

## 2023 Sustainability Report

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

# FINCANTIERI

## 2023 Sustainability Report

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

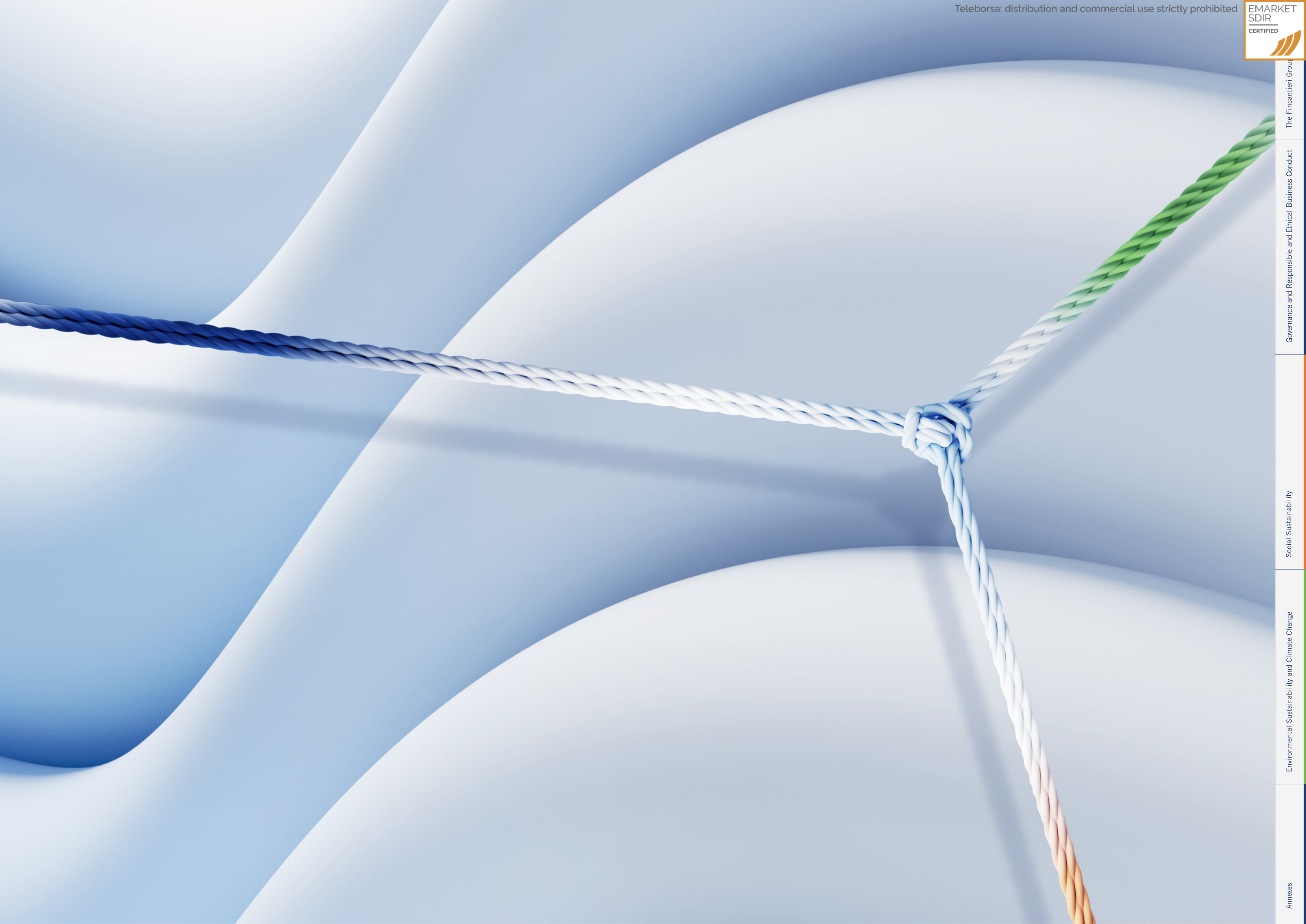
**FINCANTIERI**

The path outlined by the Business and Sustainability Plan 2023-2027 reflects the strong links between Governance, Environmental and Social Sustainability, with a particular focus on the essential contribution of Fincantieri's human capital. Like the ropes and knots of the nautical world, these fundamental values intertwine to create a secure and stable set of bonds and connections. This symbolic representation highlights an integrated and cohesive vision centred on sustainability and balance in the achievement of objectives.



