aforementioned website, could benefit from the fuel bonus expressly excluded from taxation up to a maximum amount of €200. In addition, it promptly raised the tax-free threshold of fringe benefits to a maximum of €3,000 per capita for the year 2022.

The system also makes available a range of **corporate conventions**, reserved for Group employees, which offer a wide range of discounts on products and services of different categories related to national and international brands.

With regard to **supplementary health care**, the Company is a member of the Health Fund for steelworkers, called MètaSalute, with a supplementary health care plan for employees and dependent family members, also covered free of charge. Participation in the Contractual Fund, reinforced by additional coverage specifically established by Fincantieri with the operator, guarantees the provision of health services that are diversified and with high limits, insured both directly, through the facilities contracted with the operator and in the form of reimbursement.

Fincantieri also guarantees the opportunity for **pensioners** to continue to make use of the supplementary health care benefits with a contribution paid for by them.

With the new supplementary labour agreement, signed on October 27th, 2022 with the Trade Unions at national level, the Company has introduced special coverage, in order to guarantee welfare benefits aimed at recognising treatment in cases of loss of self-sufficiency, so-called **Long-Term Care**, and permanent disability from non-occupational illness and accidents, to protect workers from serious and dramatic impacts on their personal lives. In order to meet both the need to safeguard health and the Company's need to maintain continuity of production activities in the context of a constantly evolving pandemic situation, flexible work measures were maintained with an increased use of **smart working**, as a tool to facilitate work-life balance, where compatible with the activities performed. Starting from September 2022, the agreement previously signed with the Trade Unions



was implemented to make agile work structural at the end of the emergency period with the aim of pursuing significant increases in employees' personal wellbeing, simultaneously fostering a better balance between work and personal needs and the development of their respective professional skills by enhancing their degree of autonomy and orientation towards objectives and results, while strengthening the relationship of trust with their managers. This agreement, following specific regulatory provisions enacted during 2022, was applied extensively in favour of vulnerable workers and parents with children under 14.

As part of Fincantieri's welfare system, of particular importance is the network of **company clubs** that organize initiatives locally that meet the needs of personnel, such as 'after-school' activities, recreational, sports and cultural activities, holiday camps, and support for the purchase of schoolbooks for employees' children. In 2022, around 8,600 registered members, including current and former Fincantieri employees, benefited from the activities of the 9 company clubs at national level.

As a further support to parents in managing their children during the working day, the Company has set up a project to establish **company crèches** at the various company sites. The project, supported by a survey that showed strong employee interest in the initiative, led to the signing of a nationwide trade union agreement on January 17th, 2022 in the presence of the Minister of Family and Equal Opportunities.

The first company crèche, open 11 months a year and with a service covering the entire working day with access to flexible time slots, was built inside the headquarters of the Merchant Ships Division in Trieste and the first school year started in September 2022.

Implementation of the program is continuing with the planning for the construction of facilities for employees at the Monfalcone and Marghera sites and will continue with the gradual construction of facilities at the other sites involved.

Fincantieri Marine Group provides benefits to all employees working for at least 30 hours a week. Benefits include enrolment in the Group Health Medical Plan, which includes health, dental and ophthalmic cover, the cost of which is borne partly by the company and partly by the employee. Additional benefits are available that are not included in the above plans, such as the on-site clinic, vacation and holiday pay, the policy on short to long-term disability, life insurance for accidental death&dismemberment, the retirement plan and the employee assistance program.

In Norway and Vietnam, VARD provides all permanent employees with medical care, in-house catering services and life insurance, while in Romania these benefits are guaranteed at Vard Tulcea.

Industrial relations

The industrial relations model of Fincantieri S.p.A. has evolved in a participatory direction and this direction has been strongly reinforced by the supplementary agreement signed with the trade unions at a national level on October 27th, 2022.

The new agreement focuses on issues of participation, sustainability, welfare, work-life balance, training, safety, diversity and inclusion, all topics of increasing sensitivity in the context of corporate life.

With particular regard to participation, the **Participation Body** was set up, consisting of the national trade union coordinators and three representatives chosen from among the employees, to whom the Company will illustrate for the first time, after the Shareholders' Meeting held to approve the financial statements, the economic and financial results and the contents of the Sustainability Report.

The same agreement provided for the establishment of the following Commissions at national level:

- **Commission for Diversity&Inclusion** - composed of three members from the employer, three national trade union coordinators and three workers' representatives and responsible for deepening the lines of action, jointly proposing and evaluating new initiatives and monitoring their progress in the field of diversity, inclusion and multiculturalism.
- **Joint Commission for Grading** - composed of three members from the company and three from the trade union and is dedicated to monitoring the implementation of the new professional grading system and to drawing up evaluations and proposals concerning professional profiles.
- **Joint Commission for welfare** - composed of three members from the company and three from the trade union, with the task of analysing, evaluating and monitoring the development of company welfare.

The recent agreement also reconfirmed the full operation of the bodies provided for in the previous agreements, which were always participation-oriented. These include the **Advisory Committee**, a strategically important body composed of six company representatives and six trade union representatives, which meets annually for information and consultation between the Parties on issues such as market scenarios and competitive positioning, economic performance, alliances and strategic partnerships, business strategies, technological innovation, safety at work, training and retraining, relations with educational institutions and/or universities, and employment trends.

The Committee also meets when there are changes in the company and ownership structure, considerable organizational changes, significant changes in labour policy, restructuring and/or reorganization projects and restructuring and development programs.

The **National Joint Commission for safety at work** and the **National Joint Commission for training** remain operational. The former analyses aspects related to the health and safety of employees as well as environmental factors of importance for the company as a whole. This Committee also monitors the development of operational projects implemented at individual sites that are closely linked to safety and environmental issues. The Joint National Training Committee is responsible for analysing training needs, evaluating and approving plans involving resources from different operating units and monitoring the progress and effectiveness of the training provided. As part of the Committee's activities, specific agreements were signed aimed at using the resources available in Fondimpresa.

The **Bilateral Joint Technical Body** and **Committee on safety and environment** will continue to operate at each company site. These bodies, by systematically involving all resources, aim to increase the motivation and participation of employees in the change and innovation processes, combining the necessary increases in efficiency and productivity with the improvement of working conditions and the environment.

In relation to the growing process of internationalization and with a view to encouraging the full involvement of the Group's workers, Fincantieri and the Trade Unions, again with a view to participation, undertook to set up the **European Works Council (EWC)**.

In view of the centrality of environmental and climate issues, a new **sustainability** target was included in the Result Bonus and in the Management Objective Plan, with related economic impact, linked to five indicators identified annually at company level (e.g., reduction of energy consumption, water use, greenhouse gas emissions).

Important innovations were also introduced as regards **work-family balance**. In addition to the crèche project mentioned above, a wide range of paid leave has been recognised, in addition to those in the metalworkers' National Collective Bargaining Agreement (CCNL), for the placement of children in the first year of crèches and nursery schools, for the care of disabled children up to the age of 12, and for the care of elderly parents aged 75 or over when they are hospitalized and/or discharged from care institutions.

Confirming the innovative imprint of the supplementary agreement, ample space was also given to the topics of **diversity and inclusion**, for the enhancement of the intrinsic characteristics of each individual as an enriching factor for the Company.

This also includes the establishment of a free counselling service and psychological assistance (with guarantee of anonymity) for those who are victims of gender-based violence in the workplace, as well as a coaching and counselling course called 'Mum: work in progress' with the aim of supporting future and new mothers.

With the intention to increase the most informed and shared participation in **health and safety** issues by all workers, within the company supplementary agreement, a **joint initiative** has been established, starting from 2023, on an experimental basis, and on an annual basis, at each company site, consisting of an information/training meeting for all employees on safety and environmental issues identified jointly at a local level by the RSPPs and RLSs.

Some of the main trade union agreements signed previously have also been incorporated into the new supplementary agreement.

These include the agreement establishing **Solidarity Leave** signed on March 26th, 2021, through which workers may voluntarily give up, free of charge, their accrued rest and vacation time to colleagues who need to provide constant care for young children, seriously ill children and victims of gender-based violence. This opportunity, which is useful when dealing with delicate situations and needs of a personal and family nature, also intends to promote a system of mutual support, creating a sense of collective responsibility in the construction of a positive and supportive company climate.

Also included in the supplementary agreement is the trade union agreement on **contracts**, signed on March 26th, 2021, to which primary importance must also be attached due to the company production model. The agreement



confirms the validity of the initiatives developed by the Company in recent years and defines significant lines of action such as: the strengthening of actions against irregularities, the simplification and reduction of subcontracting activities in 'labour intensive' areas, also through the launch of automation projects and the involvement of satellite businesses in sustainability issues. Among other things, the agreement highlights the need to strengthen the technical and professional skills of the shipbuilding industry through the extension of initiatives with local authorities for the preparation of recruiting and training/retraining programs, as well as strengthening the possibility for workers in satellite businesses to exercise their trade union rights.

Lastly, on December 7th, 2022 Fincantieri signed an agreement with the Trade Unions at national level for the rescheduling of working hours that will allow access to the **New Skills Fund**, with the aim of developing workers' skills in the macro areas of digital and ecological transition in order to meet emerging needs within the Company. Employees are guaranteed **freedom of association** throughout the Group. In 2022, 49% of employees are registered with Trade Unions.

In all the countries where the Group operates there are contracts or agreements that regulate the employment relationship.

The VARD group has implemented a model of industrial relations that is strongly oriented towards dialogue with trade unions in order to identify and provide impetus for the conversions needed to ensure a stable and profitable future for the group. The national collective bargaining agreement in Norway guarantees a minimum wage level and the possibility of an early retirement scheme. In Romania, employees are covered by the Collective Bargaining Agreement at company level and also by the provisions of the Labour Code in relation to further applicable laws.

Fincantieri Marine Group cooperates every day with trade unions to discuss issues, concerns and opportunities. The vision with respect to relations with employee representatives in the company is to pursue continuous collaboration on day-to-day operations or future changes through listening and sharing opinions. This is made possible by meeting or convening assemblies on request, if not specifically scheduled when required. The workforce is covered by a collective bargaining agreement and although blue collar workers are not required to be union members, they must follow the parameters set by the collective agreement, which outlines working conditions and remuneration. The percentage of employees covered by collective bargaining agreements is 100% in Italy, 93% in Norway, 99% in Romania, 37% for the Rest of Europe, 45% in North America, 53% in South America, and 96% in Asia, Africa and Oceania.

Management of reorganizations and restructurings

In cases of business reorganization (mergers, acquisitions, etc.), we try to safeguard our people by, if necessary, assigning new tasks with targeted training or professional retraining, based on each person's ability and experience.

In fact, any restructuring and/or reorganization processes provide for **specific information procedures**, that involve the trade unions in order to identify the most appropriate tools for resource management and the best structure, in relation to the different contexts in which they operate.

In 2021, we drew up a **Guideline for the management of possible company reorganization and restructuring** within the framework of a consolidated participatory model based on two different contractual sources: the National Collective Bargaining Agreement and the Supplementary Labour Agreement. This arrangement is consistent with the criteria laid down in the agreement between Confindustria and the national trade union confederations CGIL, CISL and UIL ('Factory Pact') of 2018.

The presence of a structured information and comparison system is the first reference point for managing the complex dynamics of restructuring or reorganization.

Since such processes can be triggered by various contexts and circumstances, the reasons behind them are the prerequisite for identifying the consequent measures needed to manage their implementation.

The **tools that may be activated** depending on the context, aimed at avoiding recourse to collective redundancy, may, from time to time, refer to the use of one or more measures including:

- the reduction of working hours;
- training and professional retraining to facilitate re-employment within the Company or, alternatively, in the various activities carried out by other entities of the Group;
- individual and collective transfers within the Group;
- the Extraordinary Wage Guarantee Fund (CIGS), which can be activated for company crises, restructuring/reorganization processes or solidarity contracts. Recourse to these social shock absorbers also entails compliance with a procedure for informing and consulting with trade unions, as provided for by current legislation;
- the use of ad hoc regulatory instruments to facilitate the early exit of staff close to reaching retirement age;
- training and professional retraining, usually in conjunction with training bodies, to facilitate re-entry into the labour market;
- exit incentives for employees affected by the reorganization and restructuring processes should the company's economic situation allow it;
- outplacement services, orientation and enhancement of employees' professional skills with the aim of facilitating their re-entry into the labour market.

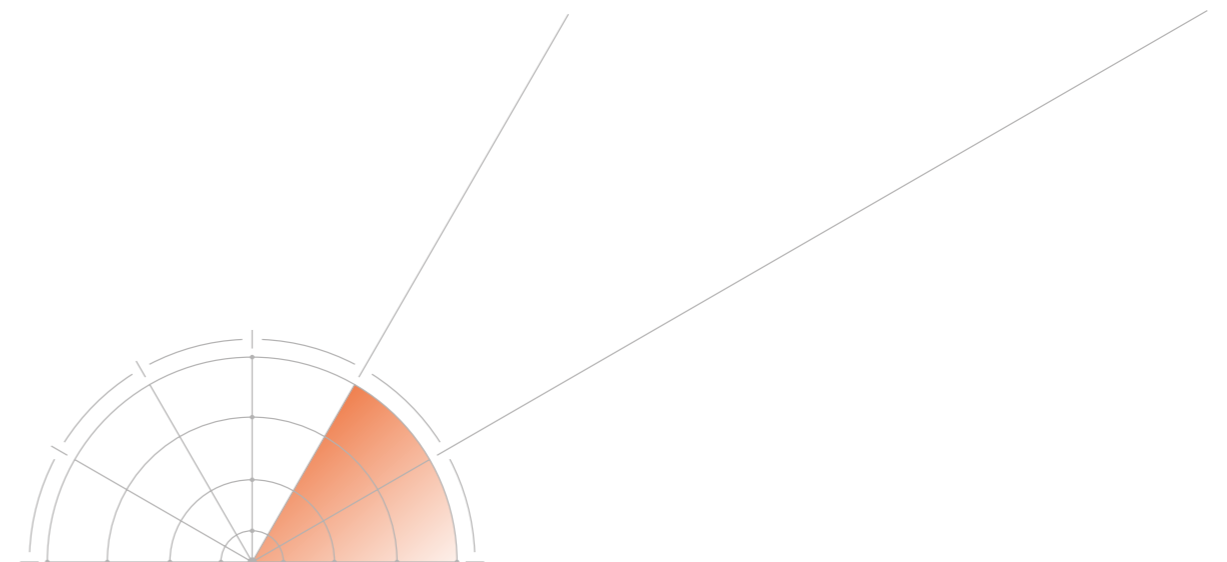
In the case of business reorganization, the Group applies, in Italy and abroad, the instruments provided for by national collective bargaining agreements and contracts and supplementary company contracts. The minimum period in Italy, the Rest of Europe, North America, South America, Asia, Africa and Oceania varies according to the contracts from 0 to 4 weeks and in Norway and Romania it is 4 weeks.

In Italy the last business reorganization, which took place in the four-year period 2012-2015 as a consequence of the 2008 economic and financial crisis, was handled by resorting to the Extraordinary Wage Guarantee Fund for business reorganization and with mobility procedures set out on the criterion of no objection to dismissal.

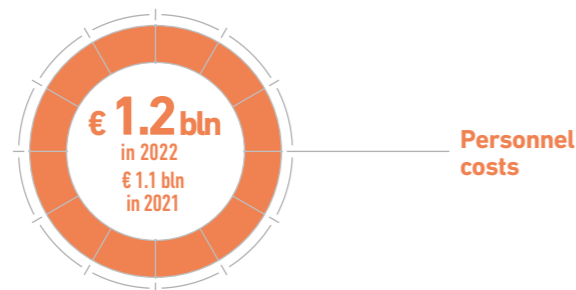
As far as the VARD group is concerned, the Promar yard downsizing, caused by the extremely serious crisis of the Brazilian shipbuilding industry, and the process for the closure of the VARD's two Norwegian shipyards in Aukra and Brevik, took place in total observance of the legal procedures and in constant dialogue with the union representative bodies.



The Guidelines for the management of corporate reorganizations and restructurings is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-umane/riorganizzazioni-e-ristrutturazioni-aziendali/processi_di_riorganizzazione_e_ristrutturazione_aziendale_en.pdf



Remuneration



The remuneration of employees (blue collar and white collar) is defined on the basis of the relevant labour market and the provisions of the collective bargaining agreements and company level contracts and consists of a fixed component and a variable component.

The **fixed component** remunerates the role and, specifically, the responsibilities assigned to each employee, taking account of, among other things, the level of experience, the quality of the contribution that each employee brings to the attainment of the business results, as well as the level of excellence with respect to the duties assigned. The aforementioned component is sufficient to remunerate the services performed, including in the event of no payment or only partial payment of the variable components, where envisaged. It is also such as to ensure adequate competitiveness at the remuneration levels recognized by the market for the specific position. The **variable component** is linked to predetermined and measurable Group and individual performance objectives and remunerates, according to the different structures, the results achieved in the short and long-term. This component focuses people's attention and commitment on the achievement of strategic objectives and can be provided, where applicable, not only in monetary form, but also in the form of welfare. In 2022, **more than 25%** of Italian employees covered by the MBO Plan received at least one **sustainability objective**, with a weight ranging from 10% to 30% in connection with the management areas.

In terms of remuneration, gender equality is an indispensable element in company management. The wages and salaries are consistently determined based on identical assumptions and on uniform assessment criteria. The data on the ratio between the remuneration (global basis) of women compared to that of men are provided below.

RATIO BETWEEN WOMEN'S BASIC SALARY AND MEN'S AVERAGE SALARY

	2021				2022			
	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	BLUE COLLAR EMPLOYEES	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	BLUE COLLAR EMPLOYEES
Fincantieri	0.9	1.0	0.9	1.0	0.9	1.0	0.9	0.7
VARD group	0.7	0.8	0.7	0.9	0.8	1.0	0.8	0.9
Fincantieri Marine Group	1.2	1.0	0.8	0.8	1.1	1.0	0.8	0.8

RATIO BETWEEN WOMEN'S GLOBAL REMUNERATION AND AVERAGE REMUNERATION OF MEN

	2021				2022			
	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	BLUE COLLAR EMPLOYEES	SENIOR MANAGERS	MIDDLE MANAGERS	WHITE COLLAR EMPLOYEES	BLUE COLLAR EMPLOYEES
Fincantieri	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.7
VARD group	0.6	0.8	0.6	0.8	1.1	0.9	0.7	0.8
Fincantieri Marine Group	1.4	1.0	0.8	0.8	1.2	1.0	0.8	0.8

The 2021 data refer to the Fincantieri Group as a whole except for the new companies that entered the consolidation during 2021 (Finsol, IDS, SOF, Ergon Projects, Inso Albania, Constructora Inso Chile, Team Turbo Machines).

There are no gender-related pay gaps within Fincantieri S.p.A. or its Italian subsidiaries. Furthermore, a comparison of the salaries of senior managers, middle managers and white collar employees shows that there were no fluctuations between the financial year 2021 and 2022. With specific reference to the blue collar category, it should be noted that the variance is closely linked to turnover dynamics, also in view of the small number of women, at 22. Recruitment of more junior resources with lower salary profiles accompanied departures of employees with high seniority.

The absence of a gender pay gap is also evident in the VARD group, where the ratio of salaries for senior managers, middle managers, white collar and blue collar workers does not show significant fluctuations. It should be noted that the ratio between the overall remuneration of female and male senior managers shows a slight deviation in favour of women, which is closely linked to the payment to the latter of variable elements of remuneration and/or one-off bonuses.

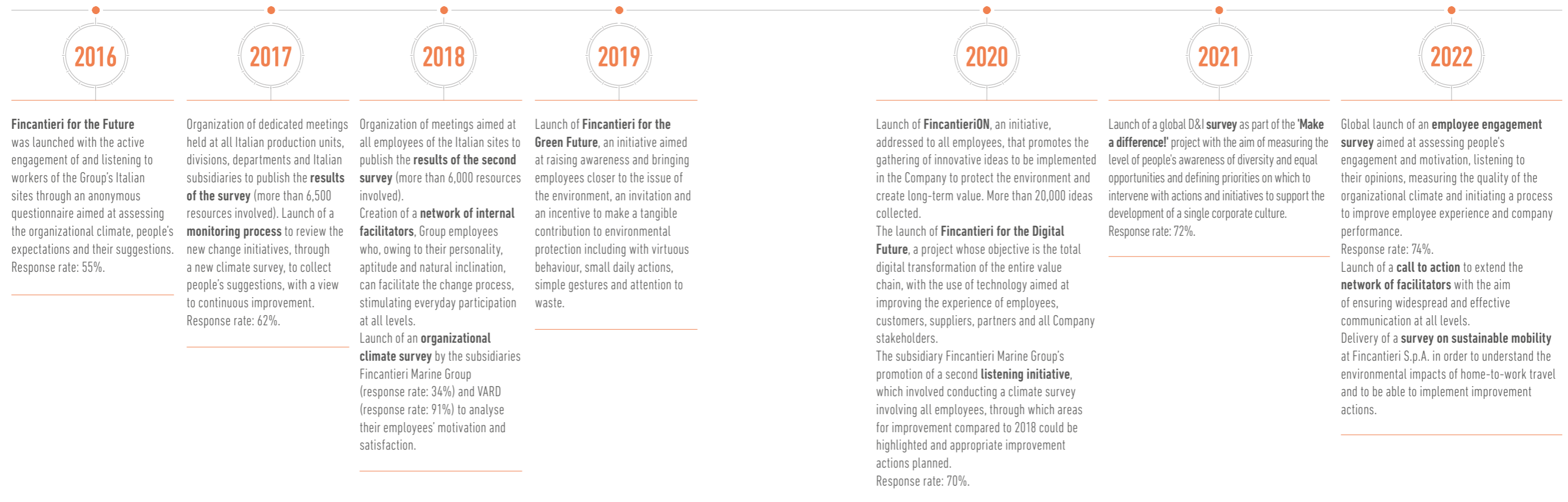
Finally, the absence of gender-related discrimination in the determination of remuneration is also noted in Fincantieri Marine Group. The above applies to all occupational categories analysed. The slight variance recorded for senior managers is related to the entry of a new resource, with less seniority in the company as a consequence.



Engagement with people

In 2022, we continued the **change management process** launched some time ago in the Company and aimed at focusing on our people by creating relationships based on trust and transparency, with the aim of listening to the

needs and requirements of everyone, improving the quality of working life, gathering and developing suggestions and ideas. The process has developed over the years as follows:



CUSTOMERS AND PRODUCTS

We are innovators and as such we manage the complexity of our products by using the best technologies with the aim of contributing to sustainable growth while respecting people, the sea and the environment



Each new ship is the flagship of the progress of our capabilities, enhanced by a system of selected suppliers that, with the care of the best craftsmanship tradition and the class of a unique design, allow us to better interpret the style and needs of each segment. Technological development is essential because it implies market competitiveness and economic growth. Thanks to a pool of resources dedicated to naval research and design, we aim to create increasingly safe and environmentally sustainable ships. In our strategies, we have embraced the objectives of the International Maritime Organization (IMO), summarized in the slogan **'Safe, secure and efficient shipping on clean oceans.'**



Main customers

Our customers

We look towards the future, ready to take on new challenges in order to build the cruise ships, naval vessels, offshore units, ferries and luxury yachts of tomorrow. It is important to mention that one of the keys to our success is the strong diversification of activities in terms of final market, geographical area and customer portfolio.

Cruise customers

The customers who purchase cruise ships produced by the Merchant Shipping Division of Fincantieri S.p.A. and VARD are the leading cruise operators in the world. The customer portfolio has expanded considerably over the last few years, also attracting most of the new brands that have entered the sector, including those from major hotel groups, thanks to the ability to design and build a wide range of cruise ships, with strong customization according to customer requirements, geographical area and target market segment.

Naval customers

The customers who purchase the products of the Naval Vessels Division of Fincantieri S.p.A., Fincantieri Marine Group and VARD are government entities, both Italian and foreign, including the Ministry of Defence, Navies, Coast Guards and other Government Entities responsible, for example, for conducting oceanographic research.

Ferry customers

Ferries designed and built by Fincantieri and VARD are intended for private and public clients, both Italian and foreign, operating mainly in the Mediterranean, the North and the Baltic Sea; they meet the most demanding requirements in this sector in terms of innovation, technology, low environmental impact, energy saving and diversification.

Mega yacht customers

The mega yachts designed by Fincantieri are intended for private individuals and meet the most sophisticated performance and equipment requirements.

Equipment, systems and services customers

The Group offers its naval equipment, systems and services both to the internal captive market and to other shipbuilders and industrial operators (such as, for example, engineering companies active in the installation of power plants and companies responsible for carrying out complex projects, for instance in the Oil&Gas sector). The main customers of these equipment, systems and components include the customers of each of the other civilian, naval and offshore business sectors. In addition, the main customers include shipbuilders and industrial operators.

Offshore and specialized vessels customers

The main customers of the Group's offshore division are shipowners and charter companies that provide logistical support and services for the construction and operation of offshore facilities for companies active in the Oil&Gas industry. These also include large contractors specialized in offering turnkey services for the commissioning of large projects and offshore infrastructure, as well as the main drilling contractors. In line with the growing focus on the environment and the exploitation of renewable energies, VARD has expanded its product portfolio by developing specialized vessels suitable for the construction and maintenance of offshore wind farms as well as advanced offshore vessels with remote control and green propulsion. Moreover, in terms of ferries it offers liquefied natural gas (LNG) or hybrid (battery) versions, mainly for Northern European shipowners, as well as vessels for the fishing and aquaculture sectors.

CUSTOMERS BY MAIN BUSINESS AREA

CRUISE	Carnival, Holland America Line, PRINCESS, VOYAGES, CUNARD, VIKING OCEAN CRUISES, MSC CRUISES, NORWEGIAN CRUISE LINE
	Costa, PONANT, Regent SEVEN SEAS CRUISES, Costa, P&O CRUISES, Disney CRUISE LINE, OCEANIA CRUISES, HAPAG-ELLOYD CRUISES
	CORDEXPEDITIONS, SILVERSEA, SEABOURN, WINDSTAR CRUISES, Explora, Azamara, FOUR SEASONS YACHTS
NAVAL	Italian Navy, Italian Coast Guard, US Navy, Royal Saudi Navy, Armed Forces of Malta, Qatar Emiri Naval Forces, U.A.E. Navy, Turkish Coast Guard
	Algerian Navy, Kenya Navy, Iraqi Navy, US Coast Guard, Bangladesh Coast Guard, Peruvian Navy, Indian Navy, Norwegian Defence Materiel Agency
OFFSHORE & SPECIALIZED VESSELS	SAIPEM, TIDEWATER, DCF, SIMONSTONER SHIPPING, KAZMORTRANSPLOT, P&O, TechnipFMC, MMA OFFSHORE, HAVFISK, KREUZ SUBSEA
	SIEM Shipping, SOLSTAD/OFFSHORE, ISLAND OFFSHORE, BOREAL, TORGHATTEN, Fjord1, Prysmian Group, BOURBON, AKER BIOMARINE, NORTH STAR RENEWABLES, Norwind Offshore, rem, TSS, Van Oord, OCEAN INFINITY, FRAMBERG, NERGÅRD

19 SHIPS DELIVERED IN 2022 88 EXPECTED DELIVERIES UNTIL 2029

Source: Company internal information at 31.12.2021.
¹ Hapag-Lloyd Cruises was acquired by TUI Cruises in 2020.
² In 2019, the customer Topaz Energy and Marine, after being acquired by DP World, merged with P&O Maritime to form P&O Maritime Logistics.
³ Company resulting from the merger between Solstad and Farstad.
⁴ Ferry operator.
⁵ JV between Mitsui O.S.K. Lines Ltd. (MOL) and Ta Tong Marine Co., Ltd. (TTM).



Safe ships

The world market for **cruise ships** is rigorous, selective and characterized by the presence of high-profile shipbuilders. In this scenario, we are leaders in design and production, a success that comes from afar. As early as the beginning of the 20th century, authentic jewels of design and fittings, with extraordinarily innovative engineering solutions, were taking to the sea from the shipyards of Genoa and Trieste.

KAISER FRANZ JOSEPH 1912 Monfalcone The largest ship ever launched in the Mediterranean	DUILIO 1923 Genova Sestri The first Italian ocean super-liner	SATURNIA 1927 Monfalcone The first ship with balcony cabins	AUGUSTUS 1927 Genova Sestri The first ship with Lido bridge and outdoor pool	VESPUCCI 1931 Castellammare di Stabia The largest training ship of all time	VICTORIA 1931 Trieste The first air-conditioned ship
CONTE DI SAVOIA 1932 Trieste The first ship equipped with stabilizers	REX 1932 Genova Sestri The first ship with spa and tanning beds. The fastest ocean liner in the world (30 knots)	MICHELANGELO 1965 Genova Sestri The last ocean liner built in Sestri	RAFFAELLO 1965 Trieste The last ocean liner built in Italy (Michelangelo and Raffaello are twin ships)	EUGENIO C. 1966 Monfalcone The first Costa cruise ship	OCEANIC 1966 Monfalcone The first cruise ship equipped with magrodome

CROWN PRINCESS 1990 Monfalcone The first cruise ship built by Fincantieri with the cooperation of the architect Renzo Piano	CARNIVAL DESTINY 1996 Monfalcone The first ship to exceed 100,000 GRT	ZUIDERDAM 2002 Marghera The reference ship for the premium segment	COSTA FORTUNA 2003 Genova Sestri The first large passenger ship to fly the Italian flag	QUEEN VICTORIA 2007 Marghera The natural evolution of the Ocean Liner concept in the Cunard-style tradition	SILVER SPIRIT 2009 Ancona The first ultra-luxury ship reinvented by Fincantieri	LE BOREAL 2010 Ancona The first exploration cruise ship	SERENE 2011 Muggiano Winner of the World SuperYacht Award 2012 (134m in length)
MARINA 2011 Genova Sestri The first sophisticated and elegant ship in the upper premium segment	ROYAL PRINCESS 2013 Monfalcone The first ship to incorporate all the latest regulations for large cruise ships and first built after the economic crisis of 2008	VIKING STAR 2015 Marghera The first in a long series of upper premium ships with a sophisticated Nordic minimalist style	MSC SEASIDE 2017 Monfalcone The largest ship built in Italy with a revolutionary concept	SCARLET LADY 2020 Genova Sestri The first ship for the millennial generation	MSC SEASHORE 2021 Monfalcone The first ship with Safe Air, the innovative generation air sanitization system, installed	NORWEGIAN PRIMA 2022 Marghera Prototype project which maximizes energy efficiency, contains operating consumption and limits environmental impact	

A cruise ship is an ideal and self-sufficient floating city in constant communication with land. It is designed, built and managed to respect the ecosystems of the areas in which it must operate and to safeguard the health and life of those temporarily living there for work or fun, thousands of people from different countries and cultures, who live together and adhere to its rules of governance.

We oversee all stages of production, including design, supplier selection, construction, commissioning, testing and delivery.

The ships designed and built by the Group are not standard vessels; each one is a tailor-made product that reflects the specific needs of the customer. In addition, we carry out activities to develop applied technological and innovative solutions (in particular in the areas of safety, noise reduction, stability and ship operating speed) and the results they yield can be used in the ship design. In this sense, each ship can be considered a new product, as it is the result of the combination of specific design activities in response to customer needs and of research and innovation activities.

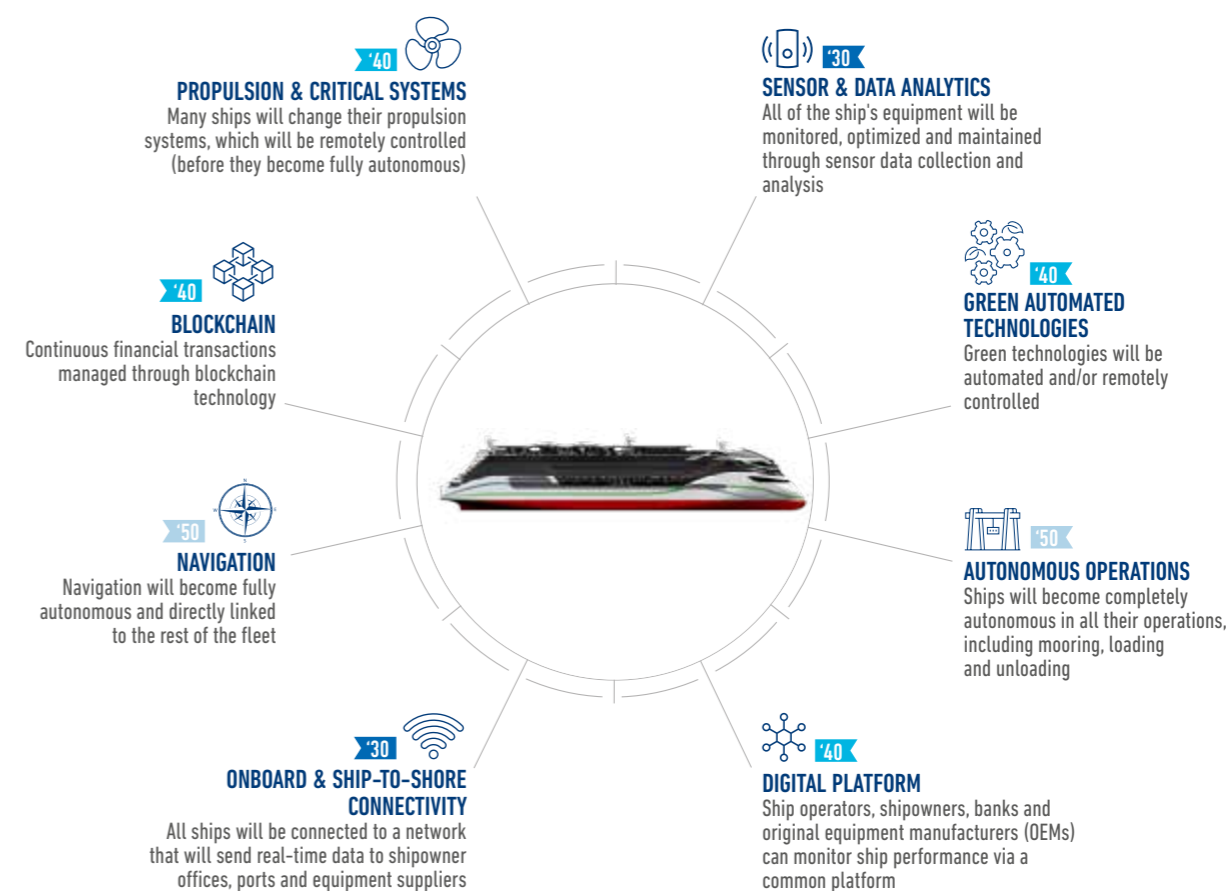
The Group offers a diversified product portfolio, which includes ships of very different sizes, from 10,000 to 175,000 gross tonnage and with a length between 110 and 345 metres, characterized by the diversity and richness of the fittings in the hotel part and the entertainment services offered, in this way meeting the needs of all types of customers.

In recent years, the market for **digital services** required by shipowners has provided a great opportunity for us to develop the ability to collect and exploit the data produced by the systems and incorporate applications that generate value for the customer, further enhancing the role of physical and digital Design Authority for the ship system.

In the first phase of the extension of the Group's domain of expertise, estimated to take place by 2030, the technologies integrated in the products will be those related to on-board sensor systems and ship-to-shore connectivity. At a later stage, by 2040, development will also cover applications for green propulsion systems and the implementation of a single digital platform for all stakeholders in the process (e.g. shipowners, shipyard, suppliers). In the subsequent decade, the transition to autonomous navigation systems, as well as remote management of critical naval activities, is expected.