## 2

	Environmental Sustainability and Climate Change	Social Sustainability	Governance and Responsible and Ethical Business Conduct
--	---	-----------------------	---





□ Letter to Stakeholders	8
□ The Fincantieri Planet	10
□ Sustainability 2023 overview	12
□ Sustainability objectives 2023	16

# Letter to Stakeholders

Let's turn change into growth.

Dear Stakeholders,

We can consider 2023 as the year Fincantieri began to rewrite its future. Therefore, it is no coincidence that we have chosen 'Future On Board' as the Group's new claim. A future based on the firm foundations of a historic yet innovative and ambitious Group that looks to the future with entrepreneurial boldness. If in 2022 we had to close ranks to manage the long COVID wave and the rise in prices of raw materials, a situation – I would like to remind you – we emerged from without any cancellation of orders, instead we supported our customers and completed all their projects. In 2023, we laid the foundations for the Fincantieri of the future, leveraging the skills and aptitudes of our people with whom we have embarked on an evolutionary journey aimed at 'future-proofing' our technological and industrial leadership in the light of a new cycle that will be marked by the digital revolution, energy transition and a new defence geo-economy.

This is why I would like to mention, without any conceit, the first milestones already achieved in ESG, since we wanted the new 2023-2027 Business Plan to focus on the strategic pillars of green and digital transition (one presupposes the other) as two synergetic waves that crisscross the core business and forge the Group's development path, without of course forgetting the equally strategic commitment to both social responsibility and governance, clearly expressed together with the environmental targets in the Business Plan and the Sustainability Plan.

Fincantieri is an enabler of change, innovation and sustainability for the entire high added value shipbuilding industry and the entire supply chain connected to it. We do not want to simply adapt our processes and products to trends or regulations, we want to anticipate them and lead the fight against climate change and for decarbonization in our industry and in neighbouring industries.

Getting to the heart of our achievements to date, I would obviously like to start with those concerning the core business, because before being a platform that delivers technology and sustainability, before being the integrators of complex systems, a system of systems, we are first and foremost shipbuilders.

Our first goal is to build the ship of the future, with the aim of contributing to the carbon neutrality of maritime transport and achieving net zero in the cruise sector before 2050.

During the past year we acquired, launched and delivered ships that set the course for the green and digital evolution: we signed orders for the construction of five Service Operation Vessels and for the construction of three hybrid vessels. MSC Cruises has confirmed an order for two new hydrogen-powered ships for its Explora Journeys fleet. We launched the first LNG cruise ship for Princess Cruises and the first of two new dual-fuel (LNG and MGO) cruise ships for TUI Cruises. We also launched the first of a series of new-generation cruise ships with lower environmental impact for Viking, and cut the sheet metal for the new hydro-oceanographic ship (NIOM) for the Italian Navy. I am proud to add that we have certified the world's first experimental and seagoing vessel capable of being entirely hydrogen-powered 'ZEUS'.

We have been awarded a second Important Projects of Common European Interest (IPCEI) – after the first IPCEI on hydrogen – for the development of strategic new technologies in the next generation digital cloud, again the only European company in its field. Moreover, we have also positioned ourselves in the field of robotics by presenting new welding technologies and establishing a partnership with the Italian Institute of Technology (IIT) for the development of innovative robotics systems. We took further steps along the path of green innovation by unveiling Isotta Fraschini Motori's new Innovation and Development Centre and signed an agreement with Rina and Newcleo to study nuclear ship propulsion, because setting course for net zero requires an agnostic approach, experimenting with a mix of propulsion solutions without ruling out any option.

Taking a look beyond the horizon at new businesses, I would like to mention our joining the Floating Offshore Wind Community, established together with Ambrosetti and other partners, for the launch of the offshore wind sector in our Mediterranean Sea. On account of its expertise, Fincantieri is seen as prime mover in the construction of new-generation floating offshore wind platforms, which would represent a decisive leap forward for the energy transition of the entire economic system of Italy and Europe, and would also create thousands of potential jobs, especially in southern Italy.

In the area of Defence and the exploration of everything under water, we are focusing on the activation of the new underwater sector, which also sees Fincantieri at the forefront as design authority of submarines since the beginning of the 20<sup>th</sup> century and major player in the new National Underwater Cluster set up by the Italian Navy in La Spezia, alongside Leonardo and SMEs in the industry. Underwater represents in some ways the new frontier, for not only Defence but also business to boldly go: whoever explores it and arrives first will be able to enjoy competitive advantage. To this end, the acquisition of Remazel Engineering and the MoU signed with WSense are the tangible results of our strategic action.

Expanding on the theme of environmental sustainability, we also joined, as a co-founding member, the Venice World Sustainability Capital Foundation, of which I was appointed as a member of the Scientific-Technical Committee, and the ESG Community of Cassa Depositi e Prestiti.

Last but not least, hand in hand with the E of environmental commitment and technological innovation, we also returned focus on the S of social responsibility and the G of governance.

As far as social responsibility is concerned, we can say that we took a disruptive approach to practical and important issues. We are no longer the Company that just does something for someone, or does something exceptional, instead we are the Company that makes the focus on people systematic, day-to-day and proactive, starting with those who are the most vulnerable and who need to feel included. In this regard, we have supported as sponsors (or devised and implemented directly as Fincantieri) a series of initiatives that are a source of particular pride for us. From Tim's '4 Weeks 4 Inclusion' campaign to the 'Wow-Wheels On Wave' mission, i.e. the round-the-world catamaran tour by disabled skipper Andrea Stella, promoted by the Ministry of Defence and Difesa Servizi, which was also applauded by the President of the Republic (a project that envisages activities for the disabled children of employees of the Group's shipyards in Italy and abroad). The launch of the 'Respect for Future' campaign combating violence against women, for which we organized a major corporate event in Trieste, saw Fincantieri engage with a highly topical issue for the first time. This campaign seeks to bring about a total

change of mentality through the genuine commitment of us men towards our female colleagues, in particular with regard to gender-based violence, to combat which we have set up a listening and support network within the Company together with the association Differenza Donna. We also signed up to the UN 'Women's Empowerment Principles', having joined Global Compact in 2019.

Despite our well-established and paramount commitment to occupational safety as well as all possible precautions having been taken for our employees and all workers in the satellite businesses, we are saddened that a fatal accident occurred in 2023 to an employee of a company operating in our shipyards. In order to further reinforce a safety culture whose goal is a zero-accident future, we have ramped up our projects dedicated to this subject, such as the new 'Safety On Board' campaign.

We then opened, in Monfalcone, the second company crèche, 'Fincantesimo - The Fairytale Shipyard', confirming the focus on our employees' work-life balance in terms of welfare policies dedicated to them.

Remaining on the topic of people, we have launched, in agreement with the workers' organizations, a new organizational model, renaming it 'Work for Future', based on a new approach to smart working, increased the number of days per month available and extended it to a broader segment of the company population, as well as centred on more effective indicators that respect people's privacy. We also reopened the doors of all our sites to the families of employees on the two days of the 'Family Day'.

Turning to Governance, under the mantra of financial discipline and transparency, we have subscribed to sustainability-linked instruments and created ESG factoring opportunities that increasingly testify to the inseparable link between finance and sustainability in all aspects. In particular, we have signed with a pool of credit institutions coordinated by BNP a corporate loan of euro 800 million, guaranteed by SACE, and we have made available to all our suppliers an agreement with Credit Agricole, BNP, SACE and Unicredit that offers Fincantieri suppliers advantageous credit terms in relation to their sustainability profile.