WHAT SHIPS WILL LOOK LIKE IN 2030 - 2040 - 2050



Key: Most ships will have the specific technology by: '30 '40 '50

We are directly involved in the **development of international regulations** for safety, and we work in close collaboration with the flag agency, classification bodies, the sector's industrial associations, shipping companies and the main international research bodies. Monitoring of regulatory developments is a fundamental element, at a strategic and technological level, in the early identification of possible trends in the market and of the emergence of new needs, by proposing solutions that are innovative and competitive at product level and comply with the technical, economic and environmental feasibility standards at process level.

We are an accredited representative with the IMO, the specialized Agency at global level for issuing directives on maritime safety and environmental protection. The main conventions between the IMO's member states are aimed at:

- improving maritime security (mostly from a safety point of view) – SOLAS;
- limiting the pollution of the seas – MARPOL;
- standardizing maritime labour rules – ILO.

In particular, the SOLAS (Safety Of Life At Sea) Convention aims to specify common international standards in order to safeguard human life at sea, establishing safety standards for technical aspects and for the preparedness of personnel in case of emergency. Thanks to the specialized evacuation and fire propagation studies and **Safe Return to Port** analysis, carried out by our subsidiary Cetena, all the ships produced have a high level of safety in compliance with the regulations that are constantly evolving.

PRODUCT EVOLUTION: SAFETY AND RELIABILITY



Commercial ships, including cruise ships, must have a valid **class certificate**, issued after verification that they comply with the regulations of a classification body. The primary aim of the classification body is to ensure that ships are designed, constructed and maintained in such a way as to minimize the risks to life, the environment and property. Achievement of the class demonstrates that all the controls in the various phases of the ship's life have been successful.

All equipment and appliances installed on board follow the **manufacturer's standards** and must **comply with applicable regulations** at national or international level.

Other regulations are determined locally, such as docking in U.S. ports that follow U.S. Coast Guard (USCG) rules or, if they relate to hygiene, food processing, environments, accident prevention and air conditioning systems, those of the U.S. Public Health Service (USPHS).

In addition to being a product designed to be safe, ships are designed and built for the **comfort** of everyone on board, whether passengers or crew members. There are also dedicated relaxation areas, which may include swimming pools, bars, gyms or discos for crew members.

The ships are designed to make spaces more and more accessible to **people with disabilities**, by providing easy access with ramps, optical and acoustic warning systems and devices that facilitate mobility and therefore allowing all travellers to enjoy the full range of services available on board.

With regard to **materials**, the Company has adopted an internal procedure on the 'Asbestos Free Declaration' to ensure that the products produced are free of asbestos, polychlorinated biphenyls (PCBs) and ozone depleting substances (ODS). The procedure also defines the components, structures and equipment that require a declaration by suppliers. In addition, with regard to the management of **chemical products**, suppliers must declare and ensure that their products and services are developed using only materials and substances that are not prohibited by applicable laws and regulations and that are not classified as mutagenic or carcinogenic.

In the last phase of the ship's construction, dedicated sessions are held to enable the crew to familiarize themselves with the on-board systems, particularly those relating to safety, before the ship enters service. In general, **education** and **training** of onboard personnel is provided directly by the suppliers of the different systems.

As part of **emergency scenario** management, Cetena has developed an innovative tool called Ship Operator Smart Assistant (ASSIST SRtP) which has been certified, patented and approved by several flag administrations. It is able to provide important aid to on-board operators during emergency and training situations, with the aim of increasing the reliability of operations and reducing human error. Cetena also creates simulation centres to train crews, using systems capable of simulating any apparatus or vessel for individual, team and fleet training.

As a result of the spread of the COVID-19 virus, it was necessary to rethink ship safety, including from a health perspective. In order to increase the level of safeguarding of passengers and crew, and ensure compliance with the health plan adopted in the regulations and by the cruise lines, a list of design actions has been defined, which can be activated both for new projects and in the case of refitting of existing ships. These actions, together with

additional measures of an operational nature, implemented by shipowners, aim to reduce the health risk on board ship. The list contains actions to be evaluated in detail involving, for example, ventilation, spacing, sanitation of spaces or body temperature monitoring systems. The various measures aim to address the health safety of passengers and crew at all stages of life on board, from boarding to the management of potentially infected persons, and identification of dedicated spaces, equipment and specific procedures to appropriately manage a possible health emergency.

In particular, our engineers and designers have developed, in cooperation with the virology laboratory of the International Centre for Genetic Engineering and Biotechnology (ICGEB) in Trieste, an innovative new-generation air sanitation system, Safe Air, with the aim of preventing the circulation of atmospheric pollutants - such as viruses, bacteria and mould - on board ship. MSC is the first company in the world to have it installed on board its Seashore, delivered in 2021 in Monfalcone, ensuring safe air for both guests and crew.

In **naval shipbuilding**, we are one of the few operators able to design and build a wide and complete product portfolio that includes surface combat vessels, auxiliary and specialized vessels, as well as submarines. Our ships are equipped with state-of-the-art command and control systems. We organize the training of crews for all on-board systems and operational activities. Advanced training, organized with state-of-the-art digital training tools, enables us to train operators to safely manage the ship and all operations carried out on board. We are also able to support our customers in improving their ship design and construction capabilities at their own shipyards, through the planning and organization of Transfer of Technology (ToT) plans. These plans consist of customized training courses based on the customer's needs, with the aim of helping the customer to improve the specific technical and managerial skills needed to manage a complex project like a ship.

During the design and construction of the ship, **tests** are carried out to **verify** compliance with the contractual requirements, both of individual components and of the entire ship system. Testing of individual equipment usually takes place at the factory, Factory Acceptance Test - FAT, while on board the following are carried out:

- physical installation according to the supplier's instructions;
- testing of the system in which the equipment is inserted (in this case, it is generally the HAT - Harbour Acceptance Test);
- overall ship tests to assess compliance with contractual performance parameters, such as speed and autonomy, the latter being the SAT - Sea Acceptance Test. The test/inspection plan is governed from the contractual phase by the Qualification and Acceptance Plan.

Incident/accident and malfunction management are part of the ship vulnerability studies. In addition, during the handover phase and to an even greater extent after it, the crew undergoes training at the relevant naval base. As part of the general concept of the naval vessel's survivability, studies are being carried out to further reduce its vulnerability to **cyber attacks**. In this regard, in collaboration with the University of Genoa, some studies have been started with the use of naval simulators made by Cetena.

In addition, an observatory has been set up to **screen laws and regulations** relating to environmental aspects, chemical risk and occupational health and safety, with the aim of making the already established contractual requirements complementary to the current regulatory situation.

For each ship, the residual risk assessment document, as provided for by Legislative Decree 81/2008, is delivered to the ship's captain.

Systems to improve air quality have been introduced for the wellbeing of the crew. To increase **wellbeing on board**, where possible and compatible with the ship's operational profiles, the following improvements have been introduced:

- increased air changes per hour for the heating, ventilation, and air conditioning (HVAC) system;
- increased fresh air supply for each air change per hour for the HVAC system;

- extension of HVAC in some operational areas (e.g. in the hangar);
- increased liveability of the areas intended for the crew by ensuring more square metres per person, thanks to the introduction of modular cabins with attached integrated toilet/shower unit as well as partitions to cut noise pollution;
- use of water-based paints for interior areas.

The renewal process for the Italian Navy fleet has a distinctly dual approach, typical of the Armed Forces. The Navy is often engaged in **non-military tasks** such as aiding populations affected by natural disasters, monitoring and protecting archaeological heritage, and transporting humanitarian materials and basic necessities, which is influencing the current use of the fleet and the way in which the renewal process is taking place. The new vessels are designed right from the preliminary phase of the project to be flexible, modular and reliable, with low environmental impact, easily reconfigurable and upgradable.

In the event of an operation to support populations affected by a natural disaster, the new ships will be able to provide drinking water, electricity and health support through its own hospital facilities. In addition to the particular attention given to reducing emissions of fumes, the treatment of wastewater and the use of bio-fuels, the vessels will be able to intervene to contain a contaminated tract of sea, with the possibility of collecting and stowing the polluting substances.

Consolidating the experience gained on the projects for the Italian Navy, a logistics ship for the Qatari Navy (LPD Qatar) is being developed, for which the concepts of flexibility, modularity and low environmental impact have been enhanced. The new vessel can also be used for humanitarian purposes in crisis areas both in times of peace and in times of war.

Lastly, the International Convention for the Prevention of Pollution from Ships (**MARPOL**) aims to prevent and minimize pollution from ships, whether accidental pollution or pollution resulting from routine operations.

We are committed to various projects with the aim of containing environmental impact throughout the ship's entire life cycle.

Additional initiatives are described in the chapters 'Innovation and Sustainability- Major Projects' and 'Climate Technology - Eco-sustainable ships and infrastructures'

Product quality

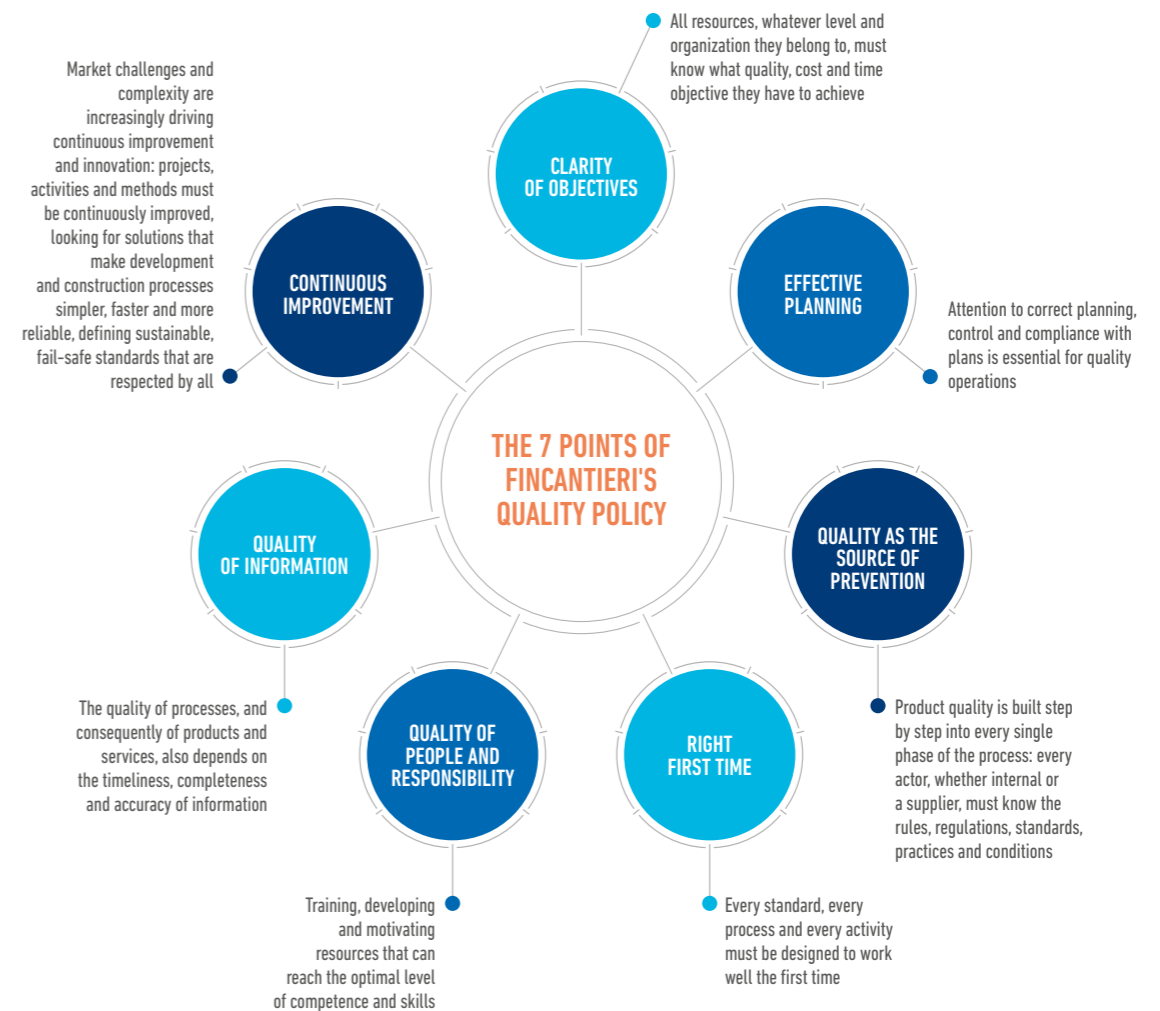
We are aware that the complexity of our business requires high standards in terms of quality, cost and time of products and services offered. This is why we have adopted a Quality Policy able to convey the commitment of the Group's resources on specific key points. The goal is to achieve and maintain an excellent level of quality in strategic choices, business processes and every activity.

Every company or division adopts a Quality Management System, certified according to the ISO 9001 standard, which ensures compliance with the best standards. **100% of Italian shipyards are certified ISO 9001 and 95% at Group level.**

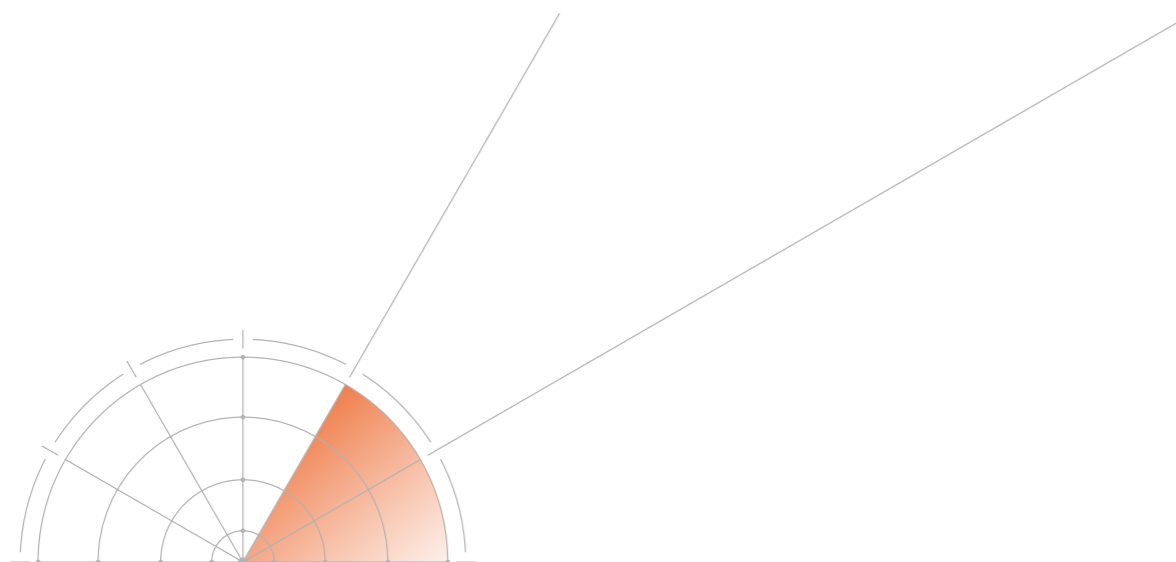
For some specific production processes, such as the welding of the hull or of special structures for infrastructures and civil works, three Italian shipyards (Castellammare di Stabia, Palermo and Sestri Ponente) have ISO 3834-2 and EN 1090-1 certifications.

Quality assurance at each stage of the process, from the acquisition of the contract to the design and procurement, down to the production or provision of the services, is entrusted to each process owner.

The **Quality Policy** defines our mission to achieve and maintain an excellent level of quality in all activities, incorporating the seven points shown below into our strategic choices and business processes at the various levels:



The Quality Policy is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-prodotto/quality_policy.pdf



MAINTENANCE OF ISO 9001 CERTIFICATIONS



As envisaged in the Sustainability Plan, we confirmed all our quality certifications in 2022. To maintain the ISO 9001 certification, the Group's divisions and companies were subjected to **audits** by the Certification Body. All the audits conducted by the Certification Body RINA Services S.p.A. in 2022 on the Quality Management Systems of Fincantieri's Italian organizations, certified according to the ISO 9001 standard, resulted in satisfactory outcomes. In 2022, within the Merchant Ships Division (DMC), three shipyards (Sestri Ponente, Castellammare di Stabia and Arsenale Triestino) and the Division Headquarters were visited during the first year of maintenance of the certification with the multi-site certification model, according to a rotating program that will audit all the plants within the perimeter over the next three years: Monfalcone, Marghera, Sestri Ponente, Ancona, Castellammare di Stabia, Palermo, Arsenale Triestino.

Moreover, in line with its responsibilities, the Central Quality body (CO) has carried out 16 internal audits, aimed at verifying the correct application of the corporate documentation on processes that have a significant impact on quality, as required by the ISO 9001 standard.

In particular, three macro organizational areas have been examined:

- the Quality bodies of the Merchant Ship, Naval and Mechanical Systems and Components Divisions;
- the Quality bodies of the production sites (Marghera, Castellammare di Stabia, Ancona, Integrated Shipyard Riva Trigoso - Muggiano);
- the Quality bodies of the subsidiaries based in Italy (Issel Nord, Cetena, Isotta Fraschini Motori, Marine Interiors, Fincantieri SI, Fincantieri Infrastructure, Naviris).

The formalized findings were all class C, i.e. minor and/or similar to a recommendation, except for just two class B findings, i.e. more significant and requiring corrective action, concerning Isotta Fraschini Motori and Fincantieri SI. The quality functions of the Merchant Ships Division (DMC), the Naval Vessels Division (DMM) and the shipyards also proceeded with their system and supplier **audits**.

With regard to the management of naval orders, three audits were carried out by the Italian Government Quality Assurance (AQQ) during 2022, which concerned the Multipurpose Offshore Patrol Vessels (PPA) orders on two separate occasions and the U212 New Generation Submarines (U212NFS) on a third occasion, recording a total of 12 non-conformities, which were resolved or in the process of being resolved with regard to the last ones recorded in December.



For more information on the certified sites and companies, see the website www.fincantieri.com/en/sustainability/certifications/

In addition to the system certifications mentioned, the subsidiary Fincantieri Marine Interiors is in charge of the design, refitting and delivery of 'turnkey' cabins and has achieved the MED B **product certification** and MED D **process certification** issued by RINA certification body. MED certifications attest compliance with EU Directive 2014/93/EU - Fire Protection Requirements of Marine Equipment Directive (MED).

Finally, the subsidiary Fincantieri SI maintains its SOA certification (cat. OG10 cl. VI and cat. OG11 cl. VIII) certifying qualification for the execution of public works.

Quality monitoring

In Italy, the Quality Management System is also carried out in the job order, be it naval or another product, through the job Quality Plan (QP).

The QP is a set of documents and Control Plans and it governs all aspects related to quality assurance, control and monitoring valid for the job to which they apply. It guides the operating structures in the correct application of the rules for the design, construction and testing of the product.

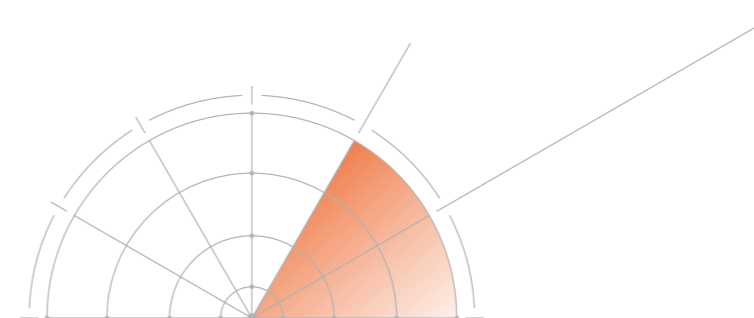
When designing and building complex products and systems, such as cruise ships, submarines or industrial diesel engines, there is always the possibility that the process may be subject to deviations from standards, design changes, unexpected events and supply or execution errors. These 'non-quality' events are normally detected and tracked by internal structures, by the customer's inspection staff and by the classification bodies, or more rarely after delivery, with interventions in the guarantee and after sales period. The **remedial actions** follow the industrial practice that involves increasing costs/times to adjust, repair, redo and replace in order to minimize the impact for the customer. The quantitative and qualitative analysis of these events, appropriately recorded and classified, gives rise to mechanisms for reviewing the projects. In the case of shipbuilding, the analyses trigger the processes of continuous improvement, in order to ensure that the same errors are not repeated in subsequent jobs. A closing report/booklet is produced, with the main lessons learned, in order to share with all the operating sites the identified countermeasures to the causes of the error and make the consequent prevention and improvement actions possible.

Quality indicators are regularly monitored at divisional level, with stratification by homogeneous business areas and at production level:

- shipbuilding sectors (cruise ships, naval vessels, mega yachts), are classified by job and by construction, which allows detailed comparisons to be made with regard to homogeneous 'objects' and 'phases';
- in the plant and components sector (e.g. diesel engines, turbines, marine systems and equipment, cabins for passenger ships), the classification is by production process, facilitated by repetitions in small and medium-sized series.

As part of the divisional Quality Transformation (DMC) and Cost of Quality (DMM) projects, new management reports have been created, which allow for the monitoring of underperforming events, more focused guidance for prevention, continuous improvement and cost reduction.

The subsidiary VARD also uses the Quality Plan for its projects. The quality indicators and the achievement of the related annual objectives constitute a fundamental part of the incentive programs of the entire Fincantieri organization.



Customer satisfaction

The sector in which we operate is intrinsically characterized by a limited number of competitors and customers. Therefore, the measure of customer satisfaction and retention cannot be based on significant data and statistical samples. It requires instead a long-term analysis of the relationship between market trends, assignment of orders and jobs to the various players, the time taken to transform negotiations into orders, the maintenance of historic customers, and the acquisition and retention of new customers. We regularly survey the market and the competition, from which certain loyalty factors can be deduced.

CUSTOMER SATISFACTION INDEX



Within the Sustainability Plan, there is a specific objective regarding customer satisfaction, measured by a numerical indicator, the **Customer Satisfaction Index** (CSI), with a value between 0 and 100. The CSI is governed by a special company procedure that requires customer satisfaction to be measured after six months of ship operation.

Measurement of the indicator involves:

- the Project Manager (PM) of the order who is responsible for measuring the CSI;
- the Quality Manager who oversees the consolidation of the annual CSI at management level;
- the Quality and Performance Improvement Function which measures Fincantieri's annual CSI.

The CSI is the result of three assessments:

- performance and objective facts: this is compiled by the head of the relevant Quality and Performance Improvement unit and checked by the PM;
- internal questionnaire: self-assessment by the Organizational Units most in contact with the customer;
- customer questionnaire: customer interview.

In the Merchant Ships Division, 6 ships were evaluated in 2022 with an average indicator result of 80/100. Since the start of monitoring three years ago, a total of 13 ships have been evaluated with an average result of 81/100. These CSI results correspond to a high level of satisfaction.

In the Naval Vessels Division, an evaluation was carried out on one ship delivered with a CSI indicator result of 84/100.

Based on the above results, Fincantieri S.p.A.'s CSI average is 81/100, a score corresponding to a high level of satisfaction and higher than the first target level of 80/100 that Fincantieri S.p.A. had set for itself.

In 2022, targets were defined for each Division and/or Group company that decided to use this methodology and are as follows:

- Merchant Ships Division 80/100;
- Naval Vessels Division 80/100;
- Service Division 80/100;
- Marine Interiors Cabins 80/100;
- VARD 80/100.

In the 2023-2027 Sustainability Plan, there is a goal to expand the CSI questionnaire to ESG issues to understand customer satisfaction in terms of sustainable product and process.

In the United States, Fincantieri Marine Group (FMG) monitors customer satisfaction three times a year through Ship's Production Progress Conference (SPPC) meetings with Lockheed Martin and the U.S. Navy. The meetings assess the overall compliance of the programs, covering technical areas, testing, planning, quality, post-delivery and Integrated Logistics Support (ILS). The company receives feedback on customer satisfaction and expectations. At the same time, corrective actions are defined and checked in subsequent follow-ups.

In the VARD group, Customer Satisfaction is monitored continuously during both production and the guarantee and after-sales period. Each product is subject to voluntary feedback by customers. Unsurprisingly, VARD's slogan is 'Built on Trust'. In particular, a customer satisfaction survey form is used in the Vietnamese Vard Vung Tau shipyard that each shipowner receives at the time of delivery and at the end of the guarantee phase. All feedback is used to define the strengths/weaknesses of the Quality Management System and to define possible corrective actions. At Vard Engineering, customer satisfaction is measured using an online questionnaire at the end of each project.

Engagement with customers

The shipbuilding industry is constantly evolving, and the focus on environmental, social and governance (ESG) issues is increasing in the markets that constitute our core business. This translates, on the one hand, into increasingly stringent regulations and, on the other, into a commitment by the major cruise business shipowners to achieve Net Zero targets by 2050.

In such a challenging context, it is crucial to create and consolidate long-term relationships with all the players involved in the process. This is why we constantly dialogue and collaborate with:

- **shipping companies** that have begun to make ambitious commitments to meet the requirements for decarbonization. As a shipbuilder, we are committed to constantly listening to their needs and encourage open discussion, right from the early design stages, in order to anticipate specific needs and promote the application of innovative technologies, aimed at creating increasingly sustainable products;
- **bodies** that issue rules and regulations to ensure the safety of shipping and the protection of the marine environment;
- **suppliers**, who also bring innovation to the shipbuilding process.

Our challenge is to integrate and unify the demands of the players above in the most effective way, thus combining the design, safety and sustainability of our ships in the optimal way.

In order to maintain constant contacts, we are also committed to collaborating with the various stakeholders (shipowning companies, agencies, suppliers) through working parties, one-to-one meetings, video and tele-conferencing.

An important opportunity for dialogue is provided by participation in trade fairs and exhibitions, a unique opportunity to come into direct contact with actual or potential customers and suppliers and create valuable relationships. Participation in these events is a marketing tool to consolidate the Group's brand and image in its target markets.

In 2022, the exhibition sector regained momentum, returning to a similar level of activity to before the COVID-19 pandemic.

Our Group participated in **30 exhibitions** during the year, attending some dedicated to the development of green products and the promotion of the sustainable economy for the first time.

2022 EXHIBITIONS

	WHERE	WHEN
JANUARY		
SNA	Crystal City	11 - 13 January
FEBRUARY		
AFCEA West	San Diego	16 - 18 February
UMEX-SIMTEX	Abu Dhabi	21 - 23 February
SHIPTECH 2022	Ottawa	24 - 25 February
MARCH		
WDS	Riyadh	06 - 09 March
DIMDEX	Doha	21 - 23 March
DSA	Kuala Lumpur	28 - 31 March
APRIL		
SEA AIR SPACE	National City	04 - 06 April
SEATRADE	Miami	25 - 28 April
MAY		
MARI-TECH SIMARE CONFERENCE	Niagara Falls	17 - 19 May
VENICE BOAT SHOW	Venezia	28 May - 05 June
JUNE		
CANSEC	Ottawa	01 - 02 June
HEMUS	Plovdiv	01 - 04 June
JULY		
IQPC	London	25 - 28 July
AUGUST		
SNA WEST	San Diego	17 - 18 August
SEPTEMBER		
SMM	Hamburg	06 - 09 September
RWM	Birmingham	14 - 15 September
REMTECH	Ferrara	21 - 23 September
AAD	Pretoria	21 - 25 September
SNAME Maritime Convention	Houston	27 - 29 September
MYS	Monaco	28 September - 01 October
OCTOBER		
DEFSEC	Halifax	04 - 06 October
EURONAVAL	Paris	18 - 21 October
ADIPEC	Abu Dhabi	31 October - 03 November
NOVEMBER		
INDODEFENCE	Jakarta	02 - 05 November
IDEAS	Karachi	15 - 18 November
ENLIT	Frankfurt	29 November - 01 December
EXPONAVAL	Valparaiso	29 November - 02 December
CRUISE SHIP INTERIORS EXPO	London	30 November - 01 December
IWBS	New Orleans	30 November - 02 December



COMMUNITIES AND LOCAL TERRITORY

Safeguarding the wealth of skills acquired by the Group and promoting the growth and enhancement of our territories in an inclusive manner, these are the cornerstones for ensuring and stimulating the development of local communities with a view to shared value

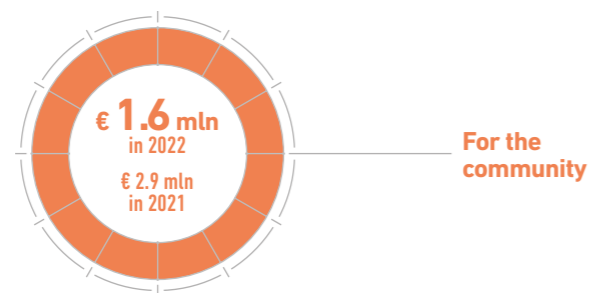


We direct our activities by carefully assessing the context, needs and requirements of the territories in which we are present, in line with our **Fincantieri Group Policy on initiatives for Communities and Territories**.

We support and involve our local communities through initiatives, donations, gifts and investments aimed at responding to the most urgent needs, becoming an active part of the social and economic development of the territory.

In our new 2023-2027 Business Plan, presented in December 2022, we have committed ourselves to setting concrete goals to guide our actions in the coming years. Commitment to dialogue and active participation is one of the cornerstones of the ESG strategy, as is the training and enhancement of human capital.

Fincantieri Group's Policy on initiatives for the Community and Territory is available on the website www.fincantieri.com/globalassets/sostenibilita2/responsibilita-sociale/le-nostre-iniziativa/fincantieri_fincantieri_group_initiatives_for_the_community_and_territory2.pdf



In 2022, as a Group we allocated approximately €1.6 million to initiatives in favour of the community.

Lines of action





Fostering employment and integration, including through the promotion of educational and training programs

We are committed to maintaining a virtuous circle and an ever-closer bond with local communities, creating opportunities for growth and enhancing people's skills.

We are committed to tackling the problem of misalignment between labour demand and supply by acting upstream, namely on skills, to provide orientation and train students, inactive and unemployed people in the most critical and sought-after skills in the sectors in which we operate.

We boast well-established partnerships with schools, Technical Institutes, Higher Technical Institutes, Universities and Business Schools with the aim of creating a growing synergy between the world of work, school and training.

Several social responsibility projects have been initiated through the involvement of company professionals as masters of their trade, role models and mentors, with the aim of developing both technical and universal skills in students while stimulating their passions and talents.

In 2022, we promoted an initiative, developed in partnership with SDA Bocconi, to support SMEs in central and southern Italy through an executive education programme aimed at business owners and their employees.



For more information on education and training programs, please refer to the chapter 'People - Development and safeguarding of human resources'



Strengthening the Group's identity and sense of belonging with employees and with communities

All initiatives aimed at strengthening the Group's identity and sense of belonging are intended to encourage meeting and exchange of ideas and to familiarize stakeholders with our operations, thus making the bond both effective and concrete.

EVENTS

The steady improvement of the pandemic situation and the gradual easing of containment measures allowed for the resumption towards the end of the year of some activities aimed at involving our people and local communities. In particular, events were organized where employees and suppliers could bring their children and/or family members on board to visit the soon-to-be delivered ship. This creates an opportunity to meet and share experiences.

COMPANY CLUBS

The purpose of the nine company clubs in Italy is to promote social initiatives and activities within the community of its members, consisting of employees, former employees now retired, their families and friends. At the end of 2022, there were about 16,500 members, including more than 8,600 Fincantieri employees and former employees. The premises of the company clubs, the staff in charge of the administrative management and the economic resources necessary for their maintenance are predominantly provided by Fincantieri.

MELLEN TOWNSHIP FIRE DEPT.

Donation to the local section of the Fire Brigade at the annual fundraising event.

PROMOTING SPORT

- Tennis Club Triestino - Sponsorship of the third edition of the Trieste City international tournament, ATP Challenger Tour.
- Golf Club Trieste - Sponsorship of the Fincantieri Cup golf event.
- Unione Fincantieri Calcio Monfalcone - Sponsorship and support for the youth team.
- ASD Società Nautica Grignano - Contribution to support sailing activities in national and international competitions.
- Support for local sports competitions to promote healthy lifestyles.
- Support in the United States for local school sports teams:
 - M&M Youth Soccer Association/Thunder Hockey
 - Marinette Youth Baseball
 - Notre Dame de La Baie Academy
 - Sturgeon Bay Youth Athletic School
 - Oconto Falls Public School outdoor athletic team



Promoting cultural activities to protect and enhance artistic, historic and cultural heritage

We consider the promotion of cultural activities to be a cornerstone for the sustainable and lasting growth of our territories. With this in mind, we support various initiatives aimed at contributing to the attractiveness of territories by increasing their development opportunities.

GUIDO CARLI PRIZE FOUNDATION

Sponsorship of the 13th edition of the Guido Carli Prize. The Prize is awarded annually to personalities who have distinguished themselves for their social commitment, success in the entrepreneurial field, as well as for showcasing Italian talent and genius in the world.

BARCOLANA

Participation and local identity are pivotal elements of the Barcolana, the world's largest international sailing regatta held in Trieste for over 50 years. Fincantieri renews its support for sport and the local territory by sponsoring the 54th edition.

MUCA - MONFALCONE SHIPBUILDING MUSEUM

Collaboration with MuCa - Monfalcone Shipbuilding Museum through the Fincantieri Foundation.

GENOVA CULTURA

Sponsorship of the conference series 'Meetings in Blue. Men, women and stories of the sea' held during the Genoa Boat Show. The event aimed to promote the culture of the sea, a source of social and business life in the Liguria region.

STURGEON BAY VISITOR CENTRE

Support for the promotion of the local area and tourism.

LINK - JOURNALISM FESTIVAL

A unique event on the cultural scene, now in its ninth edition. Four days of talks, meetings and interviews with leading figures from the worlds of IT, culture and economics on topics such as science, sustainable development and economic recovery. Link 2022 has reconfirmed our participation in 'No women, No panel', the campaign promoted by the European Commission that requires the presence of at least one female figure for every meeting or conference in scheduled events and aims to raise awareness among both stakeholders and public opinion about gender balance in panels and public events.

MUNICIPALITY OF MONFALCONE – GEOGRAPHIES FESTIVAL

The festival involves the entire territory both culturally and economically and is a high-profile literary event featuring nationally renowned writers and journalists.

ASSINDUSTRIA VENETOCENTRO SERVIZI

'Capital of Enterprise Culture 2022', a project designed for territories and anchored on their specific characteristics that has a series of initiatives planned throughout 2022. Special emphasis on the involvement of young people, schools and the promotion of human capital.

DOOR COUNTY MARITIME MUSEUM

Support for museum activities dedicated to the maritime world.



Supporting scientific research and technological innovation

Research and technological innovation are the main resources that enable a country to remain competitive and ensure the wellbeing and standard of living of a population. With this objective in mind we promote and support activities aimed at spreading a culture of innovation and research and the realization of scientific projects with the contribution of scholars and experts.

EVENTS/CONFERENCES

- 'PROGETTO MARE - The competitiveness of the maritime economy in a perspective of Italian development and European strategic autonomy' promoted by Confindustria. The conference is aimed at analysing the competitive scenario of the blue economy and at bringing together public and private players to help re-launch a sector that has always generated wealth, employment and technological innovation and that represents an extraordinary lever for the country's development.
- CLIA EUROPEAN SUMMIT - Debate attended by top representatives of cruise-related industries on the ability to innovate and develop the tourism economy in a sustainable way.
- TRANS REGIONAL SEAPOWERS SYMPOSIUM 2022 of Foreign Navies in Venice - 13th edition. Forum promoted by the Italian Navy in the presence of over 50 foreign navies and 100 international organizations, government bodies and industries. Theme: sustainable and coordinated development of the 'Wider Mediterranean'.
- MED 2022 Rome Mediterranean Dialogues - 8th edition. Meeting on issues in the 'Wider Mediterranean', related to energy and digital transition, growth and development, infrastructure collaboration and protection and joint international security.

COOPERATION PROTOCOLS

Projects for teaching and research activities, internships and doctorates with:

- Universities.
- Business Schools.
- Colleges.

TECHNOLOGICAL RESEARCH

- THE NEW ENERGY HORIZONS - Shipping and the need to adapt to the international scenario. Now in its 6th edition, the Forum will debate the role of technology and research in two sessions: i) From the shipyard to the sea: the role of technology. The innovative ideas, projects and processes that enable the industry to respond to the market. ii) Ships, ports, infrastructure: where a country's competitiveness is born.
- 'DA PENISOLA A PIATTAFORMA': ITALY'S ROLE IN EUROPEAN LOGISTICS. Fincantieri sponsored the conference aimed at rethinking the transport system to create new economies and use funds to support the energy transition of ports to secure growth in the new international scenarios.



Fondazione **FINCANTIERI**

FINCANTIERI FOUNDATION

The Fincantieri Foundation (www.fondazionefincantieri.it) supports the corporate culture in a continuous, organic and authoritative way. It has become a link with the social fabric through the creation of a socially responsible, equitable and virtuous relationship with local territories.

Through its activities, the Foundation has allowed many materials related to the industrial heritage of shipbuilding production to be recovered, including tens of thousands of technical drawings and images and numerous ship models. During 2022, the most significant initiatives related to this activity concerned:

- completion of the first phase of digitisation of the vast video heritage (VHS, BETAMAX) with Fincantieri's historical images, through the collaboration with the Monfalcone Cultural Consortium;
- mapping of the archival material of the Sestri Ponente shipyard in cooperation with the Ansaldo Foundation;
- recovery of Engineer Cergol's ship models/prototypes during his time at the company for a museum project;
- provision of historical contributions for the creation of a space dedicated to Fincantieri within the permanent exhibition in Marghera at the 'Venice Heritage Tower'.

Through sponsorship or participation in exhibitions and cultural events, the Foundation contributes to the dissemination and enhancement of Fincantieri's historical heritage, ideally placing itself between the world of culture and the world of business.

- Study and design activities for the new Fincantieri branded hall inside MuCa;
- supplying the Petrucci Ferraris Maresca College in Catanzaro with technical drawings for 'Transport and Logistics' courses;
- provision of images for an exhibition in Civitavecchia dedicated to FS ferries on the Golfo Aranci line;
- restoration of a vast number of historical photographs provided to the Port Authority of Trieste for their museum corner.

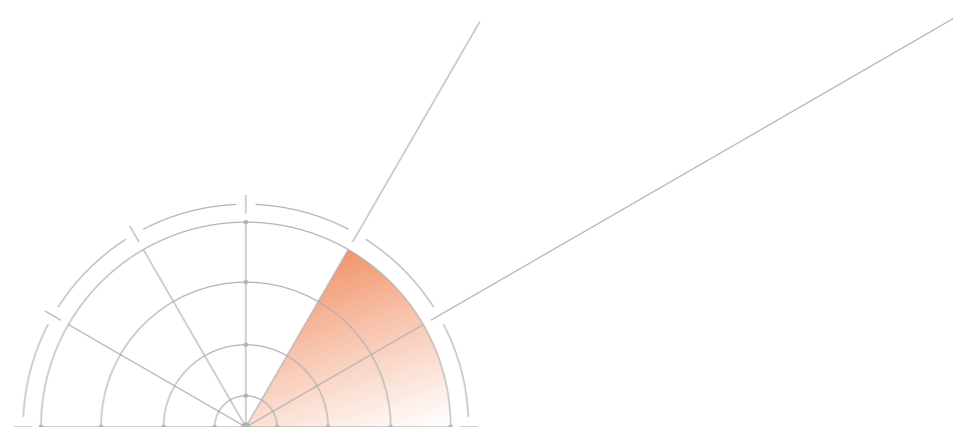
One of the Foundation's various missions is to support activities with social aims through the promotion of solidarity-based interventions in favour of development and social cohesion.

Providing historical images and thus making an important contribution to the preservation of corporate culture and promoting studies, research, exhibitions, publications in the cultural field.

Specifically, the contribution was expressed in the support and provision of texts and/or images:

- of the ships Pilsudski and Batory to a Polish historical research company;
- historical images for the making of the film dedicated to Salvatore Todaro;
- historical material for the production of a documentary on the history of the bathyscaphe 'Trieste';
- to the Parent Company for dissemination/external communication purposes.

Assistance to students, associations and public entities with regard to historical research on the shipbuilding world and on Fincantieri's activities. Naval history courses for new hires at the Monfalcone shipyard.





Supporting the vulnerable

We believe that supporting and promoting solidarity initiatives in favour of the most disadvantaged people represents an assumption of social responsibility, as well as strengthening the link with our territories on the basis of shared values.

SUPPORT FOR THE UKRAINIAN POPULATION

Immediately after the outbreak of the crisis in Ukraine, the Vard Tulcea shipyard made two buildings available to accommodate up to 250 Ukrainian refugees from the Odessa area. As well as housing, which is normally used by the shipyard workers, in consultation with the competent authorities, the necessary transfers were organized and food and medical assistance provided.

PIZZAUT ASSOCIATION NON-PROFIT ORGANIZATION

Donation to support social and labour inclusion project for individuals on the autism spectrum.

SALVATION ARMY

Donation towards the organization's activities to support those in need by providing shelter, food and support.

DOOR COUNTY VETERAN'S SERVICE COUNCIL /WOUNDED WARRIORS

Services to support war veterans and their families.

FONDAZIONE ANT ITALIA NON-PROFIT ORGANIZATION

The 2021 donation, as part of the Company's Christmas gifts, was earmarked for the Bimbi in ANT project. Twenty children received ANT assistance in the period from January to May 2022. Some received oncological healthcare in Emilia-Romagna, Marche and Apulia, while other children/youths received psychological assistance to cope with the illness of a family member or deal with grief at facilities in Emilia-Romagna, Apulia and Tuscany.

ITALIAN NAVY 'PER IL SOCIALE'

Fincantieri supported a sports event in Livorno, at the Naval Academy, to raise funds to support charitable organizations working in social care. A real contribution to associations that support the disabled.

DOOR COUNTY TOYS FOR KIDS

A non-profit association which, using volunteers, distributed gifts at Christmas to needy children.

MARINETTE COUNTY ELDERLY SERVICES

Non-profit organization assisting the elderly in Marinette County. Ad hoc programs are organized to help them maintain a healthy lifestyle and promote their wellbeing.

SAVING LIVES HUMANITARIAN CENTRE (Logistics hub in Poland)

Donation to purchase essential humanitarian goods for distribution to the Ukrainian population following the Russian invasion.



Ensuring health protection and promoting research

Our contribution primarily consists of initiatives to support the medical-scientific sector or to support the sick: health protection is an ethical and social value of primary importance.

HOSPITALS

Donation of FFP2 masks to contain the spread of COVID-19 to:

- Children's Hospital I.R.C.C.S. Burlo Garofolo in Trieste;
- Gaslini Association Non-Profit Organization for Gaslini Hospital in Genoa;
- A.O.R.N. Santobono-Pausilipon hospitals in Naples;
- 'G. Di Cristina' Children's Hospital in Palermo.

ATENA FOUNDATION NON-PROFIT ORGANIZATION

Donation to purchase FFP2 masks for delivery to women's prisons, as part of a memorandum of understanding signed between the Foundation, the Ministry of Justice and the Department of Prison Administration.

INRC - National Institute for Cardiovascular Research

Donation in support of the national medical and social campaign 'Cuori e Motori', in Gaeta, on board the Coast Guard's 'Classe Dattilo' ship.

FRIENDS OF THE HEART ASSOCIATION

Donation in lieu of part of the company Christmas gifts to the Association, which supports scientific cardiological research and contributes to the upgrading of cardiology and cardiac surgery facilities with donations of advanced equipment.

DOOR CANCER INC

Donation to cancer research.

DOOR COUNTY MEDICAL CENTER

Donation in support of Door County hospital.





Raising awareness on climate change issues and environmental impacts

Respect for the environment, for local territories and for each individual with whom we share areas and activities, is an essential prerequisite to ensure the continuity and growth of our Group over time, to the benefit of future generations.

FINCANTIERI FOR THE GREEN FUTURE: SUSTAINABLE MOBILITY

We have long been committed to creating more sustainable conditions for home-work journeys, for travel and also for movement around within our production facilities.

A survey of our employees' home-work journeys was carried out using a questionnaire in 2022, and the results are key to calculating greenhouse gas (GHG) emissions and developing solutions for increasingly sustainable mobility, helping the environment and our communities.

RESEARCH SUPPORT FOR THE NATIONAL CENTRE FOR SUSTAINABLE MOBILITY

We are a founding member of the National Centre for Sustainable Mobility, in which 25 universities and 24 large companies engaged in mobility and infrastructure work together with the aim of underpinning the industry's green and digital transition, ensuring industrial transition and supporting local institutions in implementing modern, sustainable and inclusive solutions.

The project, financed by the National Recovery and Resilience Plan (NRRP), provides for investment of almost €400 million over the period 2023-2025 and focuses on five areas: air mobility; sustainable road vehicles; waterborne transport; rail transport; light vehicles and active mobility.

Engagement with communities and institutions

Our structure brings with it dialogue with very different realities, and it requires that we have in-depth knowledge of the territory and the needs of stakeholders with the aim of effectively responding to demands and defining priorities.

The relationship and dialogue with the communities and institutions is managed internally at Parent Company level through the **Public Affairs - Central and Local Administration Relations function**.

This function represents:

- our direct line with Institutions and Public Administrations and we use it to channel all the requests from and to local areas;
- the Fincantieri Group and all our associates before Parliament, the Government and national institutions whose actions could have a direct or indirect impact on society, through symmetrical relations with its counterparties.

Our approach is aimed at transparency by representing the interests of the Group, as a whole, in full institutional respect for the roles of our counterparties.

We have built a process based on mutual trust, presenting the Group's perspective before public decision-makers, supporting our arguments, also through the preparation of position papers always supported by a legal/regulatory, scientific and economic foundation.

Group relations at the European level are ensured by the **European Union Office** through the Brussels Representative Office. Our activities involve strengthening the structured dialogue with the relevant institutional stakeholders and the representation of the company's interests both within associations and at European

bodies (in particular the European Commission, the Council, the European Parliament and the European Defence Agency) with the aim of creating value for the Company.

Thanks to our constant dialogue with institutional partners, we are a well-established stakeholder at the European institutions and participate in the definition of European policies of interest to the Company through specific contributions at the various stages of regulatory drafting.

There are, in fact, numerous topics on the European political agenda that impact on the Company's directions for development. These include the decarbonization and sustainability strategies of the European Green Deal and digitalization, initiatives relating to international trade and the competitiveness of European industry, the challenges of energy transition, green finance, sustainable corporate governance and due diligence, research and innovation programs, and European security and defence issues.

In line with the company's commitment and ambition in these areas, particularly with respect to the green and digital transition, in April 2022 Fincantieri was appointed Chairman of the maritime segment of the new **Industrial Alliance** launched by the European Commission dedicated to **renewable and low-emission fuel** value chains. The Industrial Alliance aims to promote the availability and use of this type of fuel for the entire maritime sector, contributing actively to the decarbonization of this important ecosystem and to the 2030 and 2050 emissions reduction targets.

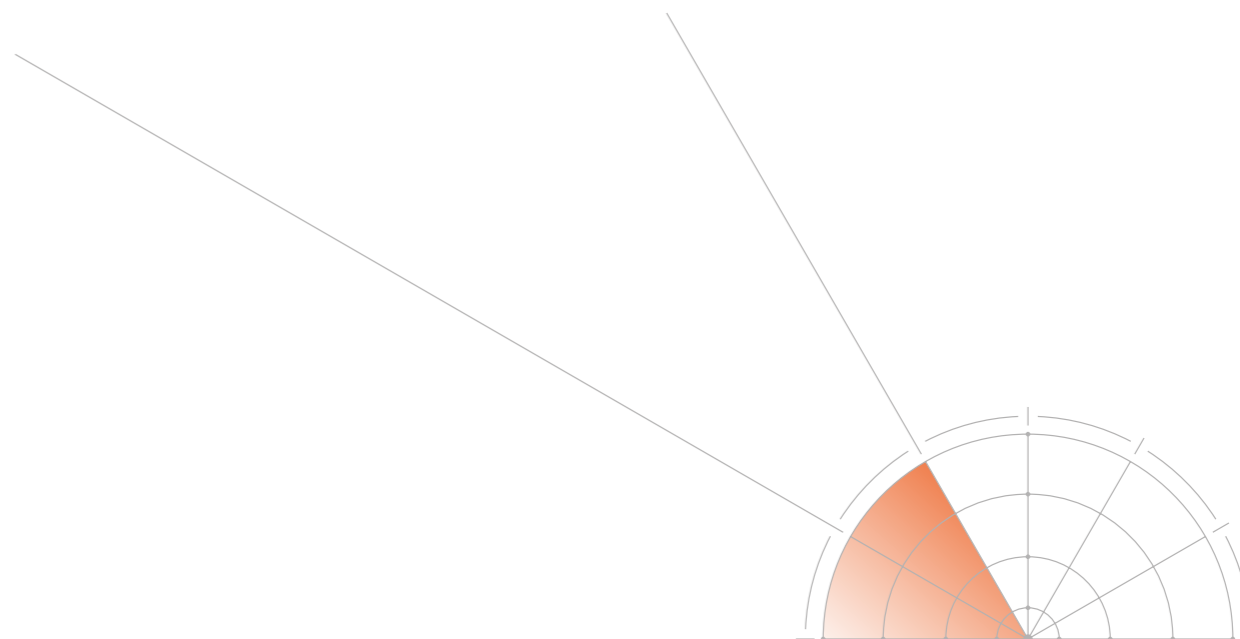
We also play a leadership role in the context of the EU defence industry, an activity further reinforced by our appointment in June 2022 to the chairmanship of SEA Naval, the European shipbuilding forum that also aims to make sustainability contributions to the development of the green energy and security segments.

Participation in various institutional round tables and expert groups dedicated, among others, to the extension of circular economy policies to the military through our contribution to the activities of the expert group (Project Circle) 'Sustainable Ecodesign' within the Incubation Forum for Circular Economy in European Defence promoted by the European Defence Agency.

Also relevant is the contribution to participation in European collaborative defence programs and the dialogue with the diplomatic and national defence section at NATO.

In 2022, the department's activities also involved supporting the identification of European programs and funding opportunities relating to the civil and naval sectors in liaison with the relevant company departments and functions and the Group's subsidiaries.

All activities at EU level are carried out in accordance with the requirements of the European Transparency Register which includes Fincantieri.



ENVIRONMENTAL SUSTAINABILITY AND CLIMATE CHANGE

Fincantieri for the climate

Sustainable management of natural resources

Technology for the climate

FINCANTIERI FOR THE CLIMATE

We want to play an active role in moving towards a more sustainable economy and society. We are committed to monitoring and reducing our direct impacts and contributing to limiting global warming with greener ships, a responsible supply chain and collaboration with institutions and business partners



One of the greatest challenges facing humanity today is climate change, where an ecological transformation of technology, economy and society is essential.

The European Commission has made it a priority for Europe to become the first climate neutral continent by 2050, with an intermediate target of reducing greenhouse gas emissions by at least 55% compared to 1990 levels by 2030 (the commitment was increased to 57% during COP 27).

In support of this ambitious plan, the European Union has drawn up a series of 'Fit for 55' proposals, which transform the regulatory environment, with significant repercussions for businesses.

Our Group's commitment in this area takes the form of a series of **mitigation** and **adaptation actions**.

As a key player, we want to contribute to the fight against climate change through a strong commitment on three main areas:

- reducing the impacts directly generated by our activities;
- reducing indirect impacts, i.e. actions related to the development of eco-sustainable products and services and the value chain;
- working in partnership with institutions and other market players.

OUR COMMITMENTS TO AN ENVIRONMENTALLY SUSTAINABLE ECONOMY – THE NEW TARGETS OF THE 2023-2027 SUSTAINABILITY PLAN



- Reduction of carbon dioxide (CO₂) and other pollutant emissions with the aim of contributing to the fight against climate change
- Implementation of projects to improve energy efficiency and conserve natural resources, protect biodiversity and reduce environmental impact to prevent soil, air and water pollution

OBJECTIVE

- 20% reduction in Scope 1 and 2 GHG emissions by 2030, compared to 2021
- 5% reduction in volatile organic compounds (VOCs) emissions by 2027, compared to 2021
- Use of 100% electricity from renewable sources by 2030
- 10% reduction in waste generated over production hours by 2027, compared to 2021
- Maintaining each year the portion of waste sent for recycling between 80-90%
- 12% reduction by 2030 in water withdrawal over hours of production, compared to 2021



- Development of environmentally sustainable products and services with the aim of contributing to a circular and low-carbon economy
- Promoting and sustaining a responsible supply chain that shares our values and is based on lasting relationships founded on integrity, transparency and respect

OBJECTIVE

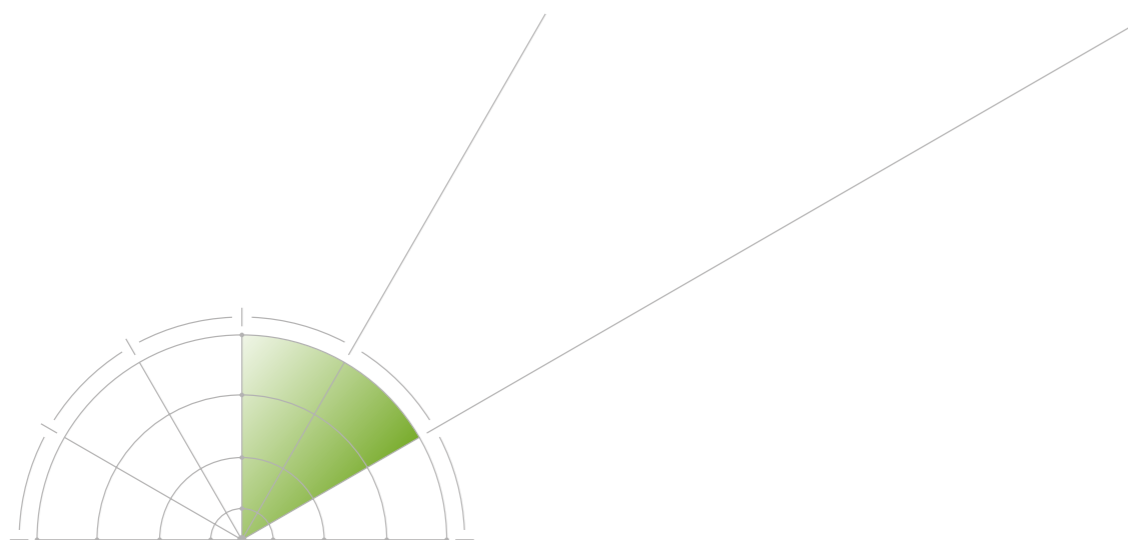
- Reduction of the average CO₂ intensity tonne/mile by 30% by 2025 and 40% by 2030 compared to 2008
- Net Zero cruise vessels by 2050 target
- Identifying tools to implement the circular economy approach by 2025
- Development of a Sustainable Supply Chain in order to integrate sustainability criteria into the supplier qualification system and to ensure adequate risk control



Supporting research to improve analysis and management of the risks associated with climate change

OBJECTIVE

Conclude 4 research projects to develop new solutions for energy efficiency or the reduction of emissions in collaboration with research institutes/universities on issues associated with climate risks by 2030



The challenge of climate change and risk management

During 2022, the **process for alignment** with the Task Force on Climate-related Financial Disclosures (TCFD) was developed, involving the entire Company organization across the board.

The Task Force came into being as a result of the 2015 Paris Agreement, in which the United Nations Member States committed to keeping the global average temperature increase below 2°C compared to pre-industrial levels and possibly limiting the increase to 1.5°C by the end of the 21st century. It was set up by the Financial Stability Board (FSB) at the request of the G20 (Group of 20) Finance Ministers and Central Bank Governors, and in 2017 it published reporting recommendations that are now an international reference for corporate climate change disclosure.

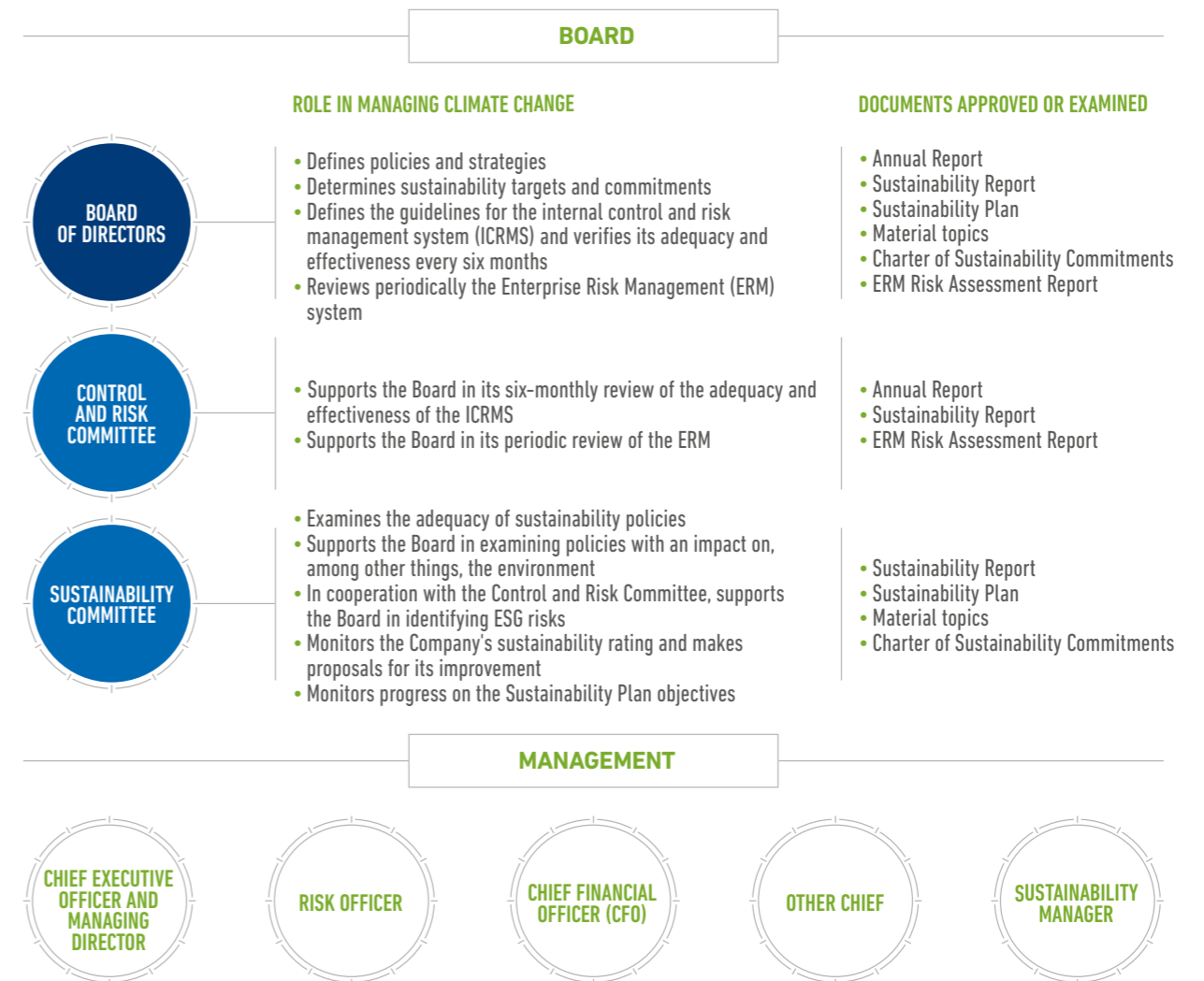
The TCFD recommendations, structured around **four topic areas**, represent a framework to provide consistent information that help financial market participants understand climate-related risks, with the aim of addressing concerns regarding financial stability from potential asset mispricing and misallocation of capital.



Governance

The table below illustrates our organizational and corporate governance model, which sets out specific tasks and responsibilities for the Company's main bodies, ensuring that risks and opportunities relating to climate change are appropriately taken into account in all strategic decision-making processes.

In its supervision of risks and opportunities, the Board of Directors is supported mainly by the **Internal Control and Risk Management Committee** (or Control and Risk Committee) and the **Sustainability Committee**, which are actively involved in the various activities implemented by the Group in the field of climate change, as detailed below.



Particular tasks and responsibilities are also entrusted to specific **managerial functions**, while keeping all Company structures involved in the implementation of the various activities undertaken on climate change issues and directing efforts towards achieving the targets for reducing climate impact set in the Sustainability Plan.

The process of identifying, assessing and monitoring risks related to climate change involved a number of functions, so as to cover exposure across the board and to comprehensively report on the approach to each specific risk, providing an opportunity to discuss opportunities for improvement and to spread awareness of the importance of the issue for the Group.

In order to strengthen the involvement of the whole Company, a reward process linked to remuneration has been defined, through the inclusion in the Performance Share Plan, by the Board of Directors, of objectives linked to Environmental, Social and Governance (ESG) performance, as illustrated in the document 'Report on the policy regarding remuneration and fees paid'. The targets relate to obtaining a specific rating from international rating agencies in connection with the achievement of the sustainability targets set out in the Sustainability Plan in the reporting period.

Also, the Italian employees covered by the short-term variable remuneration system (MBO), have been assigned specific **sustainability objectives** with a weight ranging from 10% up to a maximum of 30%.

Strategy

In 2021 we conducted a climate change scenario analysis in compliance with the principles defined by the TCFD. Scenario analysis which helps companies make **strategic decisions** and **manage risks** under complex and uncertain conditions, while identifying the possible risks to which the Company is exposed and the potential impacts on the business under different hypothetical and plausible scenarios. In this way, a resilient approach and strategy can be developed for different situations.

Aware of our strategic positioning, the assessments made contribute to strengthening our resilience by identifying possible actions to address climate-related risks.

Based on assumptions and external factors that are partly independent of our actions, it is important to stress that, despite the care taken to select robust and recognised scenarios ensuring a certain granularity of the assessments, scenario analysis is subject to limitations, as it allows only a portion of uncertain and variable conditions to be explored.

The decision to publicly report on strategic and risk management considerations stems from a desire to strengthen transparency with our stakeholders, highlighting how we intend to position ourselves strategically and operationally in light of the potential risks and opportunities to which we are exposed and how we manage climate impacts. Disclosure allows stakeholders to analyse the robustness of the scenario analysis conducted and to assess the resilience of our strategy to related climate-related risks and opportunities.

The physical and transitional consequences and implications of climate change are not easily traced through traditional business planning methods or systems. It is complex to map the multi-disciplinary interconnections between cause and effect and the multiplicity of impacts that climate change may have on business over different time frames. The scenario analysis carried out enabled us to strengthen our strategy by also assessing possible strategic options for selected scenarios. At the same time, it has allowed us to assess the possible risks and impacts to which we are exposed, becoming the basis for continuously monitoring our management methods and associated technological and environmental opportunities to be integrated into the Group's strategy. In line with the recommendations of the TCFD and in light of the considerations that emerged from the 27th United Nations Conference of the Parties on Climate Change (COP 27) in Sharm el-Sheikh and its predecessor (COP 26), we have developed two reference climate scenarios.

The International Energy Agency (IEA - Net Zero by 2050 A Roadmap for the Global Energy Sector), has identified a number of scenarios based on different temperature rises and their physical and transitional consequences on the planet. In our analysis, we selected two scenarios that represent the 'best case' and 'worst case' in temperature trends until 2100, as detailed below.

Scenario 1 (best case): +1.5°C – IEA Net Zero Scenario

Selected as a 'best case' scenario, this outlines what is needed for the global energy sector to achieve zero net CO₂ emissions by 2050, allowing the global temperature increase to be limited to 1.5°C in line with the Paris Agreement. In this scenario, it is assumed that all governments undertake to raise their ambitions beyond the current NDC (Nationally Determined Contributions) plans and Net Zero commitments.

Scenario 2 (worst case): +2.4°C – Temperature increase of 2.4°C

A less regulated scenario, with a lack of concrete plans for 2030 by the countries participating in the agreement, would imply an actual increase in global warming of 2.4°C compared to pre-industrial levels, with consequent significant effects on climate and repercussions on business.

In light of these climate scenarios, the functions most involved in climate change aspects were involved to understand the effect on the following three macro-categories:

1. **Physical impacts** - acute and chronic
2. **Market trends** - commodities (steel and energy), technologies and products
3. **Regulation** - carbon pricing, emission trading and emission reduction requirements

We assessed how the impacts on the three selected categories varied for the different scenarios and what the implications were for our business, both in terms of risk exposure and potential opportunities.

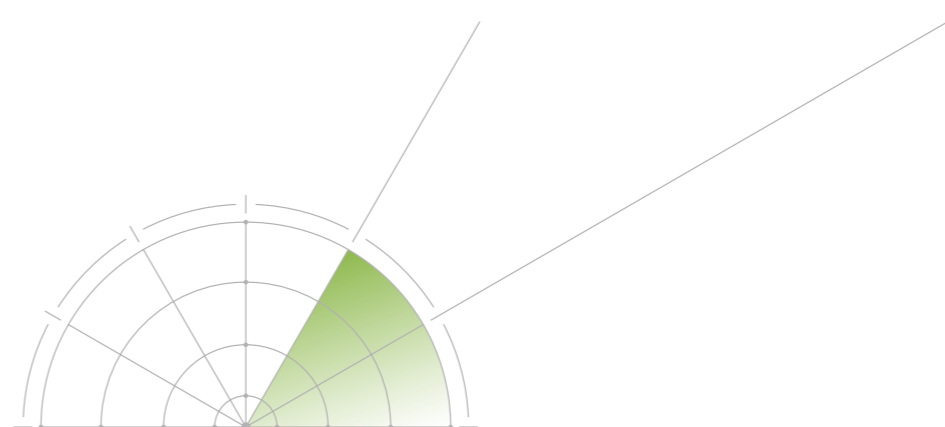
The scenario analysis for climate-related risks was based on the following timescales:

- short-term: within 3 years;
- medium-term within 5 years;
- long-term within 10 years and, for some particular projects, even beyond (e.g. IMO 2050).

Despite the understanding that physical and transition risks may occur simultaneously, it was assumed that the +1.5°C scenario could have a greater impact on transition issues, i.e. market and regulatory issues, as a direct result of more stringent regulatory mechanisms in a context where countries and companies operate rapidly, while physical impacts would be reduced.

On the other hand, a less regulated environment in which provisions to contain the effects of climate change in the medium to long-term are not concretely implemented, thus causing a temperature increase of 2.4°C, would lead to more physical consequences, remaining less restrictive on transition risks.

A summary is given below of the points that emerged from the analysis activities carried out focusing on the macro impact areas, highlighting the resilience of our strategy to changes in the reference scenario.



1. Physical Impacts

These impacts refer to consequences resulting from climate change that are strictly physical and can be divided into **acute** (hurricanes, floods, heat waves, tornadoes, etc.) and **chronic** (sea level rise, ocean acidification, etc.). It is estimated that in the +1.5°C scenario, sea levels could rise by 48 cm by 2100, compared to the 56 cm expected in a +2.4°C scenario. It is also considered that precipitation intensity would increase by 2% in the +1.5°C scenario and by 4% in the +2.4°C scenario, underlining the direct correlation between rising temperatures and an increase in weather phenomena.

Experts predict an increase in ocean acidity, a phenomenon caused by the absorption of carbon dioxide, of +17% by 2050 in the +1.5°C scenario, compared with +29% in the +2.4°C scenario (Source: CarbonBrief).

The physical effects, particularly in the +2.4°C scenario, would affect two of our areas in particular: **shipyards** and **ship design**. Our shipyards, which are located close to the coast, could suffer damage to infrastructure due to rising sea levels and intensity of weather events. In addition, physical impacts such as the acidity of the oceans would require specific attention in ship design in order to ensure their durability and safety even in adverse weather and climate conditions.

2. Market trends

Climate-related impacts on the market include fluctuations in commodity prices and the evolution of new technologies and the development of new products, resulting from both changes in the regulatory environment and an increasing focus on environmental issues by stakeholders.

Fluctuation of commodity prices

We take preparatory measures and assessments to limit the impact resulting from possible market trends. Specifically, analyses are carried out on the price trends of major commodities (e.g. energy and steel). With regard to **energy**, specific projections have been developed that act as a real risk control system for price fluctuation.

Especially in the +1.5°C scenario, in which the demand for electricity from renewable sources certified with Guarantees of Origin (GO) is expected to increase, we anticipate considerable increases in the supply price of GOs. According to internal evaluations of cost profiles, the price in Italy gradually increased in 2022, reaching a peak of 500% (about 10 €/GO) above 2021 values (0.25-1.90 €/GO), also due to lower hydropower production. Consequently, we are evaluating whether to sign Power Purchase Agreements (PPAs) for part of our consumption, which would mitigate two phenomena: the volatility of the raw material and the possible increase in GOs. The main limitation of this tool is the lack of large-scale projects in Italy, resulting in a low percentage coverage of electricity needs. The projects identified to date are not sustainable on the business side due to the higher plant costs and the opportunity cost compared to sale of energy on the free market. To decrease our dependence on the growing electricity and GO market, we are implementing projects for internal energy generation through photovoltaic systems that will cover part of the consumption of some shipyards in Italy (Monfalcone, Marghera, Sestri, Riva Trigoso and Isotta Fraschini Motori) and a further project to expand the energy produced by photovoltaic systems is at the contract negotiation phase. Self-generation will allow a reduction in the amount of energy purchased from the national grid, diversifying the costs of raw materials and GOs and consequently mitigating the risk. The energy produced by photovoltaic systems installed on-site is of course exempt from the standing charges in the utility bill, thus releasing part of the electricity requirement from the system charges that could increase with the increase in incentives for renewables.

At the same time, we are developing energy efficiency projects, e.g. by replacing obsolete thermal power stations with more efficient ones or by replacing Variable Refrigerant Volume/Flow (VRV) systems. Other efficiency investments include the revamping of pneumatic power plants, replacement of extractors and

relamping. We have also taken into account an increase in electricity requirements due to the electrification of utilities currently powered by fuels (shore connection, VRV).

Steel is the pre-eminent raw material for Fincantieri. For this reason, we constantly monitor trade dynamics, emerging macro-trends and protectionist policies at international level.

Over time, we have identified and selected a small number of **partner suppliers**, due to the small supply market as well as the quality and certification requirements of the shipping market, resulting in a restricted supply pool. However, we are constantly analysing the world market for possible new suppliers.

In order to reduce CO₂ emissions, we research and favour **raw materials** that can be classified as 'green'.

In a +1.5°C scenario focused on supporting the transition through more emission limits, regulations to limit the environmental impact of company activities will also influence the price of raw materials. For example, we are analysing the Carbon Border Adjustment Mechanism (CBAM) tax, which will be introduced from 2026, in order to monitor its potential impacts and risks on the business. The objective of the CBAM is to avoid, in full observance of international trade rules, the EU's greenhouse gas emission reduction efforts being offset by an increase in emissions outside its borders through the relocation of production to third countries (where policies adopted to combat climate change are less ambitious than those of the EU) or by an increase in imports of carbon-intensive products.