As regards the sustainable supply chain, at the Acquario di Genova, we brought together more than 200 of the 5,000 companies that work with us every day, which alone have a combined turnover of around euro 158 billion. And we did it with one goal: to bring the future on board, together. This initiative is only the first of a long series and it is one with which we wanted to open a new channel for dialogue, discussion tables for ideas and projects that will lead us and our supply chain to spearhead the digital and green transition in shipbuilding. The Group's actions in the area of ESG have been rewarded with the achievement of important recognitions: from confirmation – for the fourth consecutive year – of the A- score by CDP (formerly the Carbon Disclosure Project) and the 'Advance' rating from Moody's, to inclusion in the ESG Top Rated Companies List 2024 by Sustainalytics; the 'Top Employer Italy 2024' certificate from the prestigious Top Employers Institute; the UNI/PdR 125:2022 certification on gender equality that was awarded to Fincantieri S.p.A. by Rina; to the AA rating that sees Fincantieri ranked among the top 50 Italian top brands in the 'Brand Finance Italy 100 – 2023' ranking.

The list goes on, but I prefer to focus on what we still have to do, rather than being complacent about what we have already done. The present and future coincide in Fincantieri's mindset, and the past is only the constant of a continuous evolution. This is the only approach we can take to grow the canopy of a tree whose deep roots in shipbuilding can be traced back 250 years.

**Pierroberto Folgiero**  
Chief Executive Officer and General Manager of Fincantieri





# The Fincantieri Planet

## Shipyards and Docks

### Europe

#### Italy

Trieste  
Monfalcone  
Marghera  
Sestri Ponente  
Genoa  
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