In addition to being subject to transition risk, the price of raw materials in the +2.4°C scenario could be affected by adverse weather conditions along the **supply chain** (hurricanes, violent storms, floods, etc.), impairing its normal trend, product availability and timely deliveries, with consequent inflationary changes.

Evolution of new technologies and development of new products

According to analysis by the IEA, (IEA (2022), Transport), the shipping sector was responsible for around 800 Mt of CO₂ emissions worldwide in 2021, or around 2.3% of the total energy segment emissions. The lack of low-carbon options available on the market, together with the specific features of the product itself, characterized as it is by a long useful life (typically 25-35 years), make the shipping industry's path to decarbonization arduous.

The IEA has identified ammonia and hydrogen as the main low-carbon fuels for shipping over the next three decades. This is particularly the case in a more restrictive scenario in terms of reducing emissions (+1.5°C), which is also supported by the structural changes planned for ship refuelling in the main ports.

SHARE IN TOTAL ENERGY CONSUMPTION OF INTERNATIONAL SHIPPING

	2020	2030	2050
Ammonia	0%	8%	46%
Hydrogen	0%	2%	17%
Bioenergy	0%	7%	21%

Source: IEA Net Zero by 2050.

Within the potential market impacts, variations in **demand from customers**, who require Fincantieri to offer products that integrate the most innovative technologies, reducing the impact in terms of CO₂, have also been taken into account. In a scenario where efforts are focused on keeping the temperature increase to +1.5°C, it is important, given the long life of the ship, to offer the shipowner a product that does not become, in the short term, 'obsolete' in terms of eco-sustainability.

In this sense, as will be further discussed in the chapter 'Technology for the Climate', a number of initiatives have been activated to support the evolutionary process of the shipping world, according to sustainability and circular economy principles. For example, in order to further reduce the environmental impact of the product and meet the increasingly stringent requirements of regulators and shipowners, we have built ships powered by Liquefied Natural Gas (LNG) and which use ports equipped with shore-connection (allowing the transmission of electricity on board the ship directly from land), an experimental vessel - ZEUS - powered by hydrogen through fuel cells,

and a memorandum of agreement has been signed with Explora Journeys, a brand of the MSC Group, for the construction of two more hydrogen-powered luxury cruise ships, bringing the total size of the fleet to six. The new vessels will enter into service in 2027 and 2028. By 2023, VARD will also deliver eight remote controlled vessels whose engines can be adapted to run on ammonia.

Finally, the partnerships signed with ENEA and RINA belong to the same area of activity. The first focused on research and innovation programs in the areas of energy efficiency, technologies and systems for power generation from renewable sources, for the production, transport and distribution of hydrogen, as well as fuel cells. The second will develop synergies in the field of decarbonization, with particular reference to alternative fuels, carbon capture and renewable energy in the shipbuilding segment. Development innovation will allow Fincantieri to align with the conditions arising from a +1.5°C scenario, while responding to customer demands.



3. Regulation

COP 27 and new regulations

At the global level, COP 27 continued the work of COP 26, which focused on the goals to achieve progressive decarbonization and keep global warming below 2°C, adding a commitment to define the investments needed by 2030 in developing countries to reduce CO₂ emissions and to address the damage caused by climate change. The major innovations discussed and/or introduced during the conference relate to:

- the establishment of the 'Loss and Damage' fund to help developing countries cope with the effects of climate change;
- recommendations for carbon reduction plans that follow initiatives already confirmed (i.e. SBTi) and limit greenwashing;
- an increase in funding for the agricultural sector (Food and Agriculture for Sustainable Transformation).

At the European level, the carbon-related regulation is linked to specific regulatory developments that support the path taken by the European Green Deal, which sets a target of -55% greenhouse gas (GHG) emissions by 2030 (a target slightly revised during COP 27 which pushed for a reduction of 57%) and climate neutrality by 2050. In support of this ambitious plan, the European Union has drawn up a series of 'Fit for 55' proposals, which alter the regulatory environment, with significant repercussions for businesses.

The most relevant for the segment in which Fincantieri operates are:

- EU ETS: system for calculating carbon prices and trading emission quotas (Emission Trading Scheme) in which the shipping industry has also been included, with an indirect impact on Fincantieri. After lengthy negotiations, the EU agreed to include maritime emissions in the ETS starting from January 1st, 2024. Ships with a gross tonnage of 5,000 tonnes or more will have to gradually give up CO₂ allowances (European Union Allowance - EUA) for an increasing fraction of their emissions: 40% in 2024, 70% in 2025 and 100% in 2026. The inclusion of smaller vessels and CO₂ emissions such as methane and N₂O is likely to start from 2026 onwards;
- CBAM: phasing-in of the Carbon Border Adjustment Mechanism, mentioned above, which will introduce a tax on imports from non-EU countries for carbon-intensive products from 2026. The European Commission recently included hydrogen in the CBAM and will evaluate the inclusion of other products that could be at risk of carbon leakage, such as organic chemicals and polymers, from 2030 onwards. Indirect emissions at the production plant may also have to be included in the emissions to be reported and, consequently, paid for by the importing companies. From October 2023, importers in the sectors covered by the mechanism must be ready to meet their Monitoring, Reporting and Verification (MRV) obligations;
- EU Taxonomy: taxonomy of assets, i.e. a classification system that clarifies which investments are environmentally sustainable.

The measures described above, especially in a +1.5°C scenario, could influence market dynamics, trigger inflationary mechanisms, especially on complex manufacturing products such as ships, resulting from the integration and assembly of thousands of components, including imported ones, or impact on the ability to attract financing.

In this regard, we constantly monitor regulatory developments, actively participating in **governmental meetings** to voice our assessments and knowledge, seeking to understand the impacts on the segment in which we operate, and actively engaging in dialogue with the national Government and/or European institutions. Companies in the shipbuilding industry are called upon to invest in **new technologies** to accelerate the development of solutions that ensure the reduction of emissions from products and the production process in order to meet increasingly stringent environmental regulations.

The International Maritime Organization (IMO), which oversees safety and environmental regulations in the

shipping sector, has also set targets: a 40% reduction in average CO₂ intensity per tonne/mile by 2030 and a reduction in total annual greenhouse gas emissions by at least 50% compared to 2008 levels (and 70% reduction in CO₂ emissions per tonne/mile) by 2050. This reduction strategy will be reviewed at the next MEPC (Marine Environment Protection Committee) conference to be held in 2023.

A key factor to take into account in future projections is the related increase in the **price of carbon**. The price is estimated to be higher than at present, to the detriment of companies that are subject to restrictive limits and do not take measures to reduce their emissions by having to use the CO₂ allowances on the market. Shipowners, in the absence of a decarbonization strategy, will face a significant increase in the cost of purchasing CO₂ allowances. As a result, they will ask Fincantieri, in order to lower the cost, to act directly in the design phase of the ship, offering a final product with a lower impact and reduced CO₂ emissions into the atmosphere.

Risk Management

Physical and transition climate risks

For the purpose of identifying, assessing and monitoring the main company risks ('Risk Universe'), we have adopted Enterprise Risk Management (ERM) processes and systems, into which specific sustainability risks have been integrated. Starting from these, **six risks have been selected** which are linked to climate-related issues, exploring with the various responsible functions the Group's total exposure to these risks and the actions specifically implemented to mitigate them.

The six climate risks to which the Group is exposed fall within the three macro impact areas analysed previously when conducting the scenario analysis. In addition to the associated TCFD risk category, other TCFD risk categories were taken into account, which, though secondary, made the assessment comprehensive on a greater number of fronts as outlined below.

MACRO IMPACT AREAS OF THE SCENARIO ANALYSIS	FINCANTIERI CLIMATE RISKS	MACRO TCFD RISK CATEGORIES
PHYSICAL IMPACTS	1. Business interruption	Physical risks – Acute
	2. Climate change	Physical risks – Chronic Physical risks – Acute
MARKET TRENDS	3. Environmental impact of products and services	Transition risks – Technological Transition risks – Reputational Transition risks – Market Transition risks – Policies and Laws
	4. Raw material and commodity prices	Transition risk – Market Physical risks – Acute
REGULATION	5. Evolution of laws and regulations	Transition risks – Policies and Laws Transition risks – Reputational Transition risks – Market
	6. Investor and public relations	Transition risks – Reputational

Physical risks are associated with increased economic costs and financial losses due to the increased severity and frequency of extreme weather events related to climate change. They include **acute** risks and risks related to long-term climate change, i.e. **chronic** risks.

Transition risks are associated with the transition to a low-carbon economy and are closely related to changes in the social, economic and political environment, as well as changes in the CO₂ pricing framework and regulatory restrictions.

Transition risks also include reputational risks: not undertaking a gradual decarbonization process could, in fact, have a negative impact on the Company's reputation and, consequently, on its economic and financial results.

Climate change **mitigation and adaptation** efforts undertaken by us may also represent an opportunity, for example looking at the development of new technologies and the roll-out of new products and services with reduced environmental impact. Finally, analysing the impacts, climate change could prevent us from carrying out our activities, limiting the operation of the entire value chain and leading to a significant increase in costs. Below is a complete and detailed description of the climate-related risks to which we are exposed, the related management methods implemented and the associated opportunities.

1 BUSINESS INTERRUPTION

TCFD risk category:
Physical - Acute

Timescale:
Medium term

Description of risk

Among the expected consequences of climate change are more frequent extreme weather events. These phenomena, which are no longer isolated, could compromise business operations, causing interruptions to production activities and damage to strategic assets (including supply chain activities), affecting ship delivery dates and leading to possible penalties for the Group.

Management approach

In order to mitigate the exposure to this risk, the Group performs an annual test of the **Disaster Recovery** infrastructure, which includes detailed instructions on how to respond to unplanned incidents (natural disasters and extreme weather events, cyber attacks and/or other disruptions, etc.). The plan includes strategies to minimize the effects of an impending event in order to ensure business continuity by leveraging the potential of the cloud.

In addition, measures have been adopted to identify and analyse potential and alternative new suppliers through periodic direct (internet, trade fairs, etc.) and indirect (e-procurement, promoters) scouting activities focused on critical areas. Critical areas are identified through periodic interviews and mapping relevant ship items and/or specific needs related to the production context and the available supplier base. In addition, cross-functional visits to suppliers are organized and managed in order to check the suitability of the quality, health, safety and environmental management systems.

Opportunities

Research into and analysis of new suppliers allows the **identification of commercial partners** who are able to respond promptly and resiliently to Fincantieri's requests, even in adverse situations, guaranteeing operational continuity. In addition, it is possible to consolidate partnerships with new suppliers and thus strengthen the value chain, working together to **reduce the environmental impact** of the Group.

2

CLIMATE CHANGE

TCFD risk category:
Physical - Chronic
Physical - Acute

Timescale:
Medium/long term

Description of risk

Company activities may be negatively impacted or interrupted if the Company is affected by acute or chronic events, or indirectly through its supply chain, delaying the production cycle and changing the distribution of production between the Group's sites, also requiring new ways of managing the production process or the structure of the shipyard itself.

Management approach

In order to manage the risk in question, Fincantieri has implemented a series of mechanisms, including the internal definition of specific rules for the **management and monitoring of emergencies** in the event of adverse weather conditions, which outline measures and behaviour to be adopted when extreme weather events occur.

A **wind monitoring** system has been set up in addition to the forecasting system already described in the internal rules, providing for the installation in a strategic position within the shipyard (determined through a preliminary study by the subsidiary CETENA) of a sensor inserted in an anemometric station. This system will provide specific weather data for the shipyard area, timely, easily accessible by a greater number of users and through different interfaces (desktop, tablet, smartphone, etc.) as well as time histories for the last two years.

To mitigate exposure to the physical risk arising from more frequent extreme weather phenomena, some of Fincantieri's own **equipment** has been fitted with specific systems against such events. For example, all cranes located in the outside areas of the shipyard are equipped with a storm brake system. In addition, the Mooring Plan for the outfitting quays of ships under construction is prepared by a specialist third party entity, which issues a study including the impact of prevailing winds and storms.

The risk in question is mitigated by the constant commitment to maintaining and operating management systems in all production plants and all business units certified according to the **ISO 14001** (Environmental Management System) international standard. In particular, a risk and opportunity analysis extended to include climate risks has been defined in accordance with the standard.

The **water discharges** from the sites, which are checked every six months, are equipped with clapet (non-return) valves which do not allow high water from the sea to enter, and are only activated at the outlet during discharge.

With regard to the specific risk of **lightning**, the sites have updated their risk assessment, highlighting a tolerable value and stressing that all structures are protected. In addition, all earthing and lightning protection systems are subject to regular checks and inspections to assess their safety.

With a view to the future, the Group prepares and implements specific **maintenance activities** to limit the damage caused by extraordinary climatic events (storms, floods, earthquakes, fires, heat waves, etc.) and preserve the functionality and efficiency of the various items of equipment.

In order to limit the impact resulting from atmospheric events linked to climate change, the Group has taken out specific **insurance policies** to protect all of its yards against economic damage from catastrophic events. In 2021, at the Monfalcone, Marghera, Riva Trigoso, Ancona, Muggiano and Sestri shipyards, an analysis commissioned by the insurers was carried out according to the international standard JH 143 (standardized procedure for the international insurance market), which provides for the review and assessment of the procedures and controls of the shipyard quality and safety systems. This principle is reflected in various aspects of the analysis, including those relating to fire risk management and prevention and safety in general.

The result of the survey is summarised in a 'rating' assigned on a scale from A (best result) to E (worst result). All the shipyards have a rating higher than B, which was maintained in 2022.

Opportunities

Strengthening the capacity to respond to extreme events can result in improved **capacity to meet customer requirements** and demands compared to competitors, **minimizing the effects** of extreme events on the Group's production processes.

3

ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES

TCFD risk category:
Transition - Technological
Transition - Reputational
Transition - Market
Transition - Policies and Laws

Timescale:
Medium/long term

Description of risk

Risk that the Company fails to develop products or services that can minimize their environmental impact throughout their entire life cycle, not considering an adequate incorporation of new green technologies, including through the implementation of products with a circular approach and regulatory guidance.

Management approach

In order to mitigate the risk in question, the Group actively takes part in national, European and international round tables with the aim of monitoring and directing the evolution of regulations and standards applicable to the maritime sector, which will subsequently be applied in the development of new products.

The Group considers **scouting** for innovative technological solutions with reduced environmental impact (hydrogen technologies, carbon capture, renewable energy sources, etc.) to be of absolute importance in managing the transition risk connected with the impact of the products offered on the market. This takes place through market surveys and the startup observatory, so as to monitor the emergence of ideas that may be useful for the development of new products.

Fincantieri also constantly monitors the evolution of green technologies on the market (ships powered by alternative fuels such as hydrogen and ammonia) and continually promotes **technologically innovative** products or services with a reduced environmental impact (projects for the production of energy on board ships using fuel cells, the prototyping of more environmentally friendly and safer solutions for cruise ships, the design of solutions for the production of energy from offshore renewable sources, etc.). To support these studies, the Design function of the Merchant Ships Division set up a team dedicated to the introduction of technologies other than LNG.

To avoid a negative impact on the climate and its reputation, Fincantieri ensures that during product development and construction, all decisions associated with the design process are in line with the Group's Environmental Policy and the principles of ecological design.

Research projects in the broader environmental field are also monitored with a view to the future. One example among many is the involvement in the IPCEI (Important Project of Common European Interest) on technologies for the creation of a European hydrogen value chain, which has received authorization from the European Commission for public aid of up to euro 5.4 billion, of which more than euro 1 billion is earmarked for Italy.

Finally, a **Group Innovation Call for Proposals** has been activated and executed, with open initiatives and

the active involvement of external players (such as universities and regional districts) in order to create a structured flow of developing research and innovation initiatives (R&I), ensuring that projects are consistent with the Company's strategic guidelines, and, in particular, with the targets related to environmental protection.

Opportunities

Participation in round tables at a national, European and international level allows Fincantieri to **monitor and influence** the evolution of regulations and standards.

Scouting for innovative solutions, monitoring the evolution of green technologies on the market and the Group's Innovation Call for Proposals offer the opportunity to **develop products** with innovative technologies with reduced environmental impact, anticipating customer and regulatory requirements, while confirming Fincantieri's leadership position in an expanding market.

4 RAW MATERIAL AND COMMODITY PRICES

TCFD risk category:
Transition - Market
Physical - Acute

Timescale:
Short/medium term

Description of risk

From the development of new products aligned with emerging regulatory requirements to the demands of customers increasingly sensitive to climate change issues, many factors are increasingly linked to the increase in the price of raw materials and commodities. This may be influenced by new regulations and customs policies, e.g. on carbon intensive products (CBAM), or by catastrophic events affecting the supply chain.

Management approach

The Group continuously monitors commodity price trends. Coordination between project controllers and purchasing departments allows risk exposure to be managed by increasing production efficiency and implementing financial hedging policies where applicable. An **analysis/monitoring report** is also prepared with the estimated final impacts, depending on the market situation, specific business needs, geographical factors or changing regulatory and geopolitical contexts (e.g. related to environmental or macroeconomic issues). Lastly, with the aim of achieving consumption efficiency and greater energy autonomy, the Group has set up a permanent working team with the relevant business functions and shipyards.

Opportunities

The implementation of increasingly precise monitoring systems for prices of raw materials and commodities makes it possible to make **better-informed decisions** and to integrate these assessments into the **development of new products**, while also focusing on making production processes **more efficient**. This system makes the Group less susceptible to price trends in raw materials, with possible positive impacts on the cost structure (especially for energy).

5 EVOLUTION OF LAWS AND REGULATIONS

TCFD risk category:
Transition - Policies and Laws
Transition - Reputational
Transition - Market

Timescale:
Short/medium term

Description of risk

Fincantieri's business and the different sectors in which it operates are highly complex, so changing its strategy, product/service portfolio or adapting to regulations requires a long implementation time. In particular, the increasingly specific and complex nature of new regulations aimed also at preventing climate change requires the Company to implement targeted actions for the various business areas in which it operates.

Management approach

Participating in regular meetings with ministries, technical committees and classification authorities to present its point of view as a shipbuilder on the various IMO regulations specific to the sector in which it operates allows the Group to identify possible evolving scenarios and mitigate the risk arising from the evolution of laws and regulations. Fincantieri bases its product development assessments on the decarbonization strategy and the directives defined by the regulatory bodies.

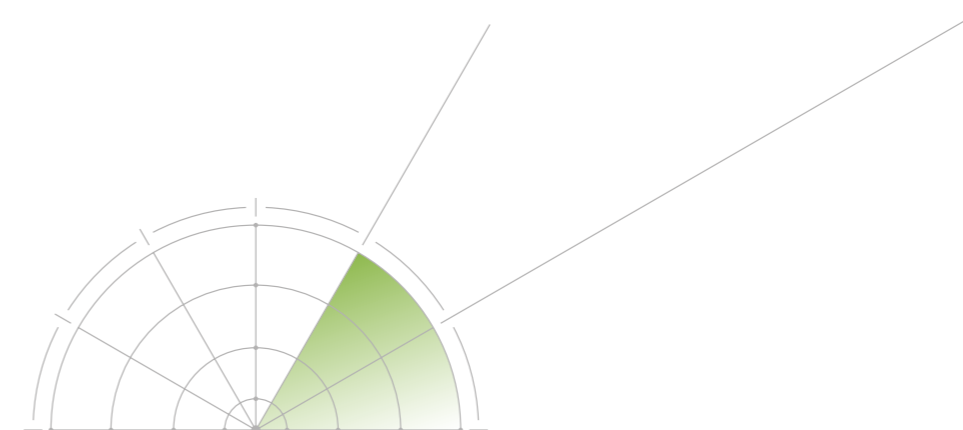
At the same time, a system is in place to monitor and update the regulatory framework every six months, e.g. for developments related to EU ETS (which will come into force in 2024 for ships with a gross tonnage of over 5,000) and CBAM. The Group makes use of this information for the design of ship equipment and systems via the environmental regulation observatory for specific projects. In addition, analyses of the national **regulatory framework** of the country of interest are undertaken by the commercial function during the tender/contract management phase to ensure alignment with the specific provisions.

In order to provide evidence of environmental compliance, the 'Principles of environmentally sustainable design' procedure is issued at the pre-contractual design stage to ensure and measure the environmental sustainability of the specific vessel, with the subsequent issue of the Environmental Profile document during post-contractual design, summarizing the results obtained from the previous document.

Opportunities

Opportunity to be an **active player** and participant in regulatory development in the naval industry, bringing attention to issues relevant to the Group.

The monitoring and contextual update of the regulatory framework to which Fincantieri is subject allows us to **anticipate regulatory changes** also in the development of our products and services.



6

INVESTOR AND PUBLIC RELATIONS

TCFD risk category:
Investor and public relations

Timescale:
Medium term

Description of risk

The adoption of an appropriate company communications and public relations strategy on climate change supports the Group's fulfilment of the expectations of ESG rating agencies, investors and stakeholders in general.

Management approach

The Group pays particular attention to preserving relations with its investors and the set of relationship and communication activities aimed at building and consolidating long-term relationships with the different stakeholders. In order to mitigate the reputational risk, Fincantieri oversees the activities involved in drawing up the **Sustainability Report**, integrating the additional information required by rating companies in order to ensure transparency and completeness, and continuous updating of the website for greater disclosure of information to stakeholders.

The Group also adheres to the **CDP initiative** and fills in the relevant questionnaire in cooperation with the departments most involved in environmental issues. Once the score has been obtained, it proceeds with implementation of the gap analysis to identify possible improvement actions, also with the aim of continuously refining its own performance and improving perceptions of the Group among investors.

At the same time, the **Sustainability Plan** is periodically revised, with the direct contribution of the departments, in order to externalize and formalize Fincantieri's strategic vision of sustainability and to outline the commitments undertaken by the Group. The continuous updating of the Plan allows for an alignment with the evolution of the international economic, regulatory and social context in which it operates.

The Group has implemented specific projects for the **TCFD** report, in line with the Task Force's recommendations and international best practices, and plans to set targets for reducing greenhouse gas emissions in line with the SBTi initiative, aligning itself with the level of decarbonization required to keep the global temperature increase below 1.5°C.

In order to inform investors about the activities implemented by the Group in terms of sustainability and consolidate long-term relations, Fincantieri is taking part in the Italian Sustainability Week.

Lastly, the Group is constantly pursuing and refining its **stakeholder engagement** process, with the aim of continuously comparing and listening to the needs of those who could be affected by and/or influence the Group's decisions.

Opportunities

By consolidating relations with its stakeholders and the broader investment community, transparent reporting and adherence to specific initiatives, such as sustainability ratings, Fincantieri has the opportunity to **strengthen its image** and become a **point of reference** for its various stakeholders on sustainability and climate change issues.

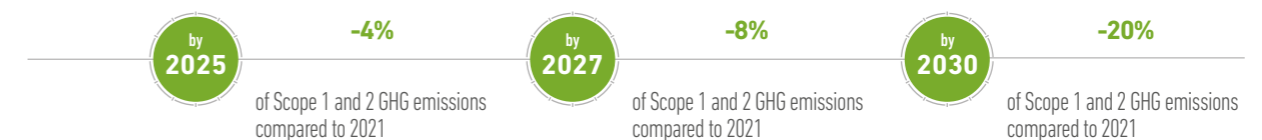
Aware of the importance of a quantitative definition of risks and opportunities, Fincantieri has launched a process for their determination, which will be completed in the next few months.

Metrics and Targets

The definition of objectives and their measurement are two fundamental aspects to provide, both internally and externally, an interpretation tool to understand the Group's performance in the area of climate change, allowing for an assessment and comparison of performance and progress on our path to decarbonization. The targets set in the new 2023-2027 Sustainability Plan demonstrate the maturity of our strategy in adapting to the climate scenario which requires the temperature increase to be limited to 1.5°C above pre-industrial levels.

The Group's targets are in line with the Environmental Policy, and enable us to monitor our emissions and impacts directly, implementing mitigation strategies, including through investments in energy efficiency and the purchase of energy from renewable sources.

All our Company initiatives are aimed at reducing emissions and, in confirmation of the constant commitment to the fight against climate change, we have set the following reduction targets:



In 2022, our total direct greenhouse gas (GHG) emissions from sources owned by or under the control of the Group (Scope 1), indirect emissions from electricity consumption (Scope 2) and other indirect emissions (Scope 3) amounted to over 20 million tonnes of carbon dioxide equivalent (tCO₂e).

TOTAL SCOPE 1 AND 2 GHG EMISSIONS (tCO₂e)

	2021	2021 on a like-for- like basis*	2022	VAR. 2022/2021*
Scope 1				
Direct emissions from sources owned by or under the control of the Group	116,638	122,666	118,461	-3%
Scope 2 – market-based				
Indirect emissions from electricity consumption	24,357	26,258	32,653	24%
TOTAL SCOPE 1 AND 2 GHG EMISSIONS	140,995	148,924	151,114	1%
Scope 3				
Other indirect emissions that are generated by the Company's value chain	1,108,589	17,403,264	22,928,859	32%
TOTAL GHG EMISSIONS	1,249,584	17,552,188	23,079,973	31%

The data refer to the entire Fincantieri Group.

* The 2021 Scope 1 and Scope 2 figures have been stated on a like-for-like basis following the inclusion of SOF S.p.A. on June 1st, 2021. This allows the 2021-2022 change to be assessed with the same perimeter. Scope 3 data were also revised for comparative purposes since the reporting categories and scope were expanded as detailed in the annex 'GRI indicators'.

Scope 1 emissions have decreased slightly and relate 93% to fuels, 6% to the company fleet and 1% to refrigerant gases (HFC-134a, R407c, R410a, R22, R404a, HFC-32). The reduction was achieved by reduced use of LNG for sea trials and thermal fuel oil.

The increase in Scope 2 GHG emissions recorded in 2022, compared to 2021, is mainly due to the slight reduction in energy from renewable sources withdrawn from the grid as a result of the sharp increase in the prices of Guarantee of Origin (GO) certificates.

Scope 3 emissions increased mainly due to the category 'use of sold products', which includes the estimated in-sea emissions from vessels delivered, which increased compared to 2021.

REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS FROM ELECTRICITY



As envisaged in the 2018-2022 Sustainability Plan, we have committed to a Group-wide reduction of 50% in indirect Scope 2 GHG emissions compared to 2017. This significant reduction (-70%) was possible thanks to energy efficiency measures, such as relamping, and the gradual purchase of electricity from renewable sources.

	2017	2018	2019	2020	2021*	2022	VAR. 2022/2017
Scope 2 - market-based							
Indirect emissions from electricity consumption in tons of CO ₂ e	108,697	103,367	72,925	19,995	26,258	32,653	-70%

The data refer to the entire Fincantieri Group. * The data for 2021 are shown on a like-for-like basis following the inclusion of SOF S.p.A. on June 1st, 2021.

[For more information on energy efficiency initiatives, see the chapter 'Sustainable Management of Natural Resources - Energy'.](#)

Method for calculating Scope 2 greenhouse gas (GHG) emissions

Scope 2 emissions are calculated according to WRI's GHG Protocol reporting standard, applying both methods: **location-based and market-based.**

The first method, location-based, involves accounting for emissions from electricity consumption by applying national average emission factors for the different countries where we buy electricity (Terna 2019). Scope 2 emissions calculated using the location-based method amount to 112,204 tCO₂e for 2022.

The market-based method, on the other hand, involves determining GHG emissions from purchased electricity by considering emission factors expressed in CO₂ relative to the residual mix (AIB-2022 European Residual Mix 2021), where available. Otherwise, the same emission factors used for the location-based method are also used for the market-based method. For purchases of electricity from renewable sources, a zero emission factor (0) is attributed. Scope 2 emissions calculated using the market-based method are 32,653 tCO₂e for 2022.

The Group's total Scope 1 and Scope 2 GHG emissions, calculated using the market-based method, over production hours for all employees during the financial year amounted to 0.00911t of CO₂e with an increase of 1% compared to 2021.

INTENSITY OF SCOPE 1 AND SCOPE 2 GHG EMISSIONS OVER PRODUCTION HOURS

	2021*	2022	VAR. 2022/2021
TOTAL SCOPE 1-2 OVER PRODUCTION HOURS	0.00900	0.00911	1%

The data refer to the entire Fincantieri Group. Scope 2 emissions refer to the market-based calculation method. * The figures for 2021 are shown on a like-for-like basis following the inclusion of SOF S.p.A. on June 1st, 2021.

The reporting of other indirect Scope 3 emissions refers to the following categories:

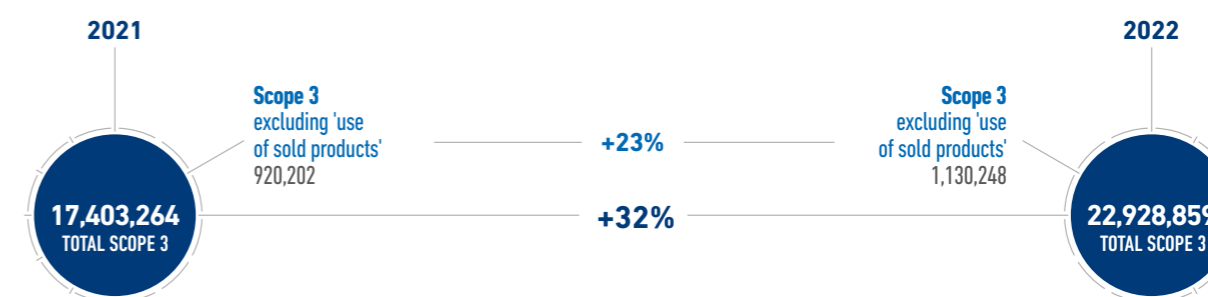
- upstream transportation and distribution;
- purchased goods and services;
- employee business travel;
- waste generated in operations;
- capital goods;
- fuel and energy-related activities not included in Scope 1 or Scope 2;
- other (water withdrawal).

In line with our aim to play a leading role in the decarbonization of the shipping industry, we have expanded our reporting of Scope 3 emissions in 2022 by making the following changes:

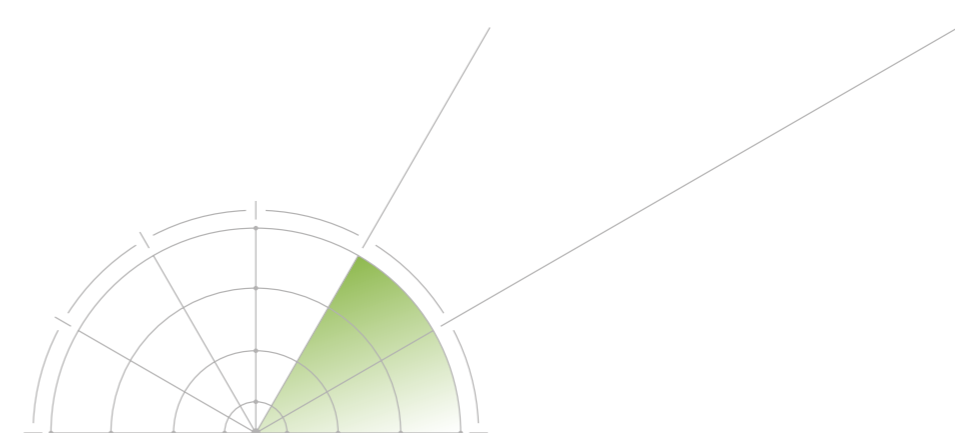
- inclusion of the categories 'employee commuting' and 'use of sold products';
- expansion of the scope of the 'upstream distribution' category;
- improved calculation of the 'purchased goods and services' category.

The 2021 figures have been reclassified for comparative purposes following the above changes.

SCOPE 3 GHG EMISSIONS (tCO₂e)



The details for Scope 3 are given in the annex 'GRI Indicators'.

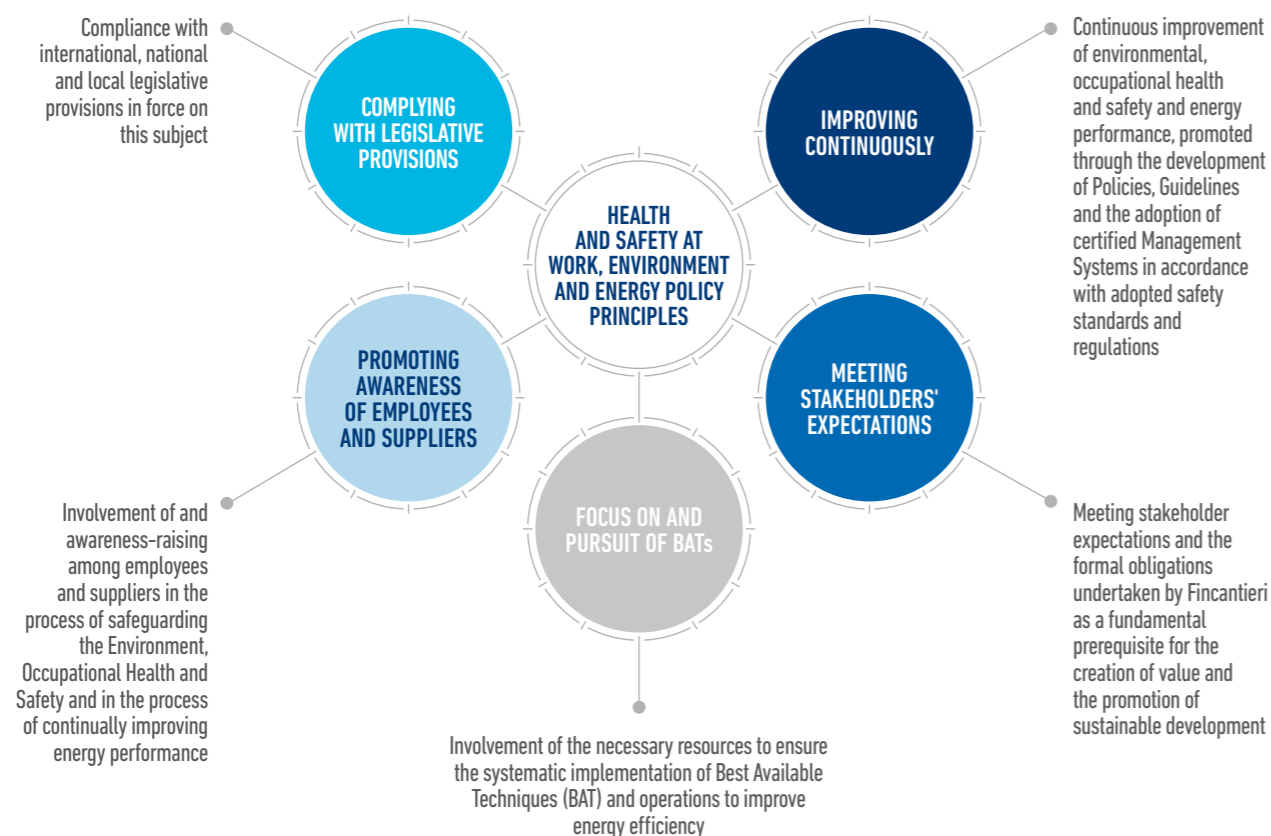


SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

We are committed to safeguarding the environment, through investments to develop initiatives that limit the risks of environmental impact and promote energy efficiency, responsible use of resources and proper waste disposal



The model of excellence adopted to ensure environmental protection is applied using certified environmental management systems, as tools for implementing and monitoring continuous improvement actions. The principles adopted by Fincantieri for the management of both occupational health and safety and environmental and energy aspects are contained in the **Health and Safety at Work, Environment and Energy Policy**. The Policy was updated in 2022 and is signed by the Chief Executive Officer and communicated to all employees and third parties.



Our commitments in relation to environmental protection are to:

- assess and monitor risks and impacts on environmental aspects arising from our activities and processes, identifying and implementing initiatives and measures to prevent possible accidents;
- implement improvement plans aimed at containing and reducing and ensuring the quality of emissions to air, water and soil, the continuous efficiency of energy performance, consumption of water resources, soil protection and waste management to minimize volumes;
- promote the use of the best available technologies and the use of products with a lower environmental impact;
- implement improvement plans to contain the consequences related to the mobility of people, logistics and the procurement of materials;
- develop knowledge and increase the awareness of personnel, involved in the production process in various capacities, on the importance of their contribution in reducing the impact on the environment, including through targeted awareness-raising initiatives;
- safeguard, through the implementation of appropriate safeguards and measures, the natural value and biodiversity of the individual territories according to the characteristics present;
- periodically monitor with stakeholders the effectiveness of the Group's environmental initiatives;
- pursue sustainable and efficient management of water resources in the areas where the Group is present, with particular attention to those subject to water stress, implementing initiatives and measures to curb consumption;
- adopt design logics consistent with circular economy and sustainability criteria that pursue a responsible use of natural resources and new raw materials in production processes, including by suppliers;
- interact with local communities, research institutions, universities and local associations to assist the green transition and support innovative projects and initiatives in favour of environmental protection.

The Health and Safety at Work, Environment and Energy Policy is available on the website www.fincantieri.com/globalassets/sostenibilita2/fincantieri_health-and-safety-at-work-environment-and-energy-policy-eng_02.pdf

We are constantly working on our management systems in all production sites and in all **ISO 14001** certified business units; **100% of the Italian shipyards** have that certification and **79% at Group level**.

The individual certified organizational units adopt specific site policies in line with the guidelines defined at company level. These policies are made available to all employees and are shared with suppliers through recurring coordination activities.

All certified sites are also subject to **audits** by dedicated internal structures according to an annual schedule. The reports of environmental incidents are also collected and managed in the management systems.

For more information on the certified sites, see the website www.fincantieri.com/en/sustainability/certifications/

With the aim of improving the level of knowledge and gradually increasing the awareness of our employees on individual environmental issues, specific training/information activities are planned both at company level and, depending on identified needs, at production site level. As part of the **Fincantieri for the Green Future** project, which focuses on the promotion of virtuous and eco-sustainable behaviour, two e-learning courses on environmental issues were held: the first on sustainability, the second on national and European legislation and the main environmental aspects. These courses were provided to employees of the Parent Company and made available in the Training section of the company intranet page.

Courses are also provided abroad to raise employees' awareness of environmental issues. In particular, at Fincantieri Marine Group, training on environmental aspects is given to new recruits and annually to employees, including the specific topic of waste management.

Environmental aspects

The Company is bound by laws and regulations to protect the environment and people's health, which impose limits on atmospheric emissions, discharges into water and soil and set rules for waste management and the reclamation of any polluted sites. Regulatory compliance and related requirements are also closely monitored during regular internal audits.

The continuity and commitment to reducing the **direct impact** of our activities is achieved by reducing consumption and waste produced, prioritizing the use of eco-sustainable resources and energy from renewable sources.

Energy

In energy management and with regard to improving energy performance, we are committed to:

- pursuing a rational use of energy sources by setting specific reduction targets;
- developing production approaches that promote energy efficiency by applying the best management and technological solutions;
- prioritizing the purchase of energy-efficient products and services by including assessment of energy performance in design activities and award criteria for supplies;
- defining objectives aimed at the improvement of energy performance and ensuring adequate information and resources for their achievement, carrying out constant monitoring;
- increasing the knowledge and responsibility of the personnel involved in various capacities in production processes, in order to raise awareness of the importance of individual contribution in achieving the common objectives identified;
- intervening on the energy performance of the various Production Units with a view to continuous improvement;
- implementing highly energy-efficient technologies, promoting the use of energy from renewable sources and investing in self-generation plants, in order to progressively reduce emissions;
- raising awareness and involving stakeholders on issues concerning the energy transition and the fight against climate change.

The progressive reduction of emissions is a fundamental aspect of our activities, and we are constantly striving with new initiatives to combat climate change, aiming at sustainability objectives defined in line with strategic and programmatic choices.

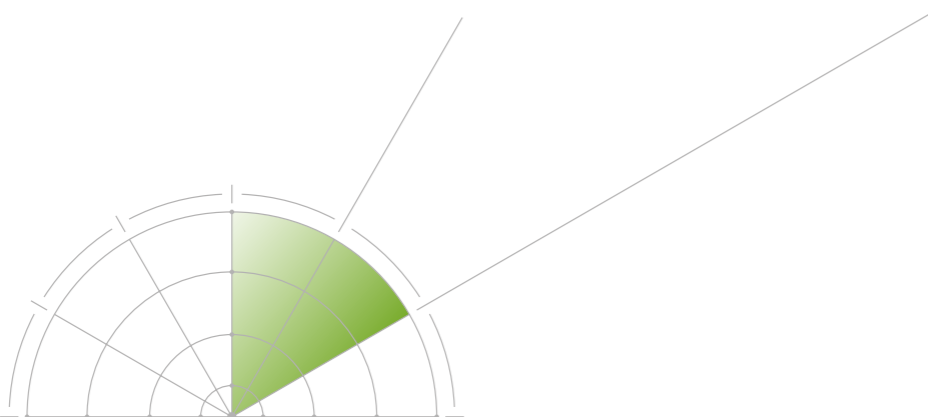
ISO 50001 and Green Marine certifications

In 2022, the Monfalcone, Sestri, Marghera, Palermo and Castellammare di Stabia shipyards obtained **ISO 50001** certification for their Energy Management System, which requires monitoring of consumption and the continuous improvement of shipyard energy performance. Important environmental awards were also achieved in the United States, where two shipyards received **Green Marine** certifications. Fincantieri Marinette Marine and Fincantieri ACE Marine were the first two shipyards in Wisconsin to join the largest voluntary environmental certification program. Both had to prove environmental performance based on Green Marine indicators, covering greenhouse gases, atmospheric pollutants, spill prevention, waste management, community impacts and environmental leadership. This certification requires periodic verification of performance.

The year saw the continuation of multiple activities aimed at reducing consumption:

- **energy diagnosis:** the Parent Company produces an energy diagnosis each year, in compliance with the regulatory requirements of Legislative Decree 102/2014, aimed at identifying inefficiencies and implementing an annual program to modernize the plants, including through the implementation of new technologies capable of guaranteeing ever better performance in terms of energy efficiency;
- **measurement and monitoring systems:** to make the quality of data acquired more reliable, based on which the consequent improvement actions are identified, the installation of more advanced electricity and natural gas meters has gone ahead for the Marghera, Monfalcone and Sestri Ponente shipyards. In addition, volumetric meters for monitoring water consumption have been implemented for the Castellammare di Stabia, Palermo and Ancona operating units;
- **lighting with LED technology:** this involved the Ancona, Palermo, Castellammare di Stabia, Marghera, Muggiano and Arsenale Triestino shipyards. Further significant interventions in this area are planned for 2023;
- **energy requalification of buildings:** replacement of windows and doors and refitting of the air-conditioning system in the Sestri Ponente office building;
- **pneumatic power plant:** inverterization of compressors and consequent optimization of pneumatic power plant management for the Sestri Ponente shipyard;
- **rational use of energy:** application of management measures aimed at optimizing consumption;
- **remote control and automatic switch-off systems for mobile welding extractors:** essential measures to reduce consumption at night and when there is no production activity. This concerned the Marghera, Monfalcone and Sestri Ponente yards.

The compressor plant at the Marghera yard came into service, while the revamping of one of the compressor plants at the Sestri Ponente yard was completed. Both works involved the installation of more energy-efficient machines.



ENERGY CONSUMPTION

	UNIT OF MEASURE	2021	2021 on a like-for-like basis*	%	2022	%	VAR. 2022/2021
TOTAL ENERGY CONSUMPTION	GJ	3,016,200	3,140,498	100%	3,075,437	100%	-2%
of which heating fuels	GJ	1,593,643	1,703,033	54%	1,640,858	53%	-4%
of which transportation fuels	GJ	99,453	99,453	3%	96,172	3%	-3%
of which electricity	GJ	1,323,104	1,338,011	43%	1,336,673	44%	0%
of which self-produced thermal energy from renewable sources**	GJ	0	0	0%	1,733	0%	-

The data refer to the entire Fincantieri Group.
 *Energy consumption for 2021, amounting to 3,016,200 GJ, was shown on a like-for-like basis following the inclusion on June 1st, 2021 of the subsidiary SOF S.p.A. This allows for the assessment of the 2021-2022 change with the same boundary.
 **The zeroing of 2021 is due to the non-functioning of the Monfalcone plant, which underwent extraordinary maintenance work.

Renewable energy: photovoltaic systems

We continue our efforts to steadily increase the use of renewable energy. Fincantieri signed an agreement in mid-June with the ESCo (Energy Service Company) Renovit, to build photovoltaic systems at five Italian sites, which will enter into service in the first half of 2023, under an EPC (Energy Performance Contract). They can ensure savings on energy expenditure and contribute to greenhouse gas emissions reduction targets. The installation of 22,000 photovoltaic panels is planned to take place within the first half of 2023, in the shipyards in Marghera (Veneto), Monfalcone (Friuli-Venezia Giulia), Riva Trigoso and Sestri Ponente (Liguria) and in the engine plant in Modugno (Apulia) of the subsidiary Isotta Fraschini Motori. The panels will have a total capacity of around 10 MW and, thanks to the self-consumption of the energy produced, estimated at between 75% and 100%, Fincantieri will be able to achieve energy cost savings. In this way, we will reduce the annual electricity withdrawal from the national grid by about 11 GWh.

We are already committed to purchasing electricity from renewable sources certified with Guarantee of Origin (GO) for Italy, Romania and the United States.

ELECTRICITY

	2021	2021 on a like-for-like basis*	2022
ENERGY FROM NON-RENEWABLE SOURCES	16%	18%	18%
ENERGY FROM RENEWABLE SOURCES	84%	82%	82%

The data refer to the entire Fincantieri Group.
 *Electricity consumption has been shown on a like-for-like basis following the inclusion on June 1st, 2021 of the subsidiary SOF S.p.A. As the electricity purchased by SOF S.p.A. in 2021 was not from renewable sources, the Group's share stands at 82%.

The stability of the share of electric energy from renewable sources (82%) is due to the increase in GO prices related to the cost of energy. At Group level, the share of total energy from renewable sources is 35%.

Water

In the current context of climate change, the increase in demand for water resources is highlighting how, in a growing number of countries, large quantities of water may no longer be available at today's cost. Limiting consumption, including through virtuous management of water resources, is one of the main commitments in our Policy and is also one of the aims of the communication/awareness project, aimed at promoting virtuous and eco-sustainable day-to-day behaviour.

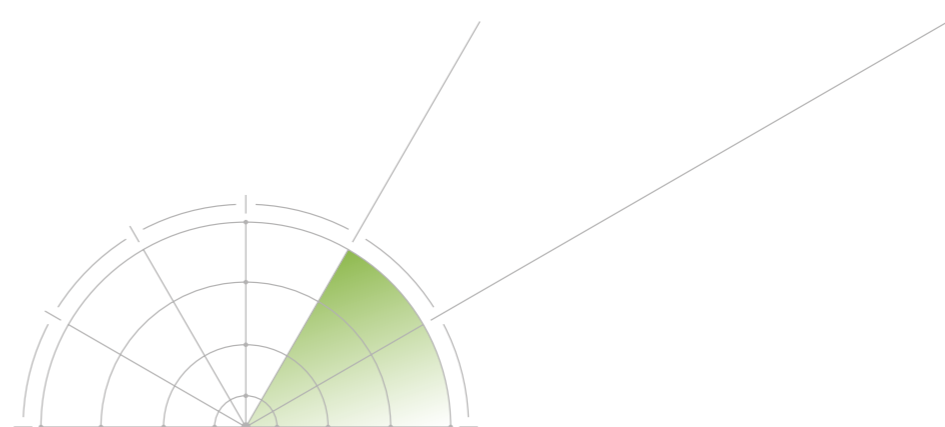
WATER WITHDRAWAL ANALYSIS



Since following the assessment carried out in 2020 using the Aqueduct Water Risk Atlas software, the Ancona, Castellammare di Stabia and Palermo shipyards were found to be in **water stress areas**, the installation of a series of meters to monitor their water consumption was completed in 2022. This intervention will allow us to continuously and more accurately analyse the water consumption of these shipyards, enabling us to analyse daily trends, identify the areas with the highest water consumption and any anomalies. Once these investigations have been completed, any necessary corrective actions can be taken to contain consumption and reduce waste. In addition, the target setting phase for the reduction of water withdrawals, scheduled for 2023, has already been brought forward with the inclusion of the following Group-level targets in the new 2023-2027 Sustainability Plan:

- -7% water withdrawal by 2025
- -10% water withdrawal by 2027
- -12% water withdrawal by 2030

At the level of individual shipyards, as part of the environmental management systems, the measures implemented to ensure the quantitative and qualitative optimization of water use are continuously monitored. Monitoring that also concerns water consumption during the production cycle and envisages the planning and implementation of specific maintenance interventions aimed at saving water resources.



WATER WITHDRAWAL

	UNIT OF MEASURE	2021		2022		VAR. 2022/2021
		ALL AREAS	OF WHICH WATER STRESS AREAS*	ALL AREAS	OF WHICH WATER STRESS AREAS*	
TOTAL WATER WITHDRAWAL	ML	3,042	319	2,879	278	-5%
of which from groundwater	ML	909	64	891	59	-2%
of which from third-party water resources (state/municipal water supplies)	ML	2,083	255*	1,988	218	-5%
of which from the sea	ML	49	0	0	0	-100%

The data refer to the entire Fincantieri Group.

* The water withdrawal sources for the water stress areas are: for Ancona, the Gorgovivo source; for Castellammare di Stabia, Gragnano field of wells (Lattari Mountains System); for Palermo, the artificial storage capacities Poma, Scanzano, Piana degli Albanesi and Rosamarina. The Aqueduct Tool developed by the World Resources Institute (WRI) was used to identify the water stress areas. The WRI tool is available online on the web page: www.wri.org/our-work/project/aqueduct. The results that emerged in the water stress column were considered for the analysis.

69% of the water we use is taken from the municipal/state water supplies and 31% from groundwater. No water was withdrawn from the sea. Water withdrawals are mainly aimed at meeting the needs of the production process and sanitation requirements. In Italy, 100% of the water from municipal/state pipelines and groundwater is freshwater, however there is currently no similar information available for other countries.

In the United States, Fincantieri Marinette Marine completed a campaign during 2022 to raise awareness of the importance of water conservation among personnel entering the shipyard.

Water discharges and heavy metals

Compliance with the table limits for wastewater from industrial activities, the control and proper management of plants and the rational use of process water require constant monitoring and a strong commitment to technical and procedural management. With this in mind, operational control and monitoring measures are envisaged as part of the site environmental management systems to ensure compliance with the specific limits imposed by the individual Environmental Authorizations and the regulations in general.

In compliance with these authorization profiles, the different production sites regularly conduct sampling and laboratory analysis to monitor the quality of the discharges and guarantee observance of the limits laid down by the law concerning specific analytes (including heavy metals and COD - Chemical Oxygen Demand).

All water discharges, whether industrial effluent, rainwater or runoff, are conveyed in the public sewer system or surface water in accordance with the site's Environmental Authorizations.

Raw materials

Procurement of raw materials continues to hold a strategic role for the Company. Over the years, we have consolidated the process of material selection and procurement, based on which the environmental impact of materials in their entire life cycle is assessed at the design stage.

As best described in the section on eco-design, even while preparing contractual technical specifications, and subsequently those needed for the procurement process, we work to identify materials for the interiors that, though possessing the same technical, qualitative and compliance characteristics, are also environmentally compatible.







The main raw materials present in the production cycle are:

- iron for the hull;
- copper for the electric wiring and automation;
- steel, iron, plastics and other iron and non-iron alloys for the piping installed on board;
- welding materials;
- paint products.

In line with the contents of the Policy regarding the use of **chemical products**, the supply choices, where there are equivalent technical characteristics and/or compatible performances, continue to be oriented towards products with a lower environmental impact.

With regard to **paint products**, which are quantitatively most present in shipbuilding production, the cooperation of suppliers and involvement of customers have enabled the introduction of new low-solvent or water-based products into the design technical specifications to be consolidated.

TYPE OF MATERIAL

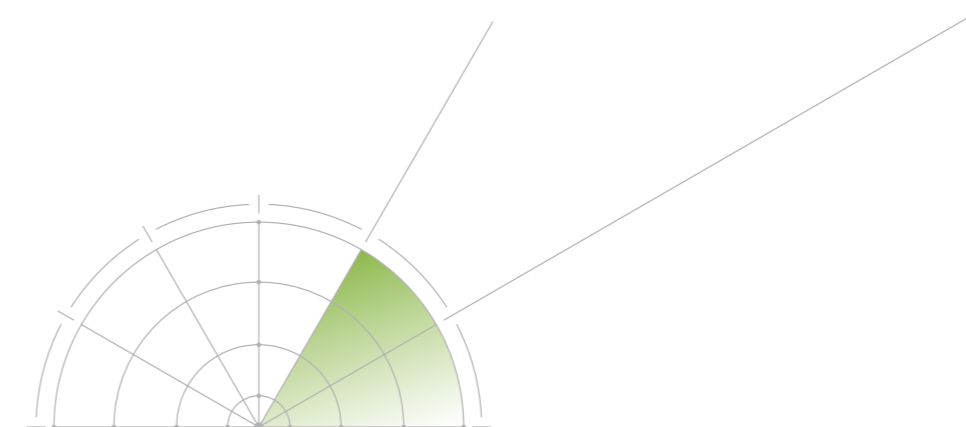
	UNIT OF MEASURE	2021	2022	VAR. 2022/2021
 Carbon dioxide	t	25,609	25,332	-1%
 Argon	m ³	1,247,311	1,319,074	6%
 Nitrogen	m ³	808,118	682,155	-16%
 Ferrous	t	219,907	256,292	17%
 Oxygen	m ³	7,654,736	7,116,401	-7%
 Paints	l	2,929,079	3,265,247	11%

The data refer to the entire Fincantieri Group.

As regards the optimization of **material logistics**, in Italy the project to centralize delivery planning (**Control Tower**), launched in 2014 with the goal of managing the shipyards' delivery requests in an integrated manner in order to reduce transport costs, improve the reliability and timeliness of deliveries and reduce environmental impact, has enabled a reduction in polluting emissions by:

- planning deliveries using the outgoing and return formula;
- increasing vehicle saturation (combining multiple delivery requests with a single carrier).

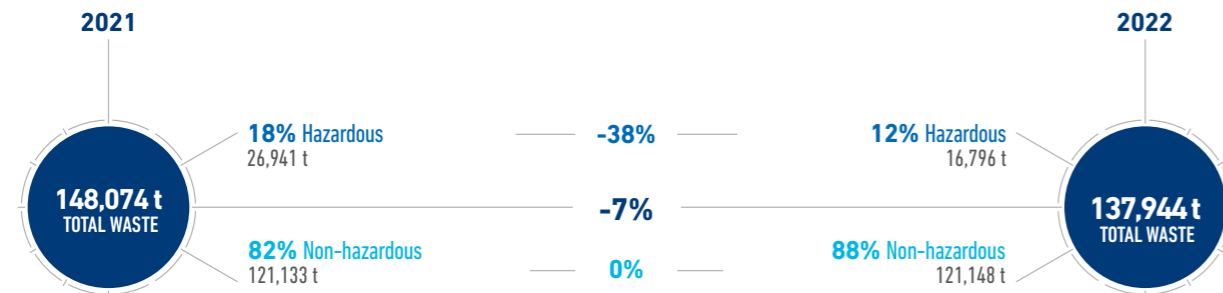
In 2022, with regard to the total of the individual shipping requests, the project led to a reduction of 1,483 journeys (corresponding to 340,753 km) and a saving of 227 t of CO₂, equal to the average CO₂ absorbed in one year by around 38 hectares of forest (Birdsey, R. A., 1992).



Waste

The criteria identified for managing processing residues and waste disposal are included in the company guidelines, which are incorporated and detailed in the procedures of each production unit for managing the site's specificities.

WASTE BY TYPE



The data refer to the entire Fincantieri Group.

In 2022, despite an intensive production process, total waste at Group level decreased by 7%. This result is the consequence of a targeted process for sorting and differentiating processing residues in order to recover and reuse materials still suitable for use in production activities. It should be noted that the entire process is constantly monitored by the Health, Safety&Environment (HSE) structures with regard to both operational and administrative aspects.

The types of waste produced are characterized by the different stages of ship construction. During the prefabrication of blocks, pre-assembly of sections and assembly of the ship in the dock, the types of waste mainly derive from welding/carpentry and construction activities and can be grouped into:

- metals;
- materials from painting activities;
- residues from construction/demolition activities;
- waste from insulation activities.

In the final stage of ship outfitting, residues are mainly produced from packaging materials: wood, paper, cardboard and plastic.

The start-up phase of ship systems can generate residues of lubricants and products used for flushing.

REDUCTION OF HAZARDOUS WASTE IN ITALY



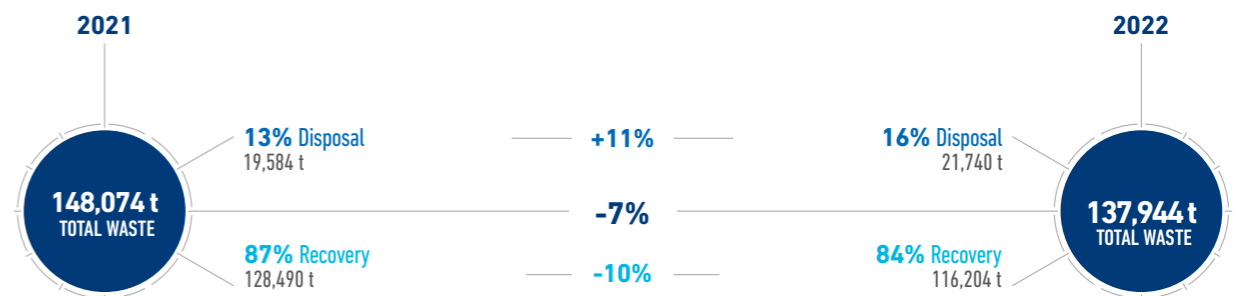
The goal of the 2018-2022 Sustainability Plan to reduce the share of hazardous waste in total waste in Italy by 5% compared to the 2017 percentage has been largely achieved. This result is mainly attributable to the initiatives taken on paint products to reduce volatile organic compounds, as the substitution of solvent-based paints achieved a parallel benefit in terms of hazardous waste.

HAZARDOUS WASTE AS A PERCENTAGE OF TOTAL WASTE

2017	2018	2019	2020	2021	2022	VAR. 2022/2017
18.4%	13.8%	16.0%	18.9%	23.6%	15.9%	-14%

The data refer to Fincantieri S.p.A. and to the Italian subsidiaries.

WASTE BY DISPOSAL METHOD



The data refer to the entire Fincantieri Group.

In 2022 at Group level, the share of **waste sent for recovery** out of the total waste produced remained **above 80%** thanks to increased sorting at all shipyards.

In particular, in Italy the share was 87%. This important result has been achieved by implementing targeted policies, using an extensive recycling collection of processing residues.

The layout of the production cycle, characterized by specific sequences of the processing phases, makes it possible to optimize the choice and introduction of the materials used upstream and, therefore, to organize the waste sorting and collection methods correctly.

In each production unit, an area is designated for the identification of materials and the grouping of processing residues by the same types. Another area is dedicated to the storage of waste by type while awaiting transfer outside.

In accordance with this organizational model, waste produced by our activities is delivered to authorized sites according to its classification and, in line with the policies adopted by the Group, recovery destinations are favoured and maximized.

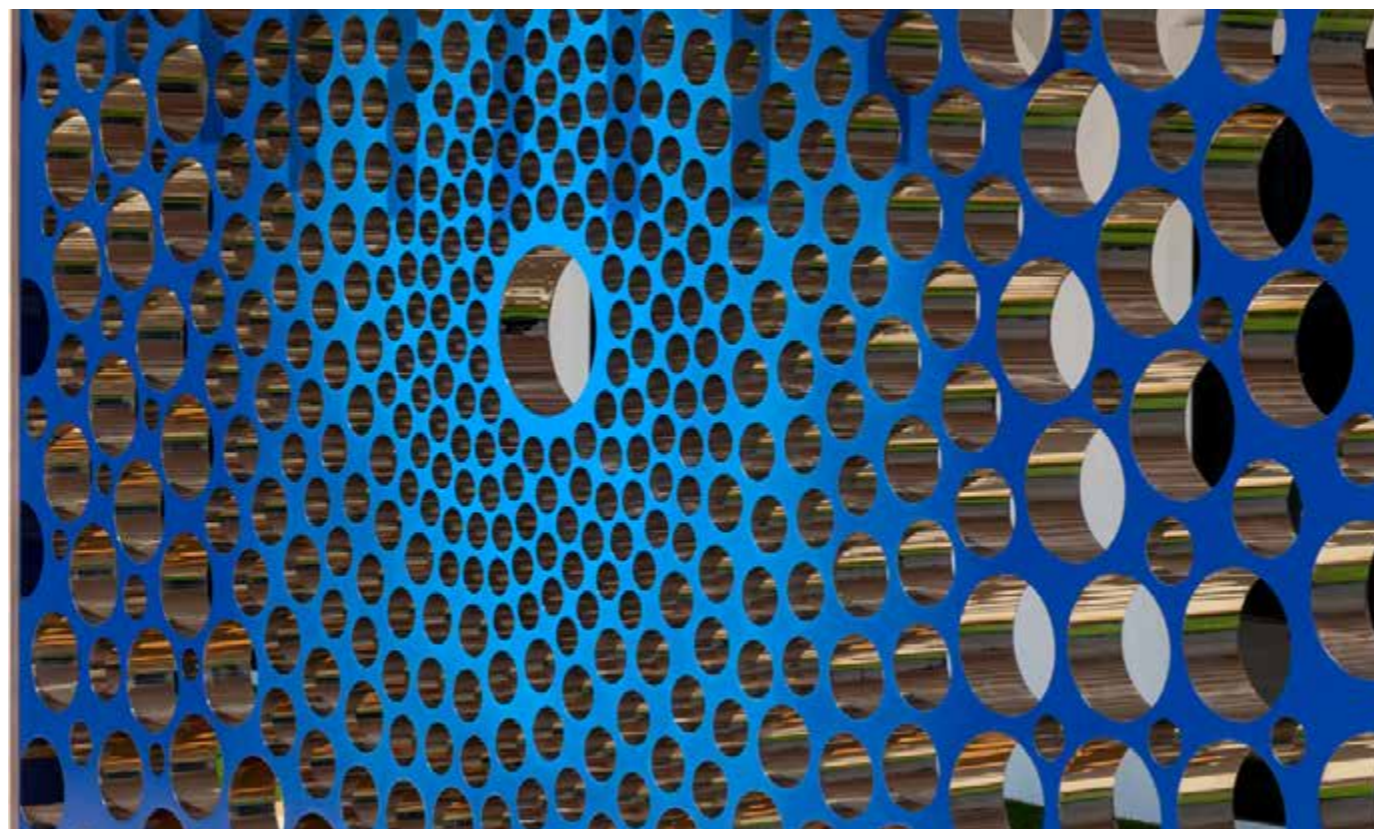
In Italy, waste transport, recovery and disposal activities are carried out by third parties, authorized and registered in the National Register of Environmental Operators. Evidence of this registration and of the environmental authorizations they hold is required at the time of formalization of the assignment and is repeated each time the contractual conditions change.

In pursuing the commitments set out in our Policy, we promote the priority use of **materials with a lower environmental impact** that favour sustainable waste management both during the shipbuilding phase and during operation and end-of-life.

Most of the materials used for the construction of the hull are ferrous and are therefore by their nature reusable. Steel is a 100% **recyclable material** and it can be recycled countless times without losing any of its original properties. This product is therefore never consumed, but by sending the residues to special processing plants it can be continuously transformed through recycling processes that make it a permanent material, a concept underpinning the circular economy.

The VARD group identifies the optimization of recovery activities as a priority: in 2022, waste sent for recovery amounted to around 87% of the total waste produced. In Romania, there are programs to reduce waste production through careful waste monitoring.

In the United States, Fincantieri Marine Group has specific policies and procedures for waste management and the continuous improvement of processes; thanks to consolidation of the actions undertaken, data on recovery are close to 45%.



Corporate mobility

We are committed to promoting a model for sustainable mobility management, with the aim of reducing greenhouse gas (GHG) emissions.

Mobility survey

During 2022, the Mobility survey was launched: a survey on the home-to-work journeys of our employees, both white collar and blue collar, which involved all employees of the Parent Company. The results of the survey were fundamental for calculating GHG emissions and developing innovative solutions for increasingly sustainable mobility that helps the environment and our communities in observance of the Group's Values. The survey achieved an overall response rate of 57%.

The digital company **car-pooling** service, dedicated to the employees of Fincantieri S.p.A. and the Group's Italian subsidiaries, provides and incentivises a sustainable alternative solution for home-work journeys by sharing the use of private cars. The system - which can also be used through a software application for smartphones or tablets - makes it easy for employees to get in touch with each other and to certify the results in terms of energy and environmental savings, whenever they share a vehicle on their home-work journeys. At the same time, the platform provides access to a reward system that stimulates participation in the initiative, helping, from a green perspective, to change established habits. In parallel, the 'soft mobility' option has been implemented in the same digital system, allowing users to certify home/work journeys made by bicycle and on foot, and here too access a reward system. Restrictions to contain the spread of Coronavirus have led to a temporary suspension of the car pooling service, which is expected to resume in 2023.

The measures implemented in previous years for the prevention and containment of COVID-19, which in fact restricted/suspended activities involving the movement of people, have allowed certain measures to be consolidated over time, for example:

- the increased use of tele- or videoconferencing meetings;
- the performance of smart working activities;
- limiting business trips and travel, giving priority to those that are strictly necessary and cannot be postponed.

Prior to the situation created by the pandemic emergency, the company policy on work travel had encouraged the use of **public transport** whenever possible and/or feasible without creating excessive travel difficulties for the employee, thus limiting the use of private cars. This was also made possible by the signing of dedicated agreements with local public transport companies for the activation of additional bus routes/lines.

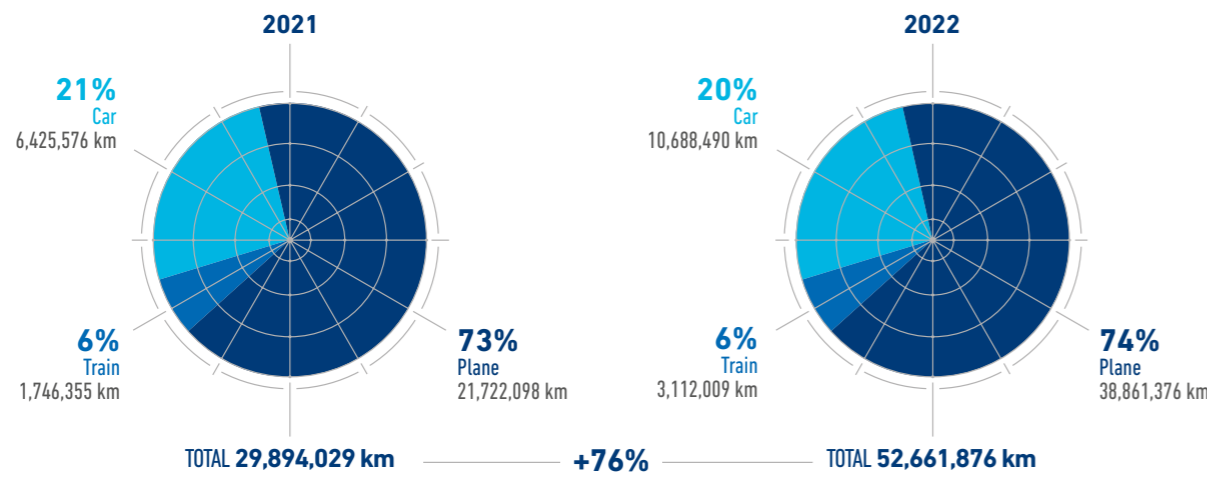
Among the various initiatives carried out by the company to encourage the use of public transport in the area of sustainable mobility, employees can apply, through the **Welfare Portal**, for full or partial reimbursement of their season ticket for urban public transport or train travel, not only for themselves but also for their tax-dependent family members.

With a view to sustainable mobility, it is worth mentioning that the various Italian production plants have **electric charging stations for the batteries** of company vehicles.

With regard to the fleet of company cars for business and personal use, as with the fleet of service vehicles, the gradual replacement of current vehicles with hybrid cars, including PHEVs (Plug-in Hybrid Electric Vehicles) is underway.

As far as the subsidiaries are concerned, both Fincantieri Marine Group and Vard have a **travel policy** and adopt multiple measures to reduce travel and thus environmental impacts.

CORPORATE MOBILITY



The data refer to the entire Fincantieri Group.

During 2022, business travel increased compared to the previous two years, as, partly due to the vaccination campaign carried out by the institutions and facilitated by the company, restrictions on public transport were progressively reduced/removed (as opposed to restrictions on entry into the various countries).

Other emissions of polluting gases

The conversion of most of the heating networks in the Italian shipyards has led to the elimination of heavy combustibles and the introduction of natural gas systems, resulting in growing but still negligible **sulphur oxide (SOx) emissions**.

OTHER EMISSIONS OF POLLUTING GASES

	MEASUREMENT UNIT	2021	2021 ON A LIKE-FOR-LIKE BASIS	2022	VAR. 2022/2021
SOx	t	0.04	0.04	0.7	1835%
NOx	t	28.3	28.3	32.4	15%
COV	t	546*	787.2	708.4	-10%

The data refer to the entire Fincantieri Group.
*The 2021 VOC data covers Italy and Fincantieri Marine Group in the United States.

The increase in **nitrogen oxide (NOx) emissions** is the result of the upgrades and commissioning of plant facilities at US sites, which have led to an increase in natural gas consumption.

REDUCTION OF VOLATILE ORGANIC COMPOUND EMISSIONS



In the 2018-2022 Sustainability Plan, we committed to reduce Volatile Organic Compounds (VOCs) emissions by 20% in relation to production volumes (hours worked) compared to 2017 for Fincantieri S.p.A. This target was largely achieved mainly thanks to the initiatives taken to replace traditional paint products with low-solvent or water-based solutions. These initiatives involved suppliers, shipyards and shipowning companies with a stake in the ship being built in a cross-cutting manner.

The increase in activities carried out within facilities equipped with high-performance abatement conveyor systems also played a significant role.

VOC EMISSIONS OVER HOURS WORKED (tCOV/hours worked)

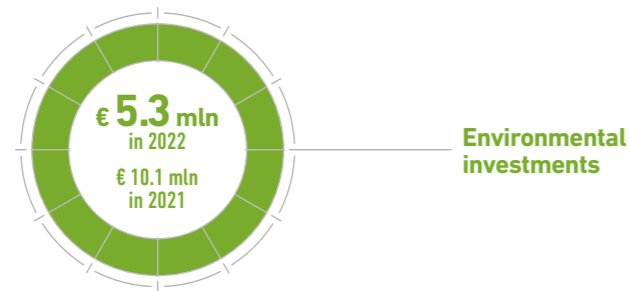


The data refer to Fincantieri S.p.A.