€ 7.7 bln Revenue

+7,000 Ships designed and built

## Principal Western shipbuilder

+230 Years of history

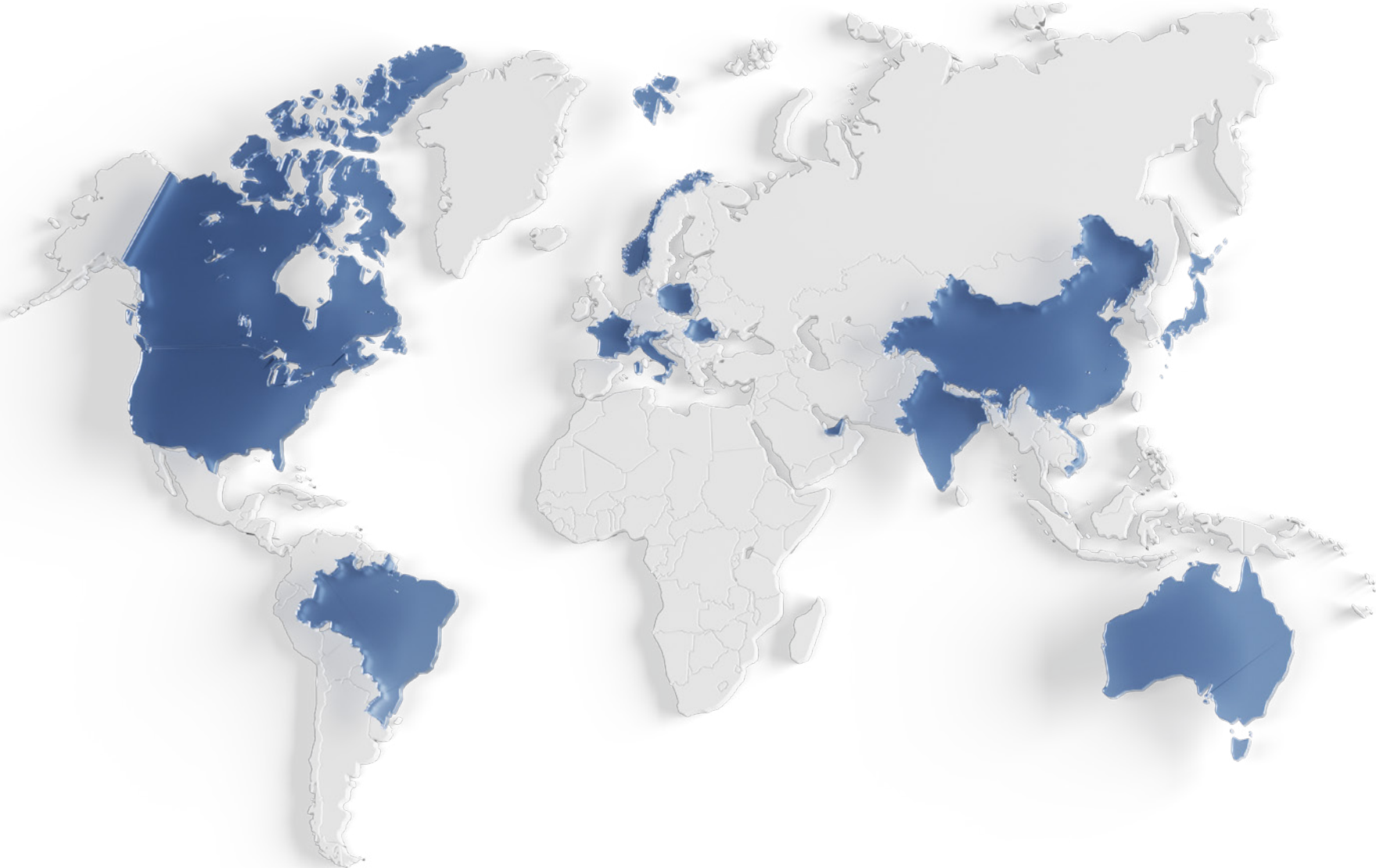
> 21,000 Employees at 31.12.2023

48% Other countries; 52% Italy

18 Shipyards

nr.1 player in diversification and innovation

85 Vessels in order book



## 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 Opere Marittime  
Fincantieri Infrastructure Sociali  
IDS Ingegneria Dei Sistemi  
SOF  
Issel Nord  
MI  
E-Phors  
BOP6  
HMS IT  
S.L.S. - Support Logistic Services  
Operae A Marine Interiors Company  
MTM  
Norway  
Vard Group  
Vard Design  
Vard Electro  
Vard Interiors  
Seaonics  
Romania  
Vard Shipyards Romania  
France  
Team Turbo Machines  
Croatia  
Vard Design Liburna  
Polonia  
Seaonics 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

#### United Arab Emirates

Fincantieri Naval Services – Sole Proprietorship

### Americas

#### USA

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

#### Canada

Vard Marine

#### Brazil

Vard Promar

### Oceania

#### Australia

Fincantieri Australia

Total backlog € 34.8 bln

Ships designed and built +7,000

Continents 4

Research, development and innovation € 152 mln



# Sustainability 2023 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 2023, which will be elaborated extensively in the following macro-chapters of the document:

- Governance and responsible and ethical business conduct
- Social sustainability
- Environmental sustainability and climate change



## Governance and responsible and ethical business conduct

In 2023, our position as best-in-class on sustainability issues was recognized by various rating companies and organizations. The Group maintained its A- rating from CDP (formerly Carbon Disclosure Project) - Climate Change and its 'Advance' rating from Moody's for the fourth consecutive year and was included in the ESG Top Rated Companies List 2024 by Sustainalytics.

In 2023, we adopted 'Future On Board' as the Group's new claim, expressing a future based on expertise and credibility as a digital design authority and integrator of complex solutions. A future where the workforce is integrated with technology, big data and artificial intelligence and where ships, propelled by non-polluting fuels and new generation engines, will have zero impact on the planet.