Fincantieri's production sites are individually subject to environmental authorizations that prescribe specific limits at local level on the maximum consumption and total emissions of VOCs into the atmosphere. Compliance with these limits is pursued, even when production volumes are increasing, by planning a gradual replacement of the products used with alternatives with a lower solvent content and by adopting appropriate system measures to reduce emissions. The areas dedicated to sandblasting and painting activities are provided with abatement equipment, most of them with a post-combustion system that eliminates VOCs released during processing.

The VARD group continues to research new approaches to contain and minimize the impact of emissions resulting from industrial activities. The group's commitment is also demonstrated by its participation, since 2008, in the **Confederation of Norwegian Enterprises' NOx-Fund**, whose primary objective is to reduce **emissions of nitrogen oxides**.

Efficient investments



In 2022, Fincantieri consolidated its commitment to implementing actions aimed at continuous improvement in terms of the impacts of its activities on all environmental matrices. The main interventions concerned:

- the alignment of Monfalcone's standards with the provisions of the Integrated Environmental Authorization (AIA);
- the optimization of energy consumption in all the Group's operating units, including through the gradual replacement of lighting systems with new, more modern, more efficient systems, less costly throughout their life cycle;
- the introduction of tools for monitoring water consumption and reducing waste;
- the improvement of fume extraction systems;
- the reduction of noise pollution;
- improvement of the process water collection facilities with the purchase of new collection and purification equipment.

In 2022, most of the environmental measures were concentrated on the Monfalcone shipyard, in line with the improvement program shared with the issue of AIA. The main initiatives in this area are related to:

- soundproofing of areas dedicated to activities that produce the most noise;
- the continuation of the gradual replacement of fume extraction systems in order to further improve conditions in the work environment.

With reference to investments of a strictly environmental nature, there was a reduction in 2022 with respect to the 2021 values: at Monfalcone there was a gradual reduction in activities related to AIA certification, which, although they still accounted for a significant proportion of environmental investments in 2022, saw a reduction in absolute value; in 2021 works were completed for the treatment and management of rainwater at the shipyard. These reductions were, however, partially offset by the increase in energy efficiency initiatives undertaken by the Group, also due to the international context, which led to a significant increase in energy costs.

Finally, it should be borne in mind that, in addition to the strictly environmental investments mentioned above, we are constantly investing in cutting-edge, low environmental impact technological solutions for the replacement of underperforming equipment in our operating units, as well as in the development of initiatives to improve the social welfare of our people. Of particular note is the completion of the first company crèche at the headquarters of the Merchant Ships Division in Trieste in 2022 to support parenthood.

Investments in energy efficiency: with regard to reducing **energy consumption**, we are continuing the robust relamping plan initiated in previous years, which, in 2022, mainly involved the shipyards of Marghera, Ancona, Stabia, Palermo, Muggiano and the Arsenale Triestino. Further significant interventions in this area are planned for 2023. Still on the subject of energy, two important initiatives were started at the Sestri shipyard in 2022: the efficiency upgrading of the compressor station and the refitting of the air-conditioning system in the office building.

Other investments to reduce environmental impacts: in order to improve **water management** at our sites, the installation of a series of meters to monitor water consumption at the Ancona, Castellammare di Stabia and Palermo shipyards has been completed. This measure will allow Fincantieri to more accurately analyse the water consumption of the sites considered most critical - since they are located in areas subject to water stress - thus enabling it to study and take any necessary corrective actions to reduce waste. Other important interventions to reduce environmental impacts focused on Marghera, with the construction of a new wastewater treatment plant, and Palermo, with the installation of first rainwater capture systems, the implementation of a system to recover water used during processing within the graving dock, and the completion of a new temporary waste storage facility.

Investment in workers' health: Fincantieri continues to invest annually to **improve working conditions** within its operating units. In this context, special investments were made in 2022 especially in Monfalcone, in line with the broader improvement program shared at the time the AIA was granted; in Muggiano, where the installation of a welding fume extraction system was completed to ensure lower emissions; and in Palermo, where systems for sampling atmospheric emissions were implemented and where the sandblasting and painting sheds were refitted.



Fincantieri has always been deeply committed to extending environmental protection and worker safety initiatives to its subsidiaries, constantly promoting energy efficiency measures and providing support during the implementation of projects. In this context, by way of example, some of the initiatives developed in 2022 by Group companies are described below:

- implementation of a water treatment system to reduce process waste at the Vard Tulcea shipyard (Romania);
- installation of new measurement systems for monitoring energy use at the Fincantieri Infrastructure plant.

Lastly, it should be noted that as of 2021, with the aim of integrating the analysis of the environmental and social impact of initiatives into the investment assessment process, the use of **Guidelines for assessing investments according to sustainability principles** was introduced at Fincantieri.

In particular, the sustainability assessment is carried out through the use of a specific score-card that measures more than 20 ESG parameters (e.g. energy efficiency, impact on workers' health and safety, reputation of the Company) that may or may not be influenced by the investment. An ESG score is calculated for each parameter and depends on:

- the relevance of the parameter itself with respect to company policies and the commitments made in the Group's Sustainability Plan;
- the magnitude of the impact that the investment is expected to have on the value of the parameter.

The sum of the ESG scores for the parameters included in the score-card will provide an overall ESG score for the initiative, which will be used in the evaluation to compare the different investment alternatives.

ESG parameters and their relevance are updated annually to ensure constant alignment with company policies and the commitments made in the Group's Sustainability Plan.



Biodiversity

We promote the efficient use of natural resources and the protection of biodiversity, identifying potential impacts and mitigation actions, since safeguarding the natural value of the areas surrounding our production sites is of primary importance.

To protect these places, specific and special precautions are taken in accordance with local legislation and activities that could directly or indirectly concern protected areas are carefully monitored.

Aware of the importance of this issue, a specific objective was included in the 2023-2027 Sustainability Plan, involving the start of a Group-wide project to analyse the potential impacts of our production processes on biodiversity and identify possible opportunities for improvement.

The production sites in Muggiano (surface area of 147,000 m²), Riva Trigoso (surface area 173,000 m²) and Sestri Ponente (surface area 237,500 m²) are inside an International Marine Protected Area - Marine Mammal Sanctuary.

The production site at Marghera (surface area 370,000 m²) is located within the UNESCO site - Venice and its Lagoon.

In the United States Fincantieri Marinette Marine is positioned next to the Menomonee, in Wisconsin (for a surface area of 21,315 m²), an area that needs to be protected due to the quality of its waters, marshy land and ecosystem of aquatic flora and fauna.

As regards the VARD group, the Tulcea shipyard in Romania (for a surface area of about 750,000 m²), is adjacent to the area of the Danube Delta, protected by UNESCO. ISO 14001 certification guarantees implementation of the necessary measures to safeguard the site.

Vard Promar, in Brazil, occupies a surface area of about 800,000 m² and part of it (250,000 m²) is adjacent to the mangrove forest, considered by WWF to be a biome, i.e. one of the fourteen areas into which the Earth is divided, characterized by particular dominant forms of vegetation and climate. Also, in this case, specific and special precautions are implemented in accordance with local legislation.



TECHNOLOGY FOR THE CLIMATE

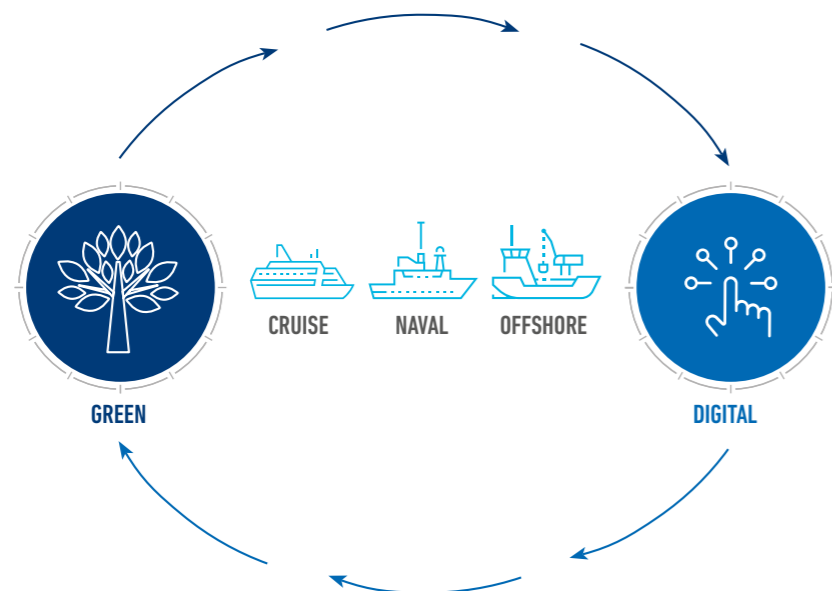
We develop innovative technologies using the knowledge and skills acquired over the years in order to contribute to the creation of environmentally sustainable products, services and infrastructures



Our business has an indirect impact on the environment, in particular through the products that we make, the supply chain and our partnerships.

Eco-sustainable ships and infrastructures

The world of navigation, whether cruise, merchant or naval, is going through a process of evolution guided by the principles of sustainability and the circular economy. For us, this scenario is already a consolidated reality and with our projects we are redesigning the future scenario of navigation, at a strategic and technological level. The ships under construction increasingly resemble a large, hyper-connected, energy self-sufficient, lighter and 'green' or hybrid propellant floating city, capable of recycling up to 90% of the waste produced. With the technologies already normally applied today, we can thermally recover up to 20% of the energy contained in the fuel. The efficiency measures recently introduced in non-propulsion systems on board have led to further reductions in consumption. For example, on a ship of about 130,000 GRT (Gross Registered Tonnage), a reduction of up to 1,200 tonnes of fuel a year can be achieved, which corresponds to about 7% of the ship's annual fuel consumption.



Cruise ships

In order to respond to ever more stringent environmental regulations, the cruise industry, which currently produces almost 2.3% of global emissions (IEA 2022, Transport) is highly committed to adopting policies to minimize environmental impact; this is a joint effort implemented by cruise lines and shipbuilders. The regulatory framework, through regulations at a global and local level, requires a rapid reduction of emissions into the air and water. The reduction of environmental impact has become one of the most important drivers for design and innovation in the field of cruise ships. In particular, the International Maritime Organization (IMO), which oversees safety and environmental regulations in the maritime sector, has set **targets to reduce** average CO₂ intensity per tonne/mile compared to 2008:

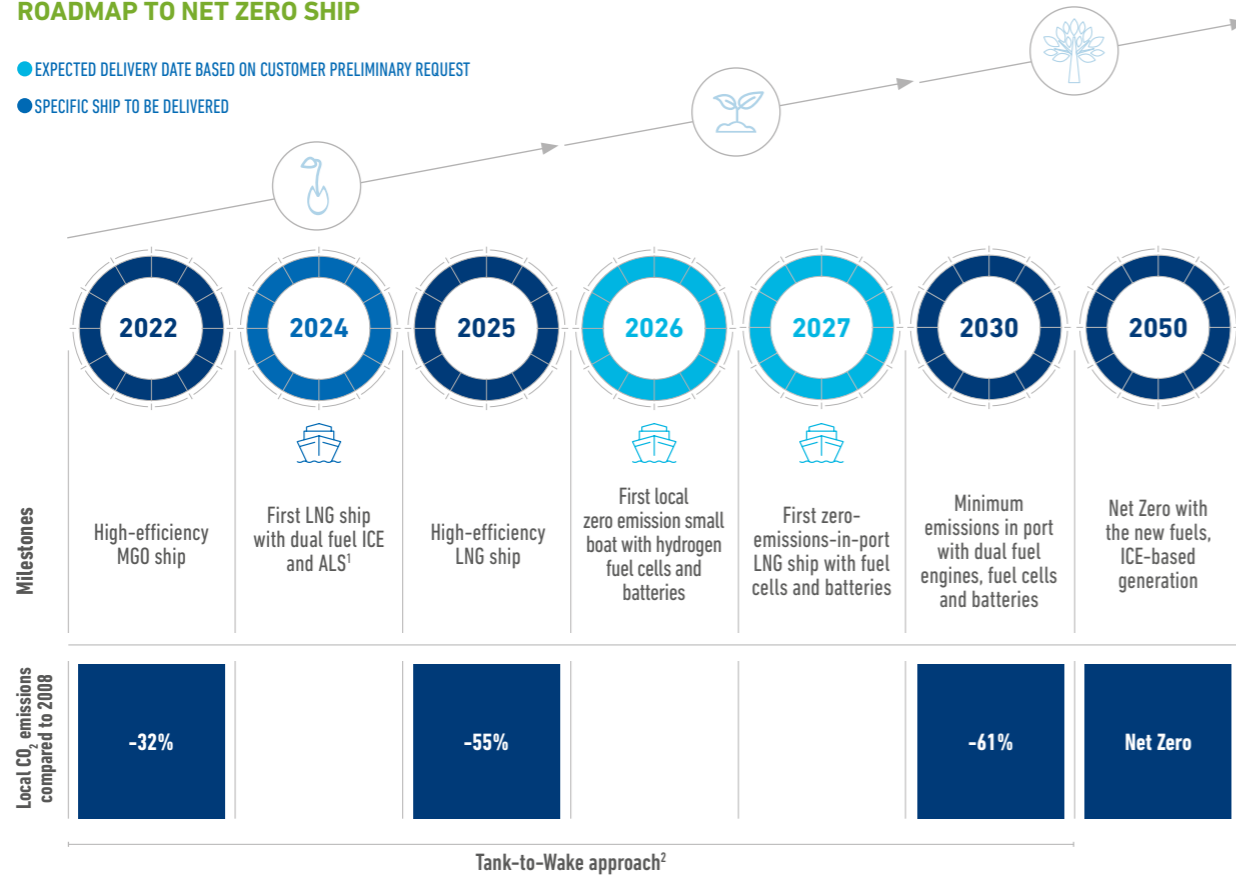
- by 30% by 2025;
- by 40% by 2030;
- by 70% by 2050.

It has also agreed a target to reduce total greenhouse gas (GHG) emissions by at least 50% compared to 2008 levels by 2050. At a European level, even more challenging targets are being discussed, which, through the application of new technologies and fuels and the revision of the regulatory framework, also aim at the **Net Zero** concept for cruise ships. Targets we are committed to achieve for the cruise business, as stated in the 2023-2027 Sustainability Plan.



ROADMAP TO NET ZERO SHIP

- EXPECTED DELIVERY DATE BASED ON CUSTOMER PRELIMINARY REQUEST
- SPECIFIC SHIP TO BE DELIVERED



Emission reduction based on "standard profile selected": 63% at sea, 37% in port and compared to Fincantieri's baseline.
 1 Air Lubrication System.
 2 Tank-to-Wake approach: takes into account emissions from the combustion or use of a fuel once it is already in the tank.

Our ships represent a technological reference point not only in Europe but also at a global level and feature the most advanced technologies in the field of **energy saving, emissions reduction, high quality and high performance** of the technical solutions adopted. In particular, we follow all the international best practices to minimize a ship's environmental impact throughout its entire life cycle.

Energy saving and reduction of emissions

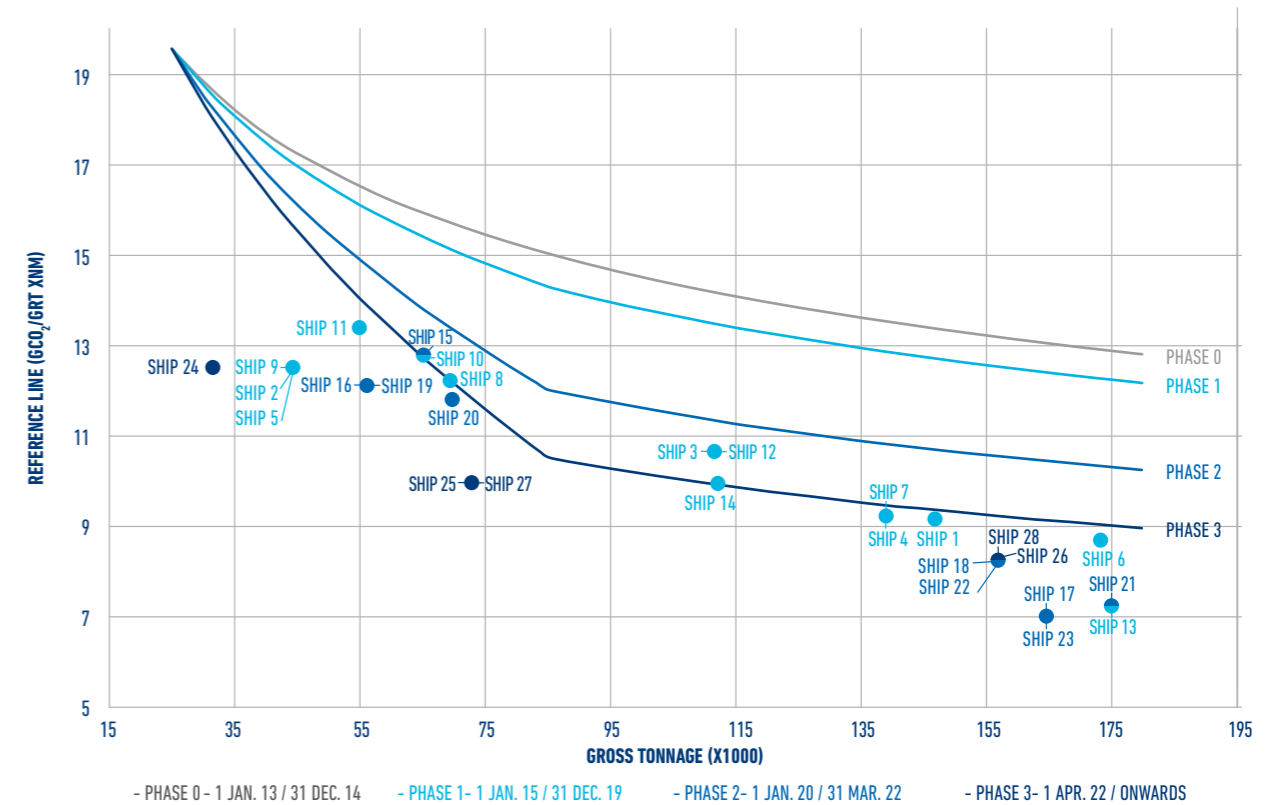
The International Convention for the Prevention of Pollution from Ships (MARPOL) aims to prevent and minimize accidental pollution and pollution resulting from routine operations. MARPOL Annex VI sets out the rules for calculating and verifying compliance with the limits set for the energy efficiency design of ships, both for new ships (Energy Efficiency Design Index - EEDI) and for existing ships (Energy Efficiency Existing Ships Index - EEXI).

Lower index values correspond to greater energy efficiency. Regulations impose a decrease in values over time. Our ships anticipate the EEDI values in several cases.

For ships already in operation, the subsidiary Cetena is developing a **software tool** to support decision-making and monitor **energy performance**, in order to identify best practices for optimizing operational energy efficiency, to provide specific energy assessment and efficiency advice, and to support crew familiarization and training activities. At the request of some shipowners, the software has already been installed on the first ships.

The EEDI scores obtained by Fincantieri's cruise ships delivered in the last five years with respect to the provisions of the regulations on the index values, represented as time phase curves, are given below.

EEDI FOR CRUISE SHIPS DUE FOR DELIVERY BY FINCANTIERI IN THE PERIOD 2022-2027



In particular, we have validated and applied on our ships a series of initiatives, included in the Company's **Eco-sustainable Design** procedure, that are also aimed at energy saving and reducing air pollution.

SOME ENERGY SAVING SOLUTIONS

SOME EXAMPLES OF ENERGY SAVING SOLUTIONS	REDUCED CONSUMPTION PER SHIP OF APPROX. 130,000 GRT (t FUEL/YEAR)
Fan coil installation in cabins	290 t/year
Fan coil installation in public areas	160 t/year
Variable speed adjustment systems for electric motors	220 t/year
Heat recovery system optimization	270 t/year
Recalibration of drinking water generation system	48 t/year
Increase of electric motor energy class	75 t/year
LED and high efficiency lighting and automatic lighting control	130 t/year

The reduction in consumption has been calculated based on average savings values for the various energy saving initiatives.

MARPOL also requires a progressive reduction in emissions of harmful gases, in particular sulphur oxides (SOx) and nitrogen oxides (NOx). The constraints are growing over time, and they are particularly strict in Emission Control Areas (ECA), which broadly identify the most vulnerable ecosystems, where the most stringent values for reducing harmful emissions are applied, and which coincide with the main operating areas of the cruise industry. European legislation (Directive 2012/33/EU) sets further emission limits, particularly in port areas, due to their proximity to intensely inhabited areas.



To meet the challenge of reducing emissions, Fincantieri is experimenting with various green technologies, which are described below.

Liquefied natural gas

The currently most common configuration for emissions reduction is based on **latest generation diesel engines** combined with the installation of fume purification systems in the exhaust systems.

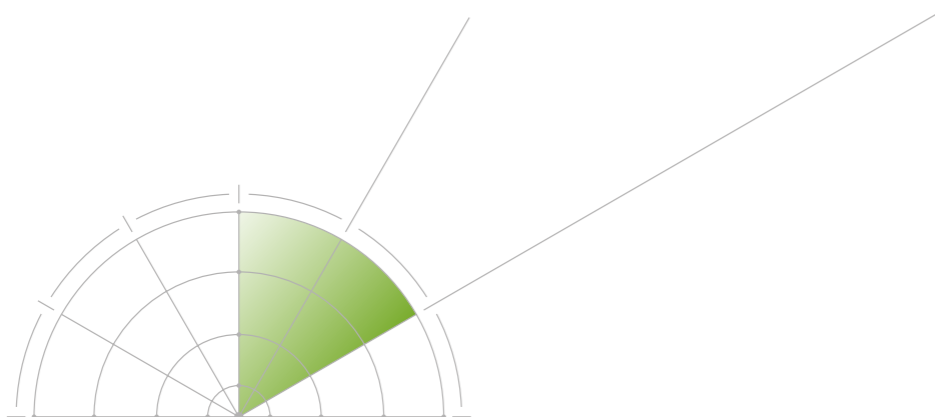
Another method which is gradually being established is the substitution of traditional fuels with **Liquefied Natural Gas (LNG)** in view of the indisputable benefits in terms of emissions impact.

SOLUTIONS TO REDUCE HARMFUL AIR EMISSIONS

PURIFICATION OF EXHAUST FUMES		LNG/DUAL FUEL PROPULSION	EMISSION IMPACT BY TYPE OF POWER SUPPLY		
			EMISSIONS (DIESEL CYCLE)	HEAVY FUEL OIL	LNG
 NOx	NOx Reduction: Catalytic converter in which the nitrogen oxides are made to react with urea in a high temperature process, obtaining pure nitrogen (N ₂) and water vapour	Reduction NOx e SOx: solutions for future new builds	CO ₂ (g/KWh)	560	430
			SOx (g/KWh)	0.9	0.006
 SOx	SOx Reduction: Scrubbers fume scrubbers		NOx (g/KWh)	10.47	2.5

Emission values refer to the limits imposed by the MARPOL regulation.

However, new technologies are not free of problems: in general, it can be pointed out that the latest technological solutions together with the installations introduced for environmental protection occupy volumes previously intended for payloads. Specifically, speaking of LNG, it should be noted that, accommodating the tanks on board (in addition to the liquid fuel tanks) and installing the related operating and safety systems entails a significant reduction of the useful space. Moreover, the development of a logistics system capable of ensuring the availability of LNG, including intermediate storage and bunkering systems, in all major cruise destinations is still at an embryonic stage, a circumstance that limits the area of operation on new ships.



Fuel cell research

The future lies in the application of **fuel cells**, electrochemical conversion devices that generate electricity and heat by combining a fuel (typically hydrogen, methanol or methane) and a comburent (oxygen), in the absence of combustion. A technology that, in fact, does not produce polluting substances. After the initial development phase, linked to space exploration and the naval field (submarines), terrestrial applications for the generation of electricity and propulsion (from cars to prototype trains fuelled by fuel cells) are spreading. The Company has set up a research laboratory, in collaboration with the University of Trieste, to test power generation systems based on different types of fuel cells. Fuel cells are a mature technology, but the systems in circulation are not capable of generating the tens of megawatts of power needed to power large vessels. Between 40 and 80 megawatts of power are, in fact, installed on a cruise ship, one third of which is dedicated to the hotel part and two thirds to propulsion. Fuel cell systems currently being adapted for marine use are capable of developing power in the order of a few megawatts.

Lithium batteries

Another technology we are investing in is lithium batteries. In 2021, we formed the Power4Future joint venture with Faist to focus on this project. Power4Future will cover the entire production process: from cell design, lithium ions and assembly to marketing and after-sales services. As well as powering ships covering short distances, the batteries will also be able to contribute to zero emissions in port when there is no cold ironing. Fincantieri experimented with this a few years ago, installing a system of mega lithium batteries to power the Grimaldi group's twin ferries, Cruise Roma and Cruise Barcelona, thus avoiding the need to run diesel generators during port stopovers.

USE OF BATTERY MODULES

To cover the entire load on board

Supplementation of the electric power supplied by the batteries with a traditional generation system (as in hybrid cars). The energy supplied by the batteries is used:

- exclusively in particular situations (for example in port), or
- supplemented by the on-board diesel engines at times of maximum power demand (e.g. maximum speed navigation).



The road to hydrogen

Hydrogen or, alternatively, ammonia are solutions that could enable the maritime transport segment to reduce its emissions to zero. But there is still a long way to go since these involve developing technologies.

The most suitable energy sources should be identified for each type of maritime transport, taking into account the relevant constraints (e.g. low energy density, limited availability, storage and transport difficulties, potential toxicity/hazardousness). The systems for these forms of energy generation (from endothermic engines to fuel cells) need to be designed, tested and implemented as do the associated equipment. It is essential to promote the development of the relevant safety regulations and to define the conditions to allow the new technologies to become economically self-sustainable by ensuring development of the infrastructure for production, distribution and storage.

Fincantieri has joined the public-private partnership launched by the European Commission and the Waterborne Technology Platform to decarbonize waterborne transport. The aim is to present zero-emission solutions for all types of ships and services in the maritime segment by 2030, making waterborne transport completely emission-free by 2050. The project is funded by the Horizon Europe research and innovation programme. One of the problems of hydrogen applied to maritime transport is the absence of regulation on how to design a hydrogen-powered ship or how it can be put to sea. There is still no regulatory framework for setting out the shipbuilding rules.

ZEUS: the floating laboratory

In cooperation with the Italian National Research Council (CNR) and the Universities of Genoa, Naples and Palermo, and with the contribution of the Italian Ministry of Economic Development, we developed ZEUS (Zero Emission Ultimate Ship), an experimental 25.6-metre-long vessel powered by hydrogen fuel cells and equipped with a lithium-ion battery for navigation at sea, the first of its kind in the world. The ship was delivered in October 2022 and certified by the Italian Naval Register. It is a true floating laboratory, whose purpose is to acquire information on how fuel cells, electrochemical devices that allow electricity to be obtained directly from hydrogen without a thermal combustion process, behave in the real environment. The ship is equipped with a hybrid apparatus, with two diesel generators and two electric motors as a conventional propulsion system. In addition to this, there is a 130 kW fuel cell system, powered by approximately 50 kg of hydrogen contained in 54 metal hydride cylinders, using technologies already in use on submarines, and a lithium-ion battery system, which together will give approximately 8 hours' navigation autonomy with zero emissions at a speed of approximately 7.5 knots.



Orders with new technology

Fincantieri has already built a special LNG-powered ferry for Canada in the past and, in 2019, it received orders for prototype dual-fuel cruise ships primarily powered by LNG:

- TUI Cruises (joint venture between TUI AG and Royal Caribbean Cruises) finalized the order of two new-generation cruise ships with a gross tonnage of approximately 161,000, primarily powered by LNG. Energy efficiency is one of the features of the project, with a dual objective of containing consumption under operation and minimizing the environmental impact. Delivery is scheduled for 2024 and 2026;
- Princess Cruises, the Carnival group brand, ordered two cruise ships with a gross tonnage of 175,000. The vessels, due for delivery in 2023 and 2025, will accommodate approximately 4,300 passengers and will be based on a new-generation project, becoming the first of the Princess Cruises fleet to be powered mainly by LNG.

During 2022, the development of the 'green' ship segment was enriched by two further orders:

- Explora Journeys, a brand of the MSC group, the world's third-largest cruise operator, finalised a memorandum of agreement for two new-generation hydrogen-powered ships with industry-leading features that will enable 'zero-emissions' operation in port with the engines switched off;
- Four Seasons has signed a contract to build an extra-luxury cruise ship, scheduled for delivery by the end of 2025, using alternative fuels and fuel cells to support the main engines.

VARD has delivered various small/medium-sized vessels equipped with **electric batteries** to cover all or part of the energy requirements and it is committed to testing other innovative solutions:

- it delivered the first self-driving electric container ship in 2020. During its first years of operation, the ship will progressively reduce human involvement in driving until complete autonomy is achieved. The 80-metre by 15-metre vessel will operate in Norway, guaranteeing a transport capacity of 120 Twenty feet Equivalent Unit (TEU), replacing 40,000 Heavy Goods Vehicles (HGV) journeys a year. The vessel will reduce NOx and CO₂ emissions and improve road safety in a highly populated urban area;
- it is building a series of multi-purpose robotic ships for the operator Ocean Infinity with a greatly reduced carbon footprint. The vessels will be activated from land and have the option of using green ammonia as an alternative fuel, as well as being equipped with on-board fuel cell technology;
- it is building a cable laying ship developed according to the latest energy efficiency technologies. The dual-propulsion hybrid vessel will have the possibility of being powered by biofuels, as well as being equipped with high-capacity on-board batteries and a state-of-the-art energy management system.

Zero emissions in port: cold ironing

One of our goals is to achieve zero emissions in ports by 2030. During dock time the propulsion engines are switched off, but auxiliary diesel engines are used to ensure the provision of services on board, which involve high fuel consumption and exhaust emissions.

The solution is **cold ironing**, the dock electrification system that allows electricity to be supplied to the ship directly from the shore, so that the ship's engines can be shut down while it is berthed. In addition to reducing polluting emissions, the supply of energy from the grid helps to reduce noise pollution and improve comfort on board while in port.

The major limitation of cold ironing is investment costs. In fact, this technology requires both the electrification of the quay and the installation of appropriate on-board systems.

To implement this technology in ports, Fincantieri, through its subsidiary Fincantieri SI, has initiated a series of agreements, including a partnership with Enel X for the construction of new-generation port infrastructure and the electrification of logistics activities on shore.

Treatment and storage of solid and liquid waste

Waste treatment is regulated by MARPOL:

- Annex I Prevention of pollution by oil and oily water;
- Annex IV Prevention of pollution by sewage;
- Annex V Prevention of pollution by shipboard waste.

The increasingly stringent regulations in force in areas with a strong cruise vocation and vulnerable ecosystems - such as Alaska and the Baltic Sea - determine the characteristics of the latest generation cruise ships.

Only bacteriologically and chemically pure water, with an extremely low hydrocarbon content, can be discharged into the sea (under certain conditions) in these zones. Any other residue must be stored on board and unloaded in port for further treatment.

The processes for treating, sorting and disposing of the waste produced on board are shown in the diagram below.

WASTE TREATMENT

SOLID WASTE



- collection, dehumidification, kitchen waste treatment;
- sorting and recycling of hotel waste;
- compaction and/or incineration (where permitted) of solid waste;
- pelletizing, storage of waste for subsequent unloading in port.

LIQUID WASTE



- physical and biological treatment (in line with the best land standards) of all on-board wastewater (sewage, grey water, kitchen effluents and laundries);
- storage of purified water;
- thickening and drying of residual sludge for subsequent unloading in port.

Ballast water treatment

The ballast water treatment regulations, International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM 2004), require ships to sterilize ballast water before discharging it, to avoid contamination with species from different ecosystems.

BALLAST WATER TREATMENT



Latest generation of ballast water treatment systems, based on the pre-filtering of plankton and subsequent sterilization with ultraviolet rays.

Naval vessels

The naval vessel market, strongly influenced by the continual demand to increase efficiency standards in the international Defence segment, is one of the most demanding challenges. We are a reference player for many Navies, able to face all the challenges presented thanks to our consolidated experience in the design sector; our know-how has enabled us to deliver over 100 naval vessels since 1990.

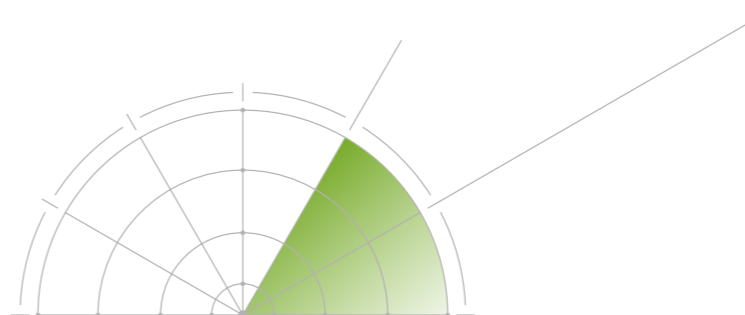
Solid and mature competence has enabled us to combine the development of platforms with high operational performance with the application of solutions aimed at containing environmental impacts.

Thanks to the adoption of an eco-sustainable design process and the increased sensitivity towards ecological issues shown by Navies, we have been able to operate in many fields, adopting solutions aimed at reducing environmental impact. We have collaborated with the Italian Navy for many years, focusing on this issue right from the preliminary project. The new vessels, some of which are already in service, feature design choices aimed at containing environmental impact in terms of emissions to air, fuel consumption, wastewater treatment, use of special treatments to preserve the hull and the possibility, for certain vessels to be delivered shortly, to contain an area of sea that is polluted, with the possibility of collecting and storing the pollutants on board.

As regards power generation, building on more than ten years of experience of submarines, studies are underway for the use of fuel cells on naval vessels. These studies will also benefit from the results coming from the use of the ZEUS ship.

As part of the efforts to prepare the proposed European Partnership, under Horizon Europe, Zero-emission Waterborne Transport, promoted by the European Waterborne Technology Platform (TP), the Naval Vessels Division is collaborating on the ambitious goal of providing and demonstrating zero-emission solutions for all types of ships and services before 2030, enabling zero-emission waterborne transport before 2050.

In particular, to implement the initiative, we have directed our Research and Innovation process to one of the three fundamental pillars, Environment, with a focus on vessel eco-sustainability and energy efficiency.



Two projects we are focusing on are:

- **PIAQUO - Practical Implementation of AQUO:** a cooperative project financed by the European LIFE program, which aims to mitigate issues related to underwater noise and reduce its impact on the marine ecosystem by optimizing propellers and developing a self-assessment model in real time;
- **Sustainable Ship Design Program:** the project led to the introduction and validation of a holistic approach to energy efficiency and emission reduction in ship design, also through careful control of the Energy Efficiency Design Index.

Energy saving and reduction of emissions

The topic is addressed by introducing energy-saving criteria mainly developed in the discipline of naval architecture, i.e. by selecting endothermic engines (both propulsion and power generation engines) with appropriate technological solutions and selecting materials with high energy efficiency or high thermal transmission efficiency.