In 2023, our robust governance in the area of sustainability was confirmed, with 100% of employees (senior and middle managers) recipients of the variable remuneration system, structured around environmental, social and governance targets.

The Group remains committed to its path to sustainable growth through instruments such as the signing of 'green' finance products, which amount to over euro 2 billion, and by developing its supplier assessment program, which aims to ensure that their sustainable performance is measured through ESG scoring and sustainability audits. Of the 49 ESG audits conducted in 2023, none fell short of expectations.

In 2023, Fincantieri formulated its Research & Innovation Policy to maintain technological leadership in the sectors where it operates. The policy focuses on product innovation and internal process optimization.

<div>Rating ESG</div> <div>A- CDP</div> <div>for the fourth consecutive year</div> <div>scale from A, maximum, to D, minimum</div>	<div>Rating ESG</div> <div>14.2 "Low Risk" Sustainalytics</div> <div>17.4 in 2022</div> <div>scale 0 best, &gt;40 worst</div>	<div>Sustainability awards</div> <div>Certification "Top Employer Italia 2024"</div> <div>by the Top Employers Institute</div>	<div>"Green" finance products signed during the year</div> <div>€1,615 mln</div>
<div>Percentage of Board of Directors members with ESG expertise</div> <div>50%</div>	<div>Diversity in the Board of Directors</div> <div>40% Women</div>	<div>Number of Research and Innovation (R&amp;I) projects</div> <div>152</div> <div>167 in 2022</div>	<div>Number of sustainability audits at strategic suppliers</div> <div>49</div> <div>40 in 2022</div>



Social sustainability

The Group puts people at the centre of its strategy. In 2023, Fincantieri delivered more than 789,000 hours of training, with a sharp increase in training hours per capita compared to the previous year (37.2 hours per capita, +50.5% compared to 2022). This increase was driven by the Ecological and Digital Transition (TED) training plan that addresses the strategic challenges related to the development of the 2023-2027 Business and Sustainability Plans.

In 2023, we continued to encourage a feedback culture through the adoption of our new performance appraisal tool and we conducted the second Employee Engagement Survey involving over 16,000 employees, with a response rate of 83%, reaching 75% overall engagement, up 3 percentage points from 2022.

We are the first Group in the shipbuilding sector in Italy to be awarded the Gender Equality Certification by the certification body Rina, confirming our commitment to labour equity and corporate inclusion. In 2023, we exceeded the 25% target by achieving 34% female participation in the 'Talent' acceleration program, which is dedicated to young people with high potential and is designed to shape the leadership of the future.

In 2023, the frequency rate for work-related injuries decreased by 19%. This achievement demonstrates the effectiveness of our efforts and determination to pursue occupational safety goals across the Group. The safety and wellbeing of our workers remain top priorities as we continue to work towards a corporate culture that is based on accident prevention and the promotion of safety at work. The launch of the 'Safety on Board' program makes a significant contribution to achieving this goal.

On the subject of customer engagement, this is the first year we delivered the Customer Satisfaction Index (CSI) questionnaire that included ESG questions.

Among the initiatives for the community, we supported the 'WOW – Wheels on Waves – Around The World' project, promoted by Difesa Servizi and the Ministry of Defence, which involves a round-the-world voyage on board the catamaran 'Lo Spirito di Stella', the only boat in the world that is fully accessible to people with motor disabilities.

<div>Percentage of women</div> <div>14.8%</div> <div>14.6% in 2022</div> <div>Percentage of white collar women (white collar employees and middle managers)</div> <div>23%</div> <div>22% in 2022</div>	<div>Frequency rate (injury rate)*</div> <div>6.6</div> <div>8.1 in 2022</div> <div><small>*(no. of work-related injuries/ hours worked) x 1,000,000 (LTIFR)</small></div>	<div>Average hours of training per capita</div> <div>37.2</div> <div>+50.5% vs. 2022</div> <div>Percentage of employees trained:</div> <div>90%</div> <div>87% in 2022</div>	<div>Certification for gender equality</div> <div>UNI/PdR 125:2022</div> <div>for all Italian companies</div>
<div>Percentage of permanent contracts</div> <div>94%</div> <div>95% in 2022</div>	<div>Percentage of women senior managers</div> <div>9%</div> <div>8% in 2022</div>	<div>Percentage of employees evaluated</div> <div>85%</div> <div>84% in 2022</div>	<div>Certifications</div> <div>ISO 45001</div> <div>100% of Italian shipyards 89% at Group level</div>

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.

During 2023, we completed our alignment with the Task Force on Climate-related Financial Disclosures (TCFD), which through its recommendations guides organizations in reporting on climate change.

At the technological level, we launched the first cruise ship powered mainly by LNG and delivered several small/medium-sized vessels, that operate in marine wind farms, equipped with electric batteries to cover all or part of the on-board energy needs.

In 2023, we implemented numerous initiatives that improved our environmental performance. Our Scope 1 and Scope 2 greenhouse gas (GHG) emissions decreased by 4% and electricity consumption decreased by 3% compared to 2022.

During the year, there was a 2% increase in overall waste production, but this was accompanied by a significant increase of 3% in waste sent for recovery. In particular, the quantity of hazardous waste sent for recovery increased by 38%, demonstrating our efforts to improve the management of materials that are potentially harmful to the environment and people's health.

<div>Scope 1 and 2* GHG emissions</div> <div>144,959 tCO<sub>2</sub>e</div> <div>-4% compared to 2022</div> <div><small>*Market-based, emissions from electricity purchased by considering emission factors expressed in CO<sub>2</sub> relative to the residual mix</small></div>	<div>VOC emissions</div> <div>717 t</div> <div>+1% compared to 2022</div>	<div>Total water withdrawal</div> <div>2,917 ML</div> <div>+1% compared to 2022</div>	<div>Total waste produced</div> <div>140,829 t</div> <div>+2% compared to 2022</div>
<div>Total energy consumption</div> <div>3,029,650 GJ</div> <div>-1% compared to 2022</div>	<div>Electricity from renewable sources</div> <div>85%</div> <div>82% in 2022</div>	<div>Certifications</div> <div>ISO 50001</div> <div>8 Italian shipyards</div> <div>ISO 14001</div> <div>100% of Italian shipyards 89% at Group level</div>	<div>Percentage of waste sent for recovery</div> <div>85%</div> <div>84% in 2022</div>

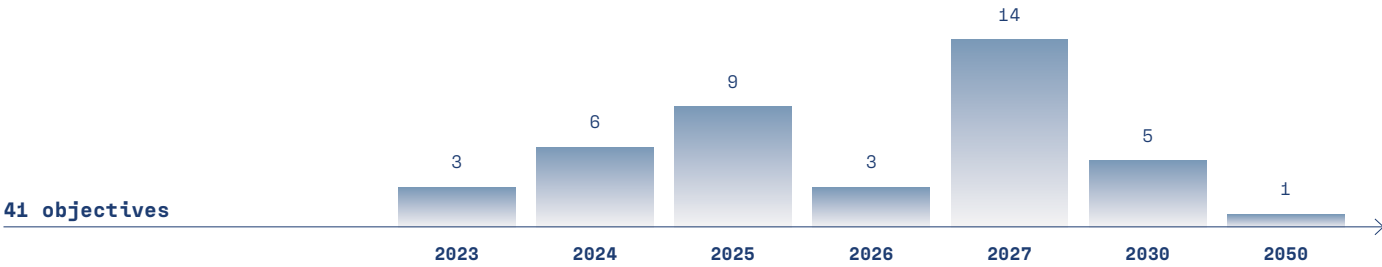
# Sustainability objectives 2023

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

The Plan consists of 41 objectives and over 130 targets to be achieved in the short, medium and long term.