AREAS OF INTERVENTION TO REDUCE EMISSIONS	EMISSIONS REDUCTION OF NAVAL FIGHTING VESSELS WITH A DISPLACEMENT FROM 6,000 TONS*	
	CO ₂ [t/year]	NOx [t/year]
Optimization of hull lines		
Introduction of LED lights		
Painting of superstructures with low sun absorption paints	~ 2,000	~ 40
Optimized insulation of internal areas		

*Use profile: 50,000 nautical miles/year.

AREAS OF INTERVENTION TO REDUCE EMISSIONS	EMISSIONS REDUCTION OF AUXILIARY VESSEL WITH A DISPLACEMENT FROM 27,000 TONS*	
	CO ₂ [t/year]	NOx [t/year]
Optimization of hull lines		
Introduction of LED lights		
Painting of superstructures with low sun absorption paints	~ 3,500	~ 115
Optimized insulation of internal areas		

*Use profile: 30,000 nautical miles/year.

On the other hand, the special characteristics of naval vessels and the consequent system solutions optimized to deliver mission performance do not, currently, enable the introduction of energy recovery systems.

Treatment and storage of liquid and solid waste

The technological solutions adopted for the treatment of solid waste are entrusted to the converters. Use of these machines enables waste to be dried and sterilized; the consequent reduction in volume and weight and subsequent automatic vacuum storage allow on-board retention to be increased. The modern converters adopted enable a volume reduction of 70% and weight reduction of 30%.

For liquid waste, we have adopted technological solutions that are in line with the international regulations already used for merchant ships:

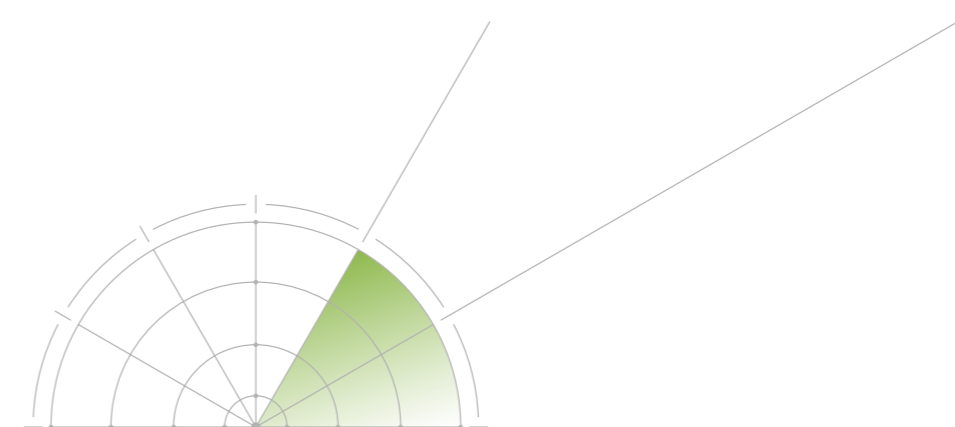
- IMO MEPC 227 (62) for grey water and sewage treatment;
- IMO MEPC 107 (49) for bilge water treatment.

Grey water and sewage are collected into appropriate physical and chemical treatment units which macerate the suspended solids and reduce the contents of the Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) using aerobic processes. The process also envisages disinfection using UV systems.

The systems adopted are able to achieve BOD values of 25 mg/l and COD values of 125 mg/l. Bilge water is treated using units that separate the pollutants caused by accidental spills. The system is based on physical processes for viscosity reduction and then absorption using coalescent filters. Separation enables the level of pollutants in the treated water to be kept under control, guaranteeing a maximum concentration of 15 parts per million (ppm).

Ship end-of-life

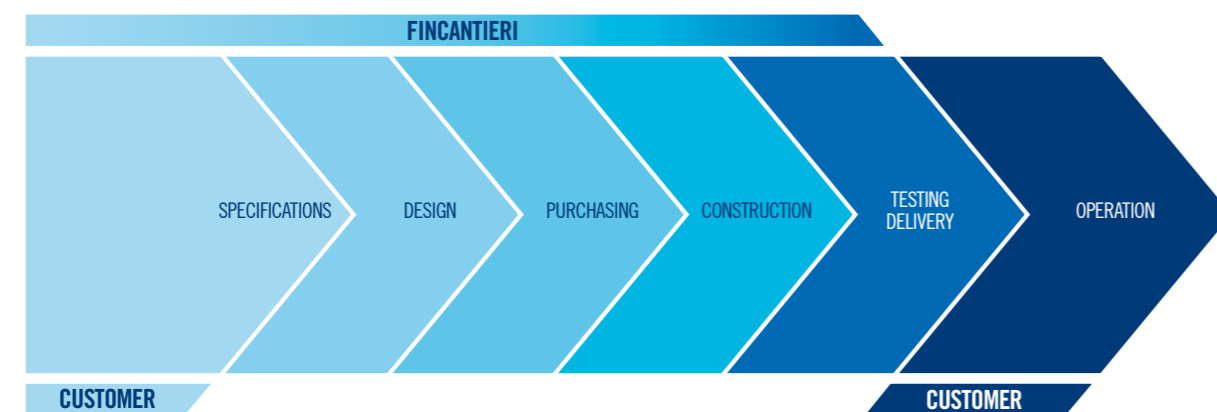
Although the disposal of materials at the end of the ship's operational life is not part of the ship's construction activities because it is managed directly by the shipowners, our cruise ships have voluntary certifications such as Green Passport, Clean Ship or Eco (the name of the certification is different depending on the classification society). All naval vessels are delivered with the Green Passport and some also have the Clean certification. The **Green Passport** includes our commitment to provide, on delivery of the ship, the inventory of materials to be monitored during the ship's life cycle and it is used to ensure it is scrapped safely and in an environmentally friendly way, in accordance with the Hong Kong Convention for the safe and environmentally sound recycling of ships, adopted by IMO's MEPC 197 (62). The classification society will carry out periodic audits throughout the life of the ship to ensure compliance with environmental standards and maintenance of its environmental certification.



Eco-design

In line with the Environmental Policy and the objectives of the Sustainability Plan, we have defined an eco-design system to promote the development of environmentally sustainable ships. Objectives can be identified for each project to ensure that the assumptions, principles and control metrics (KPIs) identified for the realization of an eco-sustainable product are translated into choices regarding design and the acquisition of systems/ machinery that make up the ship product by following the eco-design procedure. In 2022, we have continued along this sustainable path by updating the initiatives already made available in line with the latest technological developments and eliminating those which, having become widespread and in common use for some time, are no longer innovative. As part of the same policy, and with reference to the different environmental aspects, we have defined criteria to enhance internally the technological solutions adopted for each ship built. This approach makes it possible to compare the different constructions and to monitor the product's environmental sustainability trends over time.

The foundation of the entire process of eco-sustainable design lies in the ability to contain and improve the environmental impact during the **entire life cycle** of the product: from technical design development to the choice of systems and materials, from procurement to construction, from its management in operation to disposal at its end of life.



We have identified solutions that reduce energy consumption, atmospheric emissions, and waste production, and that improve the environmental impact of the production process and materials used, taking similar 'best in class' products as a reference. A process that benefits the entire context, population and surrounding area, in which the individual production site is located.

The design choices made in relation to managing the ship during its operation and its performance, in addition to seeking to contain consumption and minimize the impact on the environment, are also aimed at making work easier and making the hospitality provided on board more comfortable.

Finally, it should be stressed that sustainability assessments are also taken into account with regard to **decommissioning activities**, helping to guide choices on materials, components and systems with characteristics that limit the impact of the dismantling and disposal operations at the end of the product's life, which remain the sole responsibility of the shipowner.

Agreements and initiatives to be eco-sustainable

Respect for the environment, for local territories and for the people with whom we share areas and activities are essential elements in order to ensure the continuity and growth of our Group over time and to the benefit of future generations.

Therefore, we are directly involved in the development of international regulations and we conduct our business in close collaboration with the flag agency, classification societies, the sector's industrial associations, shipowning companies and the main international research bodies.

Research plays a particularly important role in the fight against climate change. Therefore, the Sustainability Plan includes a specific objective that provides for the activation of **partnerships with universities/research institutes**, in order to develop new solutions for energy efficiency or reduction of greenhouse gas emissions.

As part of our Research and Innovation projects, several **European collaborations** are underway to study strategies to reduce the environmental impact of our products. In particular, with reference to the ongoing initiatives associated with the SDG 14 objective - life below water - studies are being carried out to reduce underwater noise caused by our products, even though there are no strict regulations on this issue.



For more information on our collaborations, please refer to the chapter 'Innovation and sustainability'

Throughout 2022, we have been active in promoting initiatives and agreements that help facilitate and accelerate the green transition, demonstrating our ability to anticipate macro-trends and take uncharted routes, thus taking on the role of first-player in technological innovation and sustainability.

Fincantieri and ENEA have signed a memorandum of understanding to identify areas of common interest for the development of a **portfolio of research and innovation programs**. The main areas include energy efficiency, technologies and systems for power generation from renewable sources, for the production, transport and distribution of hydrogen, fuel cells, the circular economy, management and control strategies for smart ports and smart cities, materials technologies and sustainability projects in the marine and terrestrial environment.

Fincantieri and RINA have signed a memorandum of understanding with the aim of developing synergies in the field of **decarbonization**, with particular reference to alternative fuels, carbon capture and renewable energy in the shipbuilding segment. Specifically, the agreement provides for the mutual involvement of the two companies in initiatives related to technology scouting, analysis, study, and simulations using new fuels or energy vectors, particularly hydrogen and ammonia, and the collection, storage, and subsequent reuse of carbon dioxide produced during industrial processes.

In the field of energy transition, in addition to issues relating to CO₂ capture and the use of alternative fuels in shipping, such as LNG and methanol, we are launching projects on the use of **hydrogen**. Our ambition is to create a new industrial ecosystem, consistent with the objectives of the European Green Deal, to apply green hydrogen to ship propulsion and work on energy saving, wind energy, port electrification and green steel. In this direction, in addition to the collaborations already established with important industrial players (such as MSC, Snam and Enel Green Power Italia), Fincantieri is among the 35 European companies participating in the important project of common European interest on hydrogen, called **IPCEI Hy2Tech**, which has received the approval of the European Commission for the disbursement of up to €5.4 billion in public funding by member states (of which more than €1 billion is earmarked for Italy).

In 2022 Fincantieri joined as a founding member the **National Centre for Sustainable Mobility**, in which 25 universities and 24 major companies active in the field of mobility and infrastructure work together with the aim of supporting the industry's green and digital transition in a sustainable way, ensuring industrial transition and supporting local institutions in implementing modern, sustainable and inclusive solutions. The project, financed by the National Recovery and Resilience Plan (NRP), provides for investment of €320 million over the period 2023-2025 and is focused on five areas: air mobility, sustainable road vehicles, waterborne transport, rail transport, light vehicles and active mobility, aiming to make the mobility system greener and more digital in its management.

Moreover, through its subsidiary Fincantieri NexTech, Fincantieri has also signed an agreement with Almagora and Leonardo for **integrated and innovative digital solutions** applied to the static and dynamic monitoring and safety of the country's critical transport infrastructures. The core of the agreement is the 'structural health monitoring' and 'road asset management' of structures supporting road mobility, with the application of systems for the static and dynamic control of structures and plants, as well as the 'smart road', which enables communication and interconnection between vehicles to increase travel safety, through assisted driving and, in the future, autonomous driving.

Fincantieri NexTech, through its subsidiary IDS - Ingegneria Dei Sistemi, in collaboration with the company C-CORE, has been selected to develop and install the Biomass Calibration Transponder (BCT). The activity comes under the contract awarded to Airbus Defence and Space Ltd by the European Space Agency (ESA) for the construction of the **Biomass satellite** for its next Earth Explorer mission. The ESA Biomass mission will provide crucial information on the state of the Earth's forests and the changes taking place. The data will be used to deepen our understanding of the role played by forests in the carbon cycle. The satellite will also provide essential support to the United Nations in its efforts to reduce emissions from deforestation and forest degradation.

Finally, as described in detail in the chapter 'Sustainable management of natural resources - Energy', we have signed an agreement with ESCo (Energy Service Company) Renovit for the construction of **photovoltaic systems** at five of our Italian production sites, with the aim of ensuring savings on energy expenditure and a reduction in greenhouse gas emissions.



ANNEXES

Methodological note

European Taxonomy: KPI calculation
methodology and context information

GRI indicators

GRI Content Index

Independent auditors' report on the
consolidated non-financial statement

Methodological note

The sixth Sustainability Report of the Fincantieri Group, approved by the Board of Directors on March 7th, 2023, is a communication tool that describes, in a transparent and structured manner, the economic, social and environmental results achieved, and demonstrates the Group's commitment to sustainable development, with the aim of creating value not only for the Company, but also for its stakeholders.

The Report represents the **Consolidated Non-Financial Statement of the Fincantieri Group** prepared in accordance with Articles 3 and 4 of Legislative Decree No. 254/16, with reference to the 2022 financial year (from January 1st to December 31st, 2022). The document reports, to the extent necessary to ensure an understanding of the activities of the company, its progress, its results and its impact, in relation to the areas considered important and required by Article 3 of the Decree.

As required by Article 5 of the Decree this document is a **distinct report** with the appropriate wording to identify it as the Consolidated Non-Financial Statement (NFS) required by the regulation.

The **contents** of the Report have been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards of 2021.

For further detail on the information required by the Standards and the indicators reported, please refer to the GRI Content Index shown in the annex to this document.

Sustainability reporting is annually preceded by the analysis and identification of **material topics**, namely those topics that reflect the company's actual and potential, negative and positive **impacts** on the economy, the environment and people, including their human rights, and that substantially influence stakeholder assessments and decisions. As required by the Decree, for each theme evidence is given on its materiality in relation to Group's activities, the risks connected with it, the Company's policies and commitments and the results obtained and monitored using ad hoc indicators capable of representing the results in terms of management.

With reference to the requirements of Article 3, paragraph 2 of the Decree, some information not considered relevant for an understanding of the company's activities, its progress, results and impact has been excluded. In 2023, the Group defined a renewed sustainability strategy that is leading the Group towards an innovative, inclusive and increasingly integrity-focused future. This vision is expressed in the Fincantieri Group's 2023-2027 Sustainability Plan, which translates the commitments made by the Group, through the Charter of Sustainability Commitments, into qualitative and quantitative targets that can be measured over time.

The new Plan contains the objectives of the previous 2018-2022 Sustainability Plan with deadlines in 2023 as well as new targets to ensure sustainable and responsible development.

Through these objectives, the Group is committed to the achievement of the **Sustainable Development Goals** (SDGs) of the United Nations 2030 Agenda. In particular, 9 SDGs have been recognised by Fincantieri as relevant to its business and in line with its strategic guidelines. The 2022 Sustainability Report describes the initiatives implemented to achieve the Plan objectives with a 2022 final or intermediate deadline.

During 2022, the **process for alignment** with the Task Force on Climate-related Financial Disclosures (TCFD), which guides companies in reporting on climate change management-related information, was consolidated. In particular, the chapter 'Fincantieri for the climate' described governance, strategy, risk management and climate change-related metrics and targets.

As required by Article 8 of European Regulation 2020/852 - **Taxonomy**, since the financial year 2021 the Fincantieri Group has reported the share of Turnover, capital expenditure (Capex) and operating expenditure (Opex) that qualify as Taxonomy-eligible, i.e. those activities that can contribute to a low-emissions economy. Since 2022, the share of these indicators relating to activities that substantially contribute to the achievement of these goals, i.e. that meet the technical screening criteria, known as 'Taxonomy-aligned' activities, has also been published.

The **process** of collecting data and information and drafting the Report is coordinated and managed by the Sustainability unit, in cooperation with the multifunctional Working Group. The content of the document has been defined according to the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

For the first year, the reporting process was supported by computer software that enabled greater traceability of

data and automation of the collection, processing and consolidation of information. The data were processed and validated by the various function managers for the entire Group.

The document seeks to present the positive and negative aspects in an balanced fashion, providing, where considered appropriate, a comment on the results obtained. The economic values are expressed in euro (thousands and/or millions of euro). Sometimes the data are rounded to one decimal point or to a round number, and therefore their sum may not coincide exactly with the total value.

The **reporting boundary** of the data presented in the Report relates to the companies fully consolidated (using the line-by-line method) in the consolidation area used for the Consolidated Financial Statements. Any limitations to the reporting boundary specified above or clarifications concerning the calculation method are indicated in the relevant sections of the document.



For further information on the companies included in the scope of consolidation, see the Consolidated Financial Statements 2022 in the section 'Companies Included in the Scope of Consolidation' available on the website www.fincantieri.com/en/investors-relations/financial-statements/

The economic and financial aspects, the changes that have taken place since the previous financial year and the Corporate Governance of the Group are described in greater depth in the following documents: Annual Report 2022, Report on Corporate Governance and Ownership Structure 2023, Report on Remuneration Policy and on fees paid Paid 2023, available on the Group's website (www.fincantieri.com) together with this NFS.

To enable data and information comparability over time and assess the Group's performance, comparison with the previous financial year is given. The new presentations of the comparative figures previously published are clearly indicated as such. Furthermore, in order to correctly show performance and guarantee the reliability of the data, the use of estimates was limited to the minimum possible and, if present, these are based on the best methods available and appropriately described.

With reference to indicator 2-21 Annual Total Remuneration Ratio, this was calculated with reference to the Fincantieri S.p.A. boundary, while for the tax indicator 207-4 Country-by-Country Reporting, the information is partial. Fincantieri is committed to collecting and providing information for both indicators in the near future.

With regard to the analysis and description of the main indirect economic impacts associated with outsourcing of the production chain (GRI 203-2), Fincantieri has used an econometric model developed by Censis (a Foundation recognised with Decree of the President of the Republic No. 712/1973). Based on this model, a better estimate was produced to represent the multiplier effects that Fincantieri, for the portion of the business relating to shipbuilding, is able to produce within the national economic system, based on the specific production and business model developed and pursued in recent years and the structure of the supply chain, with the relative levels of integration upstream of the production cycle for naval vessels. The impact measures were calculated using the analysis and calculation methodology based on Leontief input-output tables, although this model was substantially modified to adapt it to the specific Fincantieri production and company structure. The estimates can be considered sufficiently robust proxies for the multiplier effects that Fincantieri is able, for the part of the business related to shipbuilding, to produce within the national economic system, given its specific production model, the business model that the Company has built in recent years and the structure of the supply chain, with the relative levels of integration upstream of the production cycle for naval vessels.

It should be noted that, with regard to indicators 302-1 Energy consumption within the organization (DEFRA 2022, ISPRA 2021), 305-1 Direct (Scope 1) GHG emissions (DEFRA 2022, ISPRA 2021 and Ecoinvent 3.8 - IPCC 2021) and 305-2 Energy indirect (Scope 2) GHG emissions (Location Based - Terna 2019) (Market Based - European Residual Mix 2021 - AIB 2022), the 2021 data have been shown on a like-for-like basis following the inclusion on June 1st, 2021 of the subsidiary SOF S.p.A. in order to assess the 2021-2022 change with the same boundary.

The disclosure for the 305-3 Other indirect (Scope 3) GHG emissions GRI indicator has been expanded, for both 2022 and 2021, based on the GHG Protocol categories. In particular, emissions from 'Employee commuting' and 'Use of sold products' were calculated for the Italian perimeter, in addition to the following categories: 'Purchased goods and services' (DEFRA 2022), 'Capital goods' (Emission Factor - Eurostat - Consumption-based accounting tool - March 2022), 'Fuel and energy related activities' (DEFRA 2022), 'Upstream transport and distribution' (Resolution mepc.308(73) - 2018 Guidelines on the method of calculation of the attained Energy Efficiency Design Index (EEDI)

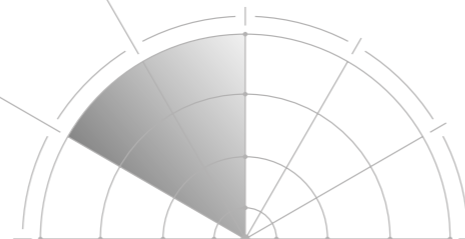
for new ships), 'Waste generated in operations' (DEFRA 2022), 'Business travel' (DEFRA 2022) and others (water withdrawal) (DEFRA 2022) already calculated by the Group.

Moreover, the 2021 and 2022 Scope 3 data were supplemented following the inclusion in reporting of the transport and upstream distribution categories, the transport of Fincantieri S.p.A. and VARD group ship sections, and the improvement of the calculation of the purchased goods and services category that includes emissions from materials used for ships under construction in the reporting year of Fincantieri S.p.A. and Fincantieri Marine Group.

This Report is subject to an assessment of its compliance with the criteria indicated by the 'ISAE 3000 Revised' standard by an independent auditor, who expresses, in a separate report, an opinion on whether the information provided complies with Article 3, paragraph 10 of Legislative Decree 254/2016 and GRI Standards. The audit is conducted according to the procedures specified in the 'Independent Auditors' Report', included in this report.

The Sustainability Report is required to be published annually.

For any further information it is possible to contact the Sustainability unit at the email address sustainability@fincantieri.it



European Taxonomy: KPI calculation methodology and context information

The Taxonomy requires the Group's activities to be represented through three key performance indicators structured according to the specifications indicated in Article 8 of the Delegated Regulation:

- turnover (revenues);
- capital expenditure (hereinafter also referred to as 'Capex');
- operating expenditure (hereinafter also referred to as 'Opex').

These KPIs will be presented for both 'eligible' and 'aligned' activities.

It should be noted that the regulator has provided for a simplified entry into force of the Taxonomy. Therefore, for this first year of reporting, no comparative figures with the previous period will be presented on alignment as they are not available.

As already mentioned, the check on alignment of the Group's economic activities was carried out with reference to the climate change mitigation objective: the KPIs presented below therefore refer to this objective.

Turnover

Definition and reconciliation

The numerator of the KPI corresponds to the eligible and aligned turnover respectively according to the Taxonomy criteria. The denominator of the KPI, on the other hand, corresponds to the total net revenues realised by the Group, as defined in the Consolidated Income Statement 2022 and in accordance with IAS 1.82(a): please refer to the Consolidated Financial Statements of the Group's annual financial statements for more information on this amount.

Allocation

The numerator of the KPI was obtained from the accounting system adopted by the Group. The allocation to the different activities was made by considering the revenues realized by each company from third parties and verifying their eligibility and potential alignment with the criteria defined by the Taxonomy. The clear identifiability of the subject matter of the revenue allowed for a precise reconciliation without estimates.

Other background information

It should be noted that, in relation to activity 3.3 'Manufacture of low-carbon technologies for transport', revenue is accounted for in line with the accounting standard IFRS 15 'Revenue from Contracts with Customers', adopted by the Group in consideration of the activity performed.

Capex

Definition and reconciliation

The Taxonomy defines capital expenditure (Capex) as additions to tangible and intangible assets occurring during the financial year, considered before depreciation, amortisation, impairment and revaluation, and additions to tangible and intangible assets resulting from business combinations.

The KPI numerator corresponds to the proportion of capital expenditure related to eligible and possibly aligned activities, while the denominator is the total of such expenditure.

According to the requirements of the Taxonomy, Capex may include:

- capital expenditure related to assets or processes associated with Taxonomy-eligible/aligned economic activities (category a, former par. 1.1.2.2. Annex I Delegated Act Art. 8);
- capital expenditures that are part of a plan to expand Taxonomy-aligned activities or to develop Taxonomy-eligible into Taxonomy-aligned economic activities ('Capex plan'), according to the conditions set out in the second paragraph of point 1.1.2.2. of Annex I of the Delegated Act Art. 8;
- capital expenditure related to the purchase of products resulting from Taxonomy-eligible economic activities and individual measures that enable the Group's activities to achieve low-carbon emissions or greenhouse gas reductions (category c, former par. 1.1.2.2. Annex I Delegated Act Art. 8).

Allocation

The allocation of capital expenditure related to assets or processes associated with Taxonomy eligible/aligned economic activities was made, as far as shipbuilding economic activities are concerned, through a precise allocation of expenditures related to the shipyards within which the construction of the vessels identified as eligible/aligned is carried out.

For the other Group companies, all capital expenditure was taken into account, to which a proxy was then applied based on the share of turnover from third parties, if any, and the share of intercompany turnover relating to eligible/aligned companies, if any.

The percentage relating to the share of turnover from third parties made it possible to determine the share of eligible, and possibly aligned, capital expenditure to be attributed to the subsidiary's own economic activity. In addition, in line with the provisions of the regulation, it was considered correct to consider that, where a company contributes to the activity of 'Manufacture of low-carbon technologies for transport', a reasonable share of the capital expenditure incurred by that company should be allocated to the latter activity on the basis of the share of intercompany turnover relating to the vessels in question. Based on the latter and the eligibility and alignment percentages obtained for activity 3.3, the share of eligible and aligned capital expenditure for the Group's core business was also determined.

By means of a detailed analysis of the costs incurred by each Group company, capital expenditure falling under category C was finally verified: by means of a proxy based on the values already calculated for the other types of expenditure, it was possible to exclude any double counting errors.

Finally, in line with par. 1.1.2.1. of Annex I of Delegated Regulation (EU) 2021/2178, the share of costs incurred for leases used for production activities accounted for in accordance with the accounting standard IFRS 16 was taken into account: these were also allocated using the proxy based on the share of eligible/aligned turnover of the economic activities identified.

It should be noted that Capex related to the naval segment was also considered, in line with the Commission's Draft Notice of 19.12.2022, which provides that defence companies may apply for alignment to the Taxonomy for eligible horizontal investments under the Climate Delegated Act.

Other background information

The Group has identified that some of the costs incurred are attributable to capital expenditure incurred for the purchase of products from Taxonomy-aligned economic activities and individual measures that enable the target activities to achieve low-carbon emissions or reductions in greenhouse gas emissions. The economic activities covered by this expenditure are:

ECONOMIC ACTIVITIES	OBJECTIVE	DESCRIPTION	NACE CODE
5.1 Construction, expansion and operation of water collection, treatment and supply systems	Climate change mitigation	Construction, expansion and operation of water collection, treatment and supply systems.	E36.00, F42.99
5.3 Construction, expansion and operation of wastewater collection systems		Renewal of water collection, treatment and supply systems, including the renewal of water collection, treatment and supply infrastructure for domestic and industrial needs. It does not lead to substantial changes in the volume of the flow collected, processed or supplied.	E36.00, F42.99
5.5 Collection and transport of non-hazardous waste in source-separated fractions		Separate collection and transport of non-hazardous waste in single or mixed fractions for preparation for re-use or recycling.	E38.11
7.1 Construction of new buildings		Development of projects for the construction of residential and non-residential buildings, through the provision of financial, technical and physical means for the construction of real estate units for sale, as well as the construction of complete residential or non-residential buildings on their own account for sale or payment or on a contractual basis.	F41.1, F41.2
7.2 Renovation of existing buildings		Building and civil engineering works or their preparation.	F41 F43
7.3 Installation, maintenance and repair of energy efficiency devices		Individual renovation measures consisting of the installation, maintenance or repair of energy efficiency devices.	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings		Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings.	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28

The Group has already started a process to improve the quality of the economic reconciliation of information to the requirements of the Taxonomy in order to be able to provide more detailed information in the years to come.

BREAKDOWN OF AMOUNTS INCLUDED IN THE CAPEX NUMERATOR

(euro/thousand)

ACTIVITY	ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT	ADDITIONS TO INTERNALLY GENERATED OR PURCHASED INTANGIBLE ASSETS	ADDITIONS TO CAPITALISED RIGHT-OF-USE ASSETS	TOTAL
3.3 Manufacture of low-carbon technologies for transport	13,114	1,278	1,545	15,937

It should be noted that there were no increases attributable to acquisitions through business combinations and costs incurred in the context of a Capex plan as described in point 1.1.2. of Annex I of Delegated Regulation (EU) 2021/2178.

Opex

Definition and reconciliation

The Taxonomy defines operating expenditure as direct non-capitalised costs related to research and development, building renovation measures, short-term rental, maintenance and repair, and any other direct expenditure related to the day-to-day maintenance of property, plant and equipment, either by the company or by third parties to whom such tasks are outsourced, necessary to ensure the continuous and effective operation of such assets. In order to identify the operating expenditure defined in the Regulation, accounts used by the Group in its management accounting systems were analysed, and those clearly belonging to the above categories were identified.

Allocation

In order to ensure linearity in the economic reconciliation process, the proxies described in the 'Capex' section were applied to the amounts resulting from the analysis described above. These made it possible to determine the share, if any, of eligible, and possibly aligned, operating expenditure to be attributed to the core economic activity of each Group company, and any share of operating expenses incurred by the same in preparation for carrying out the main economic activity of the Group (Manufacture of low-carbon technologies for transport). These expenses fall into the following categories:

BREAKDOWN OF AMOUNTS INCLUDED IN THE OPEX NUMERATOR

(euro/thousand)

ACTIVITY	OPEX
Research and development	6,039
Maintenance	2,685
Consumables and other	2,352
Rentals	1,181
Cleaning services	2,934
Total	15,190

Turnover Template (art. 8)

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year FY 2022.

ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE TURNOVER (EURO/THOUSAND)	PROPORTION OF TURNOVER	SUBSTANTIAL CONTRIBUTION CRITERIA %	DNSS CRITERIA Y/N	MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED PROPORTION OF TURNOVER YEAR 2022 %	TAXONOMY-ALIGNED PROPORTION OF TURNOVER YEAR 2021 %	CATEGORY (ENABLING ACTIVITY OR TRANSITIONAL ACTIVITY) E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	547,170	7.3%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A	Climate change mitigation: N/A Climate change adaptation: Y Water and marine resources: Y Circular economy: Y Pollution: Y Biodiversity and ecosystems: Y	Y	7%	N/A	E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		547,170	7%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			7%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
3.1. Manufacture of renewable energy technologies	C25, C27, C28	6,750	0.09%				0%		
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	3,454,891	46.18%				0%		
9.1 Close to market research, development and innovation	M71.1.2, M72.1	13,661	0.18%				0%		
9.3 Professional services related to energy performance of buildings	M71	4,451	0.06%				0%		
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,479,753	47%				0%		
Total Turnover of Taxonomy-eligible activities (A.1 + A.2) (A)		4,026,923	54%				7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		3,454,946	46%						
TOTAL (A + B)		7,481,869	100%						

Capex Template (art. 8)

Proportion of Capex from products or services associated with Taxonomy-aligned economic activities - disclosure covering FY 2022.

ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE CAPEX (EURO/THOUSAND)	PROPORTION OF CAPEX %	SUBSTANTIAL CONTRIBUTION CRITERIA %	DN SH CRITERIA Y/N	MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED PROPORTION OF CAPEX YEAR 2022 %	TAXONOMY-ALIGNED PROPORTION OF CAPEX YEAR 2021 %	CATEGORY (ENABLING ACTIVITY OR TRANSITIONAL ACTIVITY) E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	15,937	5%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A	Climate change mitigation: N/A Climate change adaptation: Y Water and marine resources: Y Circular economy: Y Pollution: Y Biodiversity and ecosystems: Y	Y	5%	N/A	E
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		15,937	5%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			5%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
3.1. Manufacture of renewable energy technologies	C25, C27, C28	83	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	98,062	31%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
5.1 Construction, extension and operation of water collection, treatment and supply systems	E36.00	44	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
5.3 Construction, extension and operation of waste water collection and treatment	E37.00, F42.99	109	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
5.5 Collection and transport of non-hazardous waste in source segregated fractions	E38.11	140	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
7.1 Construction of new buildings	F41.1, F41.2, F43	30,857	10%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		

Capex Template (art. 8)

Proportion of Capex from products or services associated with Taxonomy-aligned economic activities - disclosure covering FY 2022.

ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE TURNOVER (EURO/THOUSAND)	PROPORTION OF TURNOVER %	SUBSTANTIAL CONTRIBUTION CRITERIA %	DNSH CRITERIA Y/N	MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED PROPORTION OF TURNOVER YEAR 2022 %	TAXONOMY-ALIGNED PROPORTION OF CAPEX YEAR 2021 %	CATEGORY (ENABLING ACTIVITY OR TRANSITIONAL ACTIVITY) E/T
7.2 Renovation of existing buildings	F41, F43	4,529	1%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	2,056	1%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	253	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
9.1 Close to market research, development and innovation	M71.1.2, M72.1	42	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
9.3 Professional services related to energy performance of buildings	M71	14	0%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
Capex of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		136,190	43%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			0%		
Total Capex of Taxonomy-eligible activities (A.1 + A.2) (A)		152,127	48%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Capex of Taxonomy-non-eligible activities (B)		163,881	52%						
TOTAL (A + B)		316,008	100%						

Opex Template (art. 8)

Proportion of Opex from products or services associated with Taxonomy-aligned economic activities - disclosure covering FY 2022

ECONOMIC ACTIVITIES	CODE(S)	ABSOLUTE OPEX (EURO/THOUSAND)	PROPORTION OF OPEX %	SUBSTANTIAL CONTRIBUTION CRITERIA %	DN SH CRITERIA Y/N	MINIMUM SAFEGUARDS Y/N	TAXONOMY-ALIGNED PROPORTION OF OPEX YEAR 2022 %	TAXONOMY-ALIGNED PROPORTION OF OPEX YEAR 2021 %	CATEGORY (ENABLING ACTIVITY OR TRANSITIONAL ACTIVITY) E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	15,190	7.31%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A	Climate change mitigation: N/A Climate change adaptation: Y Water and marine resources: Y Circular economy: Y Pollution: Y Biodiversity and ecosystems: Y	Y	7%	N/A	E
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		15,190	7%	Climate change mitigation: 100% Climate change adaptation: 0% Water and marine resources: N/A Circular economy: N/A Pollution: N/A Biodiversity and ecosystems: N/A			7%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
3.1. Manufacture of renewable energy technologies	C25, C27, C28	113	0.05%				0%		
3.3 Manufacture of low-carbon technologies for transport	C29.1, C30.1, C30.2, C30.9, C33.15, C33.17	118,774	57.19%				0%		
9.1 Close to market research, development and innovation	M71.1.2, M72.1	228	0.11%				0%		
9.3 Professional services related to energy performance of buildings	M71	74	0.04%				0%		
Opex of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		119,190	57%				0%		
Total Opex of Taxonomy-eligible activities (A.1 + A.2) (A)		134,379	65%				7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Opex of Taxonomy-Non-Eligible activities (B)		73,320	35%						
TOTAL (A + B)		207,699	100%						

GRI indicators

SOCIAL				
2-7 EMPLOYEES				
EMPLOYEES BY GEOGRAPHICAL AREA				
	2021		2022	
ITALY	10,681	51.4%	10,905	52.4%
NORWAY	1,274	6.1%	1,244	6.0%
ROMANIA	5,090	24.5%	4,401	21.2%
REST OF EUROPE	213	1.0%	225	1.1%
NORTH AMERICA	2,200	10.6%	2,377	11.4%
SOUTH AMERICA	355	1.7%	534	2.6%
ASIA, AFRICA AND OCEANIA	961	4.7%	1,106	5.3%
TOTAL	20,774	100%	20,792	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY TYPE OF CONTRACT

	PERMANENT		FIXED TERM				TOTAL				
	FULL-TIME		PART-TIME		NON-GUARANTEED HOURS						
	2021	2022	2021	2022	2021	2022	2021	2022			
ITALY	10,245	10,553	205	202	229	145	2	5	0	10,681	10,905
NORWAY	1,190	1,160	46	41	20	30	18	13	0	1,274	1,244
ROMANIA	4,660	4,133	13	8	414	254	3	6	0	5,090	4,401
REST OF EUROPE	161	172	6	10	44	42	2	1	0	213	225
NORTH AMERICA	2,189	2,366	6	9	5	0	0	2	0	2,200	2,377
SOUTH AMERICA	300	444	9	0	46	85	0	0	5	355	534
ASIA, AFRICA AND OCEANIA	625	646	4	1	332	455	0	0	4	961	1,106
TOTAL	19,370	19,474	289	271	1,090	1,011	25	27	9	20,774	20,792
Incidence %	93.2%	93.7%	1.4%	1.3%	5.3%	4.9%	0.1%	0.1%	0.0%	100%	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY TYPE OF CONTRACT - WOMEN

	PERMANENT		FIXED TERM				TOTAL				
	FULL-TIME		PART-TIME		NON-GUARANTEED HOURS						
	2021	2022	2021	2022	2021	2022	2021	2022			
ITALY	1,048	1,140	178	178	43	21	0	5	0	1,269	1,344
NORWAY	180	184	22	19	5	4	1	2	0	208	209
ROMANIA	950	841	4	2	16	20	0	2	0	970	865
REST OF EUROPE	27	27	5	5	7	4	1	1	0	40	37
NORTH AMERICA	394	471	2	2	2	0	0	1	0	398	474
SOUTH AMERICA	29	34	0	0	1	0	0	0	0	30	34
ASIA, AFRICA AND OCEANIA	48	46	1	1	7	17	0	0	0	56	64
TOTAL	2,676	2,743	212	207	81	66	2	11	0	2,971	3,027
Incidence %	90.1%	90.6%	7.1%	6.8%	2.7%	2.2%	0.1%	0.4%	0.0%	100%	100%

The data refer to the entire Fincantieri Group.

DIVERSITY AND EQUAL OPPORTUNITY

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

EMPLOYEES BY CATEGORY

	SENIOR MANAGERS		MIDDLE MANAGERS		WHITE COLLAR EMPLOYEES		BLUE COLLAR EMPLOYEES		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
	ITALY	312	329	636	656	6,098	6,301	3,635	3,619	10,681
NORWAY	19	18	91	100	606	694	558	432	1,274	1,244
ROMANIA	17	16	54	56	1,311	1,144	3,708	3,185	5,090	4,401
REST OF EUROPE	7	6	32	29	134	118	40	72	213	225
NORTH AMERICA	69	72	256	305	759	778	1,116	1,222	2,200	2,377
SOUTH AMERICA	3	2	7	5	79	97	266	430	355	534
ASIA, AFRICA AND OCEANIA	9	9	63	76	176	165	713	856	961	1,106
TOTAL	436	452	1,139	1,227	9,163	9,297	10,036	9,816	20,774	20,792
Incidence %	2.1%	2.2%	5.5%	5.9%	44.1%	44.7%	48.3%	47.2%	100%	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY CATEGORY - WOMEN

	SENIOR MANAGERS		MIDDLE MANAGERS		WHITE COLLAR EMPLOYEES		BLUE COLLAR EMPLOYEES		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	16	20	85	95	1,148	1,207	20	22	1,269	1,344
NORWAY	2	2	13	18	162	158	31	31	208	209
ROMANIA	4	4	11	16	454	414	501	431	970	865
REST OF EUROPE	1	0	7	3	32	34	0	0	40	37
NORTH AMERICA	5	7	49	58	229	252	115	157	398	474
SOUTH AMERICA	0	0	0	0	24	26	6	8	30	34
ASIA, AFRICA AND OCEANIA	2	2	6	7	46	55	2	0	56	64
TOTAL	30	35	171	197	2,095	2,146	675	649	2,971	3,027
Incidence %	6.9%	7.7%	15.0%	16.1%	22.9%	23.1%	6.7%	6.6%	14.3%	14.6%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY AGE GROUP

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	1,026	1,100	6,231	5,976	3,424	3,829	10,681	10,905
NORWAY	232	236	598	567	444	441	1,274	1,244
ROMANIA	678	518	2,588	2,229	1,824	1,654	5,090	4,401
REST OF EUROPE	34	35	138	146	41	44	213	225
NORTH AMERICA	380	460	1,036	1,092	784	825	2,200	2,377
SOUTH AMERICA	64	78	227	375	64	81	355	534
ASIA, AFRICA AND OCEANIA	205	292	711	760	45	54	961	1,106
TOTAL	2,619	2,719	11,529	11,145	6,626	6,928	20,774	20,792
Incidence %	12.6%	13.1%	55.5%	53.6%	31.9%	33.3%	100%	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY AGE GROUP - WOMEN

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	235	264	768	784	266	296	1,269	1,344
NORWAY	38	41	104	105	66	63	208	209
ROMANIA	152	127	456	431	362	307	970	865
REST OF EUROPE	3	3	34	32	3	2	40	37
NORTH AMERICA	81	115	204	232	113	127	398	474
SOUTH AMERICA	8	7	18	22	4	5	30	34
ASIA, AFRICA AND OCEANIA	6	12	44	44	6	8	56	64
TOTAL	523	569	1,628	1,650	820	808	2,971	3,027
Incidence %	17.6%	18.8%	54.8%	54.5%	27.6%	26.7%	100%	100%

The data refer to the entire Fincantieri Group.

PERCENTAGE OF EMPLOYEES BELONGING TO VULNERABLE CATEGORIES

	% employees in vulnerable cat. out of tot. employees		% women employees in vulnerable cat. out of tot. women		% employees with disabilities out of tot. employees	
	2021	2022	2021	2022	2021	2022
ITALY	4.3%	4.3%	5.8%	6.0%	3.5%	3.5%
NORWAY	0%	0%	0%	0%	0%	0%
ROMANIA	0.5%	0.5%	0.3%	0.5%	0.5%	0.5%
REST OF EUROPE	1.4%	1.3%	0%	0%	1.4%	1.3%
NORTH AMERICA	8.2%	8.5%	13.1%	13.7%	5.0%	5.9%
SOUTH AMERICA	0.3%	0.7%	0%	2.9%	0.3%	0.7%
ASIA, AFRICA AND OCEANIA*	0%	1.1%	0%	12.5%	0%	0%
TOTAL	3.2%	3.5%	4.3%	5.2%	2.5%	2.7%

The data refer to the entire Fincantieri Group.

*Data on employees belonging to vulnerable categories in companies located in Asia, Africa and Oceania are available from 2022.

EMPLOYMENT

401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

HIRES

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	358	360	344	348	76	83	778	791
NORWAY	86	54	85	86	32	38	203	178
ROMANIA	119	153	267	195	56	102	442	450
REST OF EUROPE	12	19	19	32	3	6	34	57
NORTH AMERICA	165	317	220	378	124	198	509	893
SOUTH AMERICA	30	74	67	210	11	40	108	324
ASIA, AFRICA AND OCEANIA	102	158	123	105	2	3	227	266
TOTAL	872	1,135	1,125	1,354	304	470	2,301	2,959

The data refer to the entire Fincantieri Group.

TERMINATIONS

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	77	113	162	288	146	167	385	568
NORWAY	67	45	93	95	48	64	208	204
ROMANIA	242	218	494	481	235	336	971	1,035
REST OF EUROPE	6	15	24	21	5	9	35	45
NORTH AMERICA	208	214	294	316	212	190	714	720
SOUTH AMERICA	13	38	41	83	7	24	61	145
ASIA, AFRICA AND OCEANIA	15	41	32	80	3	5	50	126
TOTAL	628	684	1,140	1,364	656	795	2,424	2,843

The data refer to the entire Fincantieri Group.

HIRES - WOMEN

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	73	90	65	73	9	9	147	172
NORWAY	17	16	18	19	6	6	41	41
ROMANIA	11	12	19	24	8	13	38	49
REST OF EUROPE	1	2	7	7	0	0	8	9
NORTH AMERICA	54	96	61	92	19	33	134	221
SOUTH AMERICA	2	0	2	6	1	0	5	6
ASIA, AFRICA AND OCEANIA	3	7	3	8	0	0	6	15
TOTAL	161	223	175	229	43	61	379	513

The data refer to the entire Fincantieri Group.

TERMINATIONS - WOMEN

	≤ 30		31-49		≥ 50		TOTAL	
	2021	2022	2021	2022	2021	2022	2021	2022
ITALY	25	26	33	58	8	15	66	99
NORWAY	14	11	17	21	6	8	37	40
ROMANIA	20	18	20	39	45	88	85	145
REST OF EUROPE	1	1	6	8	1	1	8	10
NORTH AMERICA	44	58	61	70	32	21	137	149
SOUTH AMERICA	2	0	2	2	2	0	6	2
ASIA, AFRICA AND OCEANIA	1	0	1	9	0	0	2	9
TOTAL	107	114	140	207	94	133	341	454

The data refer to the entire Fincantieri Group.

The term hires refers to employees hired directly from the market, and does not include intra-group acquisitions and transactions.

In 2022, 2,959 people were hired, including 513 women, and there were 2,843 leavers, including 454 women. The rate of new employee hires was 14.2% (17.3% for women) while the turnover was 13.7% (16.0% for women).

OCCUPATIONAL HEALTH AND SAFETY

403-9 WORK-RELATED INJURIES

HEALTH AND SAFETY INDICATORS

	2021							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	9.8	21.4	1.7	6.3	3.9	12.1	6.0	7.4
Rate of high-consequence work-related injuries	0.3	3.9	0.1	3.1	0.0	2.0	0.0	0.4
Rate of fatalities as a result of work-related injury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity index	0.4	0.0	0.1	1.1	0.0	0.1	0.0	0.2
Number of total injuries (work-related and organized travel)	171	44	16	2	17	6	9	265
Number of recordable work-related injuries	171	44	16	2	17	6	9	265
-of which high-consequence work-related injuries	5	8	1	1	0	1	0	16
-of which fatalities as a result of work-related injuries	0	0	0	0	0	0	0	0
Number of injuries in travel organized by the Company*	-	-	-	-	-	-	-	-

HEALTH AND SAFETY INDICATORS

	2022							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	11.1	12.3	1.0	10.5	9.3	7.1	4.0	8.1
Rate of high-consequence work-related injuries	0.3	0.0	0.0	5.2	2.9	1.2	0.0	0.6
Rate of fatalities as a result of work-related injury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity index	0.4	0.1	0.1	0.9	0.5	0.1	0.0	0.3
Number of total injuries (work-related and organized travel)	207	24	8	4	41	6	8	298
Number of recordable work-related injuries	205	24	8	4	41	6	8	296
-of which high-consequence work-related injuries	5	0	0	2	13	1	0	21
-of which fatalities as a result of work-related injuries	0	0	0	0	0	0	0	0
Number of injuries in travel organized by the Company*	2	0	0	0	0	0	0	2

The number of commuting accidents due to journeys organized by the company is reported from 2022.

HEALTH AND SAFETY INDICATORS - WOMEN

	2021							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	1.1	0.0	1.2	20.7	4.0	0.0	10.9	1.9
Rate of high-consequence work-related injuries	0.0	0.0	0.0	20.7	0.0	0.0	0.0	0.2
Rate of fatalities as a result of work-related injury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity index	0.1	0.0	0.0	1.7	0.1	0.0	0.1	0.1
Number of total injuries (work-related and organized travel)	2	0	2	1	3	0	1	9
Number of recordable work-related injuries	2	0	2	1	3	0	1	9
-of which high-consequence work-related injuries	0	0	0	1	0	0	0	1
-of which fatalities as a result of work-related injuries	0	0	0	0	0	0	0	0
Number of injuries in travel organized by the Company*	-	-	-	-	-	-	-	-

HEALTH AND SAFETY INDICATORS - WOMEN

	2022							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	0.0	0.0	0.7	37.5	2.3	0.0	0.0	0.3
Rate of high-consequence work-related injuries	0.0	0.0	0.0	18.8	1.1	0.0	0.0	0.1
Rate of fatalities as a result of work-related injury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity index	0.0	0.0	0.0	1.6	0.2	0.0	0.0	0.0
Number of total injuries (work-related and organized travel)	0	0	1	2	2	0	0	5
Number of recordable work-related injuries	0	0	1	2	2	0	0	5
-of which high-consequence work-related injuries	0	0	0	1	1	0	0	2
-of which fatalities as a result of work-related injuries	0	0	0	0	0	0	0	0
Number of injuries in travel organized by the Company*	0	0	0	0	0	0	0	0

The number of commuting accidents due to journeys organized by the company is reported from 2022.

HEALTH AND SAFETY INDICATORS - NON EMPLOYEES

	2021							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	13.9	14.2	6.3	0.0	0.0	0.0	9.7	13.7
Rate of high-consequence work-related injuries	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Rate of fatalities as a result of work-related injury	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of recordable work-related injuries	701	21	3	0	0	0	5	730
- of which high-consequence work-related injuries	8	0	0	0	0	0	0	8
- of which as a result of work-related injuries	0	0	0	0	0	0	0	0
Number of injuries - women	4	1	0	0	0	0	0	5
Number of non-employees trained on health and safety	20,500	1,330	7,044	9	3,455	20	879	33,237

HEALTH AND SAFETY INDICATORS - NON EMPLOYEES

	2022							TOTAL
	ITALY	NORWAY	ROMANIA	REST OF EUROPE	NORTH AMERICA	SOUTH AMERICA	ASIA, AFRICA AND OCEANIA	
Rate of work-related injuries	15.5	8.0	2.7	2.2	3.5	18.1	20.3	14.0
Rate of high-consequence work-related injuries	0.2	0.0	0.5	0.0	0.0	0.0	0.0	0.2
Rate of fatalities as a result of work-related injury	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Number of recordable work-related injuries	771	26	10	1	5	16	26	855
- of which high-consequence work-related injuries	11	0	2	0	0	0	0	13
- of which as a result of work-related injuries	1	0	1	0	0	0	0	2
Number of injuries - women	14	0	0	0	1	0	1	16
Number of non-employees trained on health and safety	23,170	770	5,923	2	1,880	35	2,129	33,909

The data refer to the entire Fincantieri Group.

At the Tulcea and Palermo shipyards, two fatal accidents occurred in 2022 involving two employees of contractors. The investigations conducted by the competent bodies were able to confirm the presence of company assessments and procedures useful in preventing such events, for which no responsibility of the Company has been identified to date.

The severity index was calculated as: (number of days lost due to injury/hours worked) *1,000.

The rate of recordable work-related injuries was calculated as: (number of recordable work-related injuries/hours worked) *1,000,000.

The rate of high-consequence work-related injuries was calculated as: (number of high-consequence work-related injuries/hours worked) *1,000,000.

The rate of fatalities as a result of work-related injury was calculated as: (number of fatalities as a result of work-related injury/hours worked) *1,000,000.

High-consequence injuries are defined as events that caused more than 180 days of absence.

The hours worked by employees at Group level in 2021 totalled 35,775,754, while they came to 36,357,533 in 2022. The hours non-employees (workers of outside firms who access the sites) worked at Group level in 2021 totalled 53,145,238, while they came to 60,917,017 in 2022.

TRAINING AND EDUCATION

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

TOTAL HOURS OF TRAINING

	2021	2022	VAR. 2022/2021
SENIOR MANAGERS	5,966	14,992	151%
MIDDLE MANAGERS	19,981	47,271	137%
WHITE COLLAR EMPLOYEES	183,786	226,603	23%
BLUE COLLAR EMPLOYEES	220,242	225,341	2%
TOTAL	429,957	514,207	20%

TOTAL HOURS OF TRAINING - WOMEN

	2021	2022	VAR. 2022/2021
SENIOR MANAGERS	768	1,186	54%
MIDDLE MANAGERS	4,124	8,728	112%
WHITE COLLAR EMPLOYEES	40,085	57,253	43%
BLUE COLLAR EMPLOYEES	26,396	25,198	-5%
TOTAL	71,373	92,364	29%

AVERAGE HOURS OF TRAINING

	2021	2022	VAR. 2022/2021
SENIOR MANAGERS	13.7	33.2	142%
MIDDLE MANAGERS	17.5	38.5	120%
WHITE COLLAR EMPLOYEES	20.1	24.4	22%
BLUE COLLAR EMPLOYEES	21.9	23.0	5%
TOTAL	20.7	24.7	19%

AVERAGE HOURS OF TRAINING - WOMEN

	2021	2022	VAR. 2022/2021
SENIOR MANAGERS	25.6	33.9	32%
MIDDLE MANAGERS	24.1	44.3	84%
WHITE COLLAR EMPLOYEES	19.1	26.7	39%
BLUE COLLAR EMPLOYEES	39.1	38.8	-1%
TOTAL	24.0	30.5	27%

The data refer to the entire Fincantieri Group.

ENVIRONMENT				
302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION				
TYPE	MEASUREMENT UNIT	2021	2021 on a like-for-like basis*	2022
Acetylene	GJ	37,349	37,349	30,580
Natural gas	GJ	523,560	632,950	674,209
Diesel	GJ	618,472	618,472	707,714
LPG	GJ	7,311	7,311	10,520
LNG	GJ	62,990	62,990	8,860
Fuel oil	GJ	343,961	343,961	208,975
TOTAL HEATING FUEL ENERGY	GJ	1,593,643	1,703,033	1,640,858
Petrol	GJ	2,430	2,430	4,794
Diesel	GJ	97,023	97,023	91,378
TOTAL ENERGY FOR TRANSPORT	GJ	99,453	99,453	96,172
TOTAL SELF-GENERATED THERMAL ENERGY	GJ	0	0	1,733
TOTAL ELECTRICITY	GJ	1,323,104	1,338,011	1,336,673
of which from renewable sources	GJ	1,111,196	1,111,196	1,089,515
TOTAL ENERGY	GJ	3,016,200	3,140,498	3,075,437

The data refer to the entire Fincantieri Group.

* Energy consumption for 2021, amounting to 3,016,200 GJ, was supplemented with that for the first half of the year of the subsidiary SOF S.p.A. (consolidated on June 1st, 2021) as it is significant and useful for comparative purposes with the 2022 financial year.

Energy consumption varies according to production loads.
The following conversion factors were considered to calculate consumption:

- Source: ISPRA 2021 (Minambiente 2021) for consumption in Italy;
- Source: DEFRA 2022 for consumption beyond Italy's borders.

302-4 REDUCTION OF ENERGY CONSUMPTION

INITIATIVE IMPLEMENTED TO REDUCE ENERGY CONSUMPTION	MEASUREMENT UNIT	BASELINE	CONSUMPTION	BASELINE CONSUMPTION	SAVING OBTAINED	% SAVING OBTAINED
New LED lighting Hull Workshop (area 7) and General Warehouse Marghera	kWh	2021	335,500	62,951	272,549	81%
Sestri Ponente compressor plant energy requalification works	kWh	2021	451,350	318,600	132,750	29%
New LED lighting Naval and Prefabrication workshop Ancona	kWh	2021	888,800	450,900	437,900	49%
New LED lighting Prefabrication 'B' workshop Castellammare di Stabia	kWh	2021	528,528	204,703	323,825	61%
Implementation of automatic switch-off systems for extractors Castellammare di Stabia	kWh	2021	2,006,919	1,878,462	132,457	7%
New LED lighting Panel Line workshop, Piping and Shaping Warehouse Castellammare di Stabia	kWh	2021	1,138,720	222,492	916,228	80%
New LED lighting UMO workshop Palermo	kWh	2021	535,920	84,787	451,133	84%
New LED lighting Naval workshop Palermo	kWh	2021	597,960	101,868	496,092	83%
New LED lighting Dock 4 area (basin + docks and yards) Arsenale Triestino	kWh	2021	215,528	61,860	153,668	71%
New LED lighting Muggiano Naval and Prefabrication workshop	kWh	2021	619,080	112,614	506,466	82%
TOTAL			7,318,305	3,945,238	3,823,067	52%

The data refer to the entire Fincantieri Group.

305-1 DIRECT (SCOPE 1) GHG EMISSIONS

CATEGORY	MEASUREMENT UNIT	2021	2021 on a like-for-like basis*	2022
Scope 1	tCO ₂ e	116,638	122,666	118,461

The data refer to the entire Fincantieri Group.

*The 2021 emissions were integrated with those for the first half of the year of the subsidiary SOF S.p.A. (consolidated on June 1st, 2021) as they were significant and useful for comparative purposes with the 2022 financial year.

305-2 INDIRECT (SCOPE 2) GHG EMISSIONS

CATEGORY	MEASUREMENT UNIT	2021	2021 on a like-for-like basis*	2022
Scope 2 Market-Based	tCO ₂ e	24,357	26,258	32,653
Scope 2 Location-Based	tCO ₂ e	108,524	109,829	112,204

The data refer to the entire Fincantieri Group.

*The 2021 emissions were integrated with those for the first half of the year of the subsidiary SOF S.p.A. (consolidated on June 1st, 2021) as they were significant and useful for comparative purposes with the 2022 financial year.

305-3 INDIRECT (SCOPE 3) GHG EMISSIONS

CATEGORY ACCORDING TO GHG PROTOCOL (tCO ₂ e)		2021	2022
Cat.1	Purchased goods and services	749,426	997,708
Cat.2	Capital goods	108,031	56,186
Cat.3	Fuel-and energy-related activities not included in Scope 1 or Scope 2	31,313	30,866
Cat.4	Upstream transportation and distribution	15,449	25,280
Cat.5	Waste generated in operations	4,912	6,707
Cat.6	Business travel	3,211	5,548
Cat.7	Employee commuting	7,407	7,526
Cat.11	Use of sold products	16,483,062	21,798,611
-	Other (Water withdrawal)	453	429
TOTAL SCOPE 3 GHG EMISSIONS		17,403,264	22,928,859

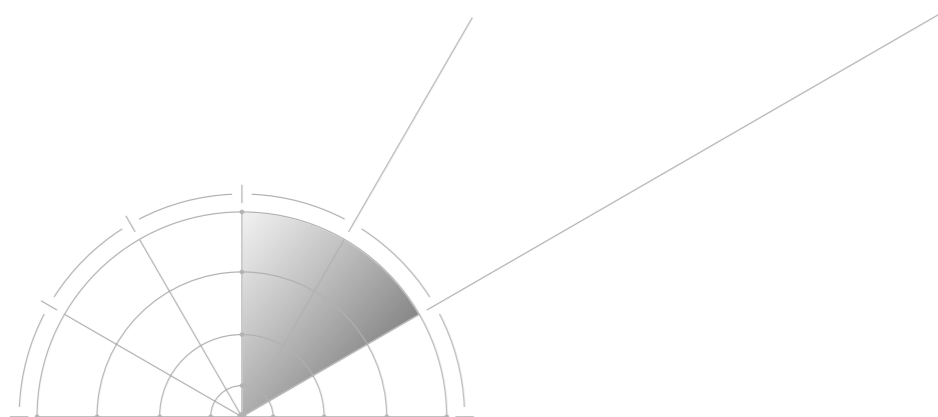
The 2021 figures have been reclassified for comparative purposes following the expansion of reporting and improvement of calculation methods. The estimates follow the recommendations of the Corporate Value Chain (Scope 3) Standard of the GHG Protocol.
Perimeter and calculation methods:

- Cat.1 – the data refer to the purchase of goods for the production of the Group's ships with the exception of the VARD group. For each ship under construction, the carbon footprint from the materials used was calculated and the annual emission was broken down according to the percentage of cost associated with each order.
- Cat.3 – the data refer to the entire Fincantieri Group.
- Cat.4 – the data include the procurement of raw materials by Fincantieri S.p.A. and Fincantieri Marine Group and the internal handling of Fincantieri S.p.A. and VARD ship sections.
- Cat.5 – the data refer to the entire Fincantieri Group.
- Cat.6 – the data refer to the entire Fincantieri Group.
- Cat.7 – the data refer to employees and blue collar workers of Fincantieri S.p.A.
- Cat.11 – the data refer to emissions from the operational phase of vessels delivered by the Fincantieri Group. Each type of ship (cruise, naval, specialized) was associated with an operational profile and a useful life for estimating emissions at sea and in port.
- Other - the data refer to the entire Fincantieri Group.

GRI Content Index

Statement of use	Fincantieri S.p.A. has submitted a report in accordance with the GRI Standards for the period 01.01.2022 to 31.12.2022.
GRI 1 used	GRI 1: Fundamental Principles 2021
Applicable GRI sector standards	-

INFORMATIVE NOTE	LOCATION	OMISSION		REF NO. SECTOR STANDARD GRI
		REQUIREMENTS OMITTED	REASON	
GENERAL DISCLOSURES				
GRI 2: GENERAL DISCLOSURES 2021				
2-1 Organizational details	Fincantieri S.p.A.			
	8-9; 18			
2-2 Entities included in the organization's sustainability reporting				
	8-9; 20-23; 256-258			
2-3 Reporting period, frequency and contact point				
	256-258			
2-4 Restatements of information				
	256-258			
2-5 External assurance				
	292-295			
2-6 Activities, value chain and other business relationships				
	8-9; 18-21; 120-134; 172-187; 256-258			
2-7 Employees				
	138-139; 272-273			
	126-127			
	In 2022 a total of more than 67,000 non-employee workers entered our production sites or companies, 13% of whom are contract workers. Further information for Fincantieri S.p.A. can be found in the chapter Sustainable Supply Chain. In particular, there were 1,590 temporary agency workers of whom 156 were women, 166 trainees of whom 26 were women and 1,361 other external collaborators of whom 74 were women.			
2-8 Workers who are not employees				
2-9 Governance structure and composition				
	58-63			
2-10 Nomination and selection of the highest governance body				
	59-63			
2-11 Chair of the highest governance body				
	59-60			
2-12 Role of the highest governance body in overseeing the management of impacts				
	58-62			
2-13 Delegation of responsibility for managing impacts				
	58-62			
2-14 Role of the highest governance body in sustainability reporting				
	59-62; 256-258			
2-15 Conflicts of interest				
	62-63			



INFORMATIVE NOTE	LOCATION	OMISSION			REF NO. SECTOR STANDARD GRI
		REQUIREMENTS OMITTED	REASON	EXPLANATION	
INFORMATIVE GENERAL I					
GRI 2: GENERAL DISCLOSURES 2021					
2-16 Communication of critical concerns	60-61; 74-76; 80-81				
2-17 Collective knowledge of the highest governance body	60				
2-18 Evaluation of the performance of the highest governance body	58-62				
2-19 Remuneration policies	64-67				
2-20 Process to determine remuneration	64-67				
2-21 Annual total compensation ratio	Mr. Folgiero holds both the position of Chief Executive Officer and Managing Director. The remuneration of the Chief Executive Officer and Managing Director is made up of: a fixed component of €1,050,000, of which €450,000 for the role of Director and €600,000 for the role of Managing Director; a short-term variable component (MBO), calculated upon the achievement of performance targets, equal to €1,050,000 (corresponding to 100% of the fixed component for the role of Chief Executive Officer and Managing Director); a long-term variable component, the fair value of which for the III Plan 2022-2024 - Cycle I (2022-2024), calculated upon the achievement of performance targets, is €284,283. In light of the above, the ratio of the theoretical total remuneration for the role of Chief Executive Officer and for the role of Managing Director to the median of the total annual compensation of employees is 68. Since the office of Chief Executive Officer and Managing Director was taken up in the financial year 2022, the remuneration figures do not refer to the remuneration actually received during the financial year, but to the theoretical annual remuneration. The amount for the short-term variable component is calculated on the achievement of targets. The amount related to the long-term variable component is the fair value for the individual year of the Plan, assuming the achievement of performance targets. The amounts of the variable components refer to the double office of Chief Executive Officer and Managing Director.	GRI 2.21 a. and b.	a. Information not available/ incomplete at Group level. b. Not applicable.	a. The information was provided for Fincantieri S.p.A. and the Group is committed to providing it as requested by GRI in the short term. b. For the 2022 financial year, it is not possible to report the ratio of the percentage increase in total annual remuneration for the highest paid person in the organization compared to the percentage increase in the median total annual remuneration of all employees, because on May 16 th , 2022 the Shareholders' Meeting appointed the new Chief Executive Officer of Fincantieri, who, effective as of July 1 st , 2022, also assumed the position of Managing Director. In contrast, for the entire 2021 financial year, the positions of Chief Executive Officer and Managing Director were held by two different managers.	
2-22 Statement on sustainable development strategy	4-6; 14-15; 50-55				
2-23 Policy commitments	59; 64-67; 72; 74; 78-79; 86; 120-121; 181; 188; 220-221				
2-24 Embedding policy commitments	42-43; 59; 72-79; 86-87; 120-121; 181; 188; 220-221				
2-25 Processes to remediate negative impacts	42-43; 59; 72-79; 86-87; 120-121; 181; 188; 220-221 535 employment disputes are reported relating to employees and former employees for a total value of over €250 million mainly relating to asbestos cases dating back to the past. The pending proceedings relate to conduct which allegedly took place in years prior to 1980 and which, therefore, cannot be attributed to the direct responsibility of Fincantieri S.p.A. or its current top management.				
2-26 Mechanisms for seeking advice and raising concerns	80-81; 114; 144; 256-258				
2-27 Compliance with laws and regulations	72-77 The Group adopts all the necessary precautions and procedures for the best management of activities in compliance with the applicable regulations. In fact, in 2022 there were only two cases of non-compliance with economic and tax laws and regulations due to late tax payments. These cases generated fines totalling €100,000. No significant fines were received during the year for non-compliance with environmental laws and regulations.				
2-28 Membership associations	36; 114-117				
2-29 Approach to stakeholder engagement	32-36				
2-30 Collective bargaining agreements	166				

GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF. NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	37			
	3-2 List of material topics	37-41			
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	37-41			
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	88-89			
GRI 202: MARKET PRESENCE 2016	201-2 Financial implications and other risks and opportunities due to climate change	142			
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-2 Significant indirect economic impacts	104-105			
MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	120-134			
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	124-125			
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	72-77; 101-102			
GRI 205: ANTICORRUPTION 2016	205-2 Communication and training about Anticorruption policies and procedures	74-76			
	205-3 Confirmed incidents of corruption and actions taken	76			
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No fines or sanctions have been received for actions referred to the reporting period.			
	207-1 Approach to tax	101-102			
GRI 207: TAX 2019	207-2 Tax governance, control, and risk management	101-102			
	207-3 Stakeholder engagement and management of concerns related to tax	101-102			For further information, please refer to p.5 of the Tax Strategy on the website www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/approccio-fiscale/fincantieri_tax_strategy_2021.pdf

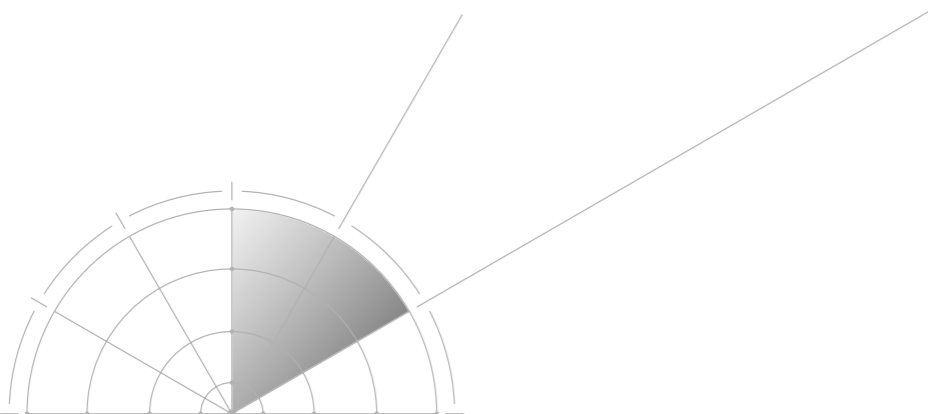
GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF. NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY					
GRI 207: TAX 2019	207-4 Country-by-country reporting	101-102	207-4 a. b. c.	a. b. Information is not available as required by GRI.	a. b. c. The Group is committed to providing the indicators as requested by GRI in the near future.
MATERIAL TOPIC: ENVIRONMENTAL MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	220-222; 237			
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	226-227			
	302-1 Energy consumption within the organization	224; 280			
GRI 302: ENERGY 2016	302-4 Reduction of energy consumption	224; 281			
	303-1 Interactions with water as a shared resource	225-226			
GRI 303: WATER AND EFFLUENTS 2018	303-2 Management of water discharge-related impacts	226			
	303-3 Water withdrawal	226			
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	237			
MATERIAL TOPIC: CLIMATE CHANGE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	200-201			
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	217; 281			
	305-2 Energy indirect (Scope 2) GHG emissions	217-218; 281			
	305-3 Other indirect (Scope 3) GHG emissions	217; 219; 282			
	305-4 GHG emissions intensity	219			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	232-233			

GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPIC: ENVIRONMENTAL MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	220-222			
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	228-230			
	306-2 Management of significant waste-related impacts	228-230			
	306-3 Waste generated	228-229			
MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	120-134			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	130			
	308-2 Negative environmental impacts in the supply chain and actions taken	130-133			
MATERIAL TOPIC: COMPANY WELFARE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	138-139; 162-163			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	142-143; 275-276			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	162-163			
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	138-141			
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	167			
MATERIAL TOPIC: HEALTH AND SAFETY IN THE WORKPLACE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	154-161			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	161			
	403-2 Hazard identification, risk assessment, and incident investigation	154-157			
	403-3 Occupational health services	156			

GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPIC: HEALTH AND SAFETY IN THE WORKPLACE					
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	155			
	403-5 Worker training on occupational health and safety	146; 155-159			
	403-6 Promotion of worker health	155-161			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	146; 155-161			
	403-9 Work-related injuries	156; 276-279			
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	145-150			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	145; 279			
	404-3 Percentage of employees receiving regular performance and career development reviews	150			
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	72-73; 78-79; 151-154			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	61-63; 153; 273-275			
	405-2 Ratio of basic salary and remuneration of women to men	168-169			
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	80-81			

GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	164-166			
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	166			
MATERIAL TOPIC: LOCAL COMMUNITIES AND RELATIONS WITH THE LOCAL AREA					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	188-189			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	188			
MATERIAL TOPIC: HUMAN RIGHTS					
GRI 3: TEMI MATERIALI 2021	3-3 Management of material topics	120-134			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	130			
	414-2 Negative social impacts in the supply chain and actions taken	130-133			

GRI STANDARD	INFORMATIVE NOTE	LOCATION	OMISSION		REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON EXPLANATION	
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	72-73			
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	Fincantieri Marine Group donated €28,500 to the Democratic Governors Association while Fincantieri Marine System North America donated €9,500 to the Republican Party.			
MATERIAL TOPIC: PRODUCT QUALITY AND SAFETY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	175-183			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	175-183			
MATERIAL TOPIC: CYBER SECURITY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	82-85			
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	82-85 During 2022, no grievances concerning breaches of customer privacy were filed.			
MATERIAL TOPIC: INNOVATION, RESEARCH AND DEVELOPMENT					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	106-109			
MATERIAL TOPIC: CUSTOMER SATISFACTION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	184-185			
MATERIAL TOPIC: ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	238-252			



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www.deloitte.it**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT
TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254
OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267/2018****To the Board of Directors of
Fincantieri S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Fincantieri S.p.A. and its subsidiaries (hereinafter "Fincantieri Group" or "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 7, 2023 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraphs "European taxonomy" and "European Taxonomy: KPI calculation methodology and context information".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Deloitte.**Auditor'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 legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

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

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Fincantieri Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;

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- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Fincantieri S.p.A. and with the employees of Muggiano and Palermo sites, 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 non-financial data and information to the department responsible for the preparation of the NFS.

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

- at the group level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, 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 Fincantieri S.p.A. and the Muggiano and Palermo sites, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Fincantieri Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

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Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraphs "European taxonomy" and "European Taxonomy: KPI calculation methodology and context information".

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
March 22, 2023

This report has been translated into the English language solely for the convenience of international readers.

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