During the year, all 3 objectives and 32 targets with a deadline of 2023 were achieved. The objective concerning the application of the CSI questionnaire integrated with Environmental, Social, and Governance (ESG) issues and the objective concerning the six institutional meetings to promote the design of ships with lower environmental impact with a deadline of 2024 were completed early. In addition, the target of setting up the architecture of a single security monitoring centre serving the Group on national and European territory planned for 2024 was developed in advance in 2023.

Below are the objectives of the 2023-2027 Sustainability Plan with a final or intermediate deadline in 2023. The pages in this Report describing the related initiatives are marked with the following logo:




## Sustainability Plan Objective achieved in 2023





Material topic	Objective	Target	Status	Page												
Innovative and technological development for energy and digital transition																
																
Innovation, research and development	Research & Innovation Policy	Drafting a Policy that identifies the principles and the strategy chosen by the Group to approach product and process research and innovation	✓	120												
	Digital transformation through the introduction of technologies and equipment to optimize corporate processes and make them more green in line with organizational and management best practices	Completion of migration (50% remaining servers) from on-premise infrastructure to Public Cloud infrastructure characterized by improved energy efficiency (+16% DCIE <sup>1</sup> ), and optimization of consumption compared to 2021 through: <ul style="list-style-type: none"><li>rationalization (~ -15% servers)</li><li>re-sizing (~ -14% computing power)</li><li>on-demand activation of non-productive servers (~-60% up-time)</li></ul>	✓	96												
		Signing of a Group framework agreement for the supply of energy-efficient printers	✓	96												
		Rationalization of the printer fleet (-5% with a target of 16 users/printer), refresh of at least 50% of the obsolete printers compared to 2021 and their mapping by production area with their print volumes	✓	96												
		Assessment of Data Centre and Printing services for VARD (Norway, Romania) and Fincantieri Marine Group (FMG) and definition of an evolution roadmap	✓	96												
	Digitalization of internal processes and collaboration with third parties	Roll-out of ERP SAP, an enabling platform for process digitalization, in the subsidiaries: <ul style="list-style-type: none"><li>VARD (Norway, Romania)</li></ul>	✓	97												
	Introduction of innovative analytics and process mining solutions that provide insights for process optimization	Introduction of a process mining solution with the aim of analysing the lead times of business processes and highlighting potential improvement actions, and its testing on the process of invoicing of accounts payable in order to assess its benefits before extending it to other business processes	✓	98												
		Creation of a corporate database (Data Platform) powered by data from the corporate master systems (e.g. SAP, Inspection Call), activation of AI/machine learning services in order to provide useful analytics to deliver insights into areas of lower efficiency and to identify opportunities for optimizing and/or streamlining processes, and implementation of analytics and predictive analysis tools: <ul style="list-style-type: none"><li>Wave 1: 10 priority use cases (8 CFO, 2 Supply Chain)</li></ul>	✓	98												
Environmental management	Waste reduction	Maintaining the portion of waste sent for recycling between 80-90% each year	✓	248												
Customer satisfaction	Expanding the customer satisfaction measurement model – Customer Satisfaction Index (CSI) – to include ESG issues	Expansion of the CSI questionnaire to ESG issues to understand customer satisfaction in terms of sustainable product and process.	✓	203												
		Application of the CSI questionnaire, including the ESG section.	✓	203												
Cyber security	Centralize the cyber security management and monitoring through a uniform service delivery model	Introduce a single security monitoring centre for the Group on national and European territory: <ul style="list-style-type: none"><li>setting up of the architecture</li></ul>	✓	99												
	Raising awareness among employees and top management about cyber risks and train them to recognize such risks	Delivering phishing awareness campaigns to employees (white collar employees, middle managers and senior managers): <ul style="list-style-type: none"><li>2 campaigns</li></ul>	✓	100												
		Implementation of induction sessions to Top Management (including the Board of Directors): <ul style="list-style-type: none"><li>1 induction session</li></ul>	✓	100												

<sup>1</sup> Data Centre Infrastructure Efficiency (DCIE): ratio between the total power absorbed by IT equipment alone and the total power used by the data centre.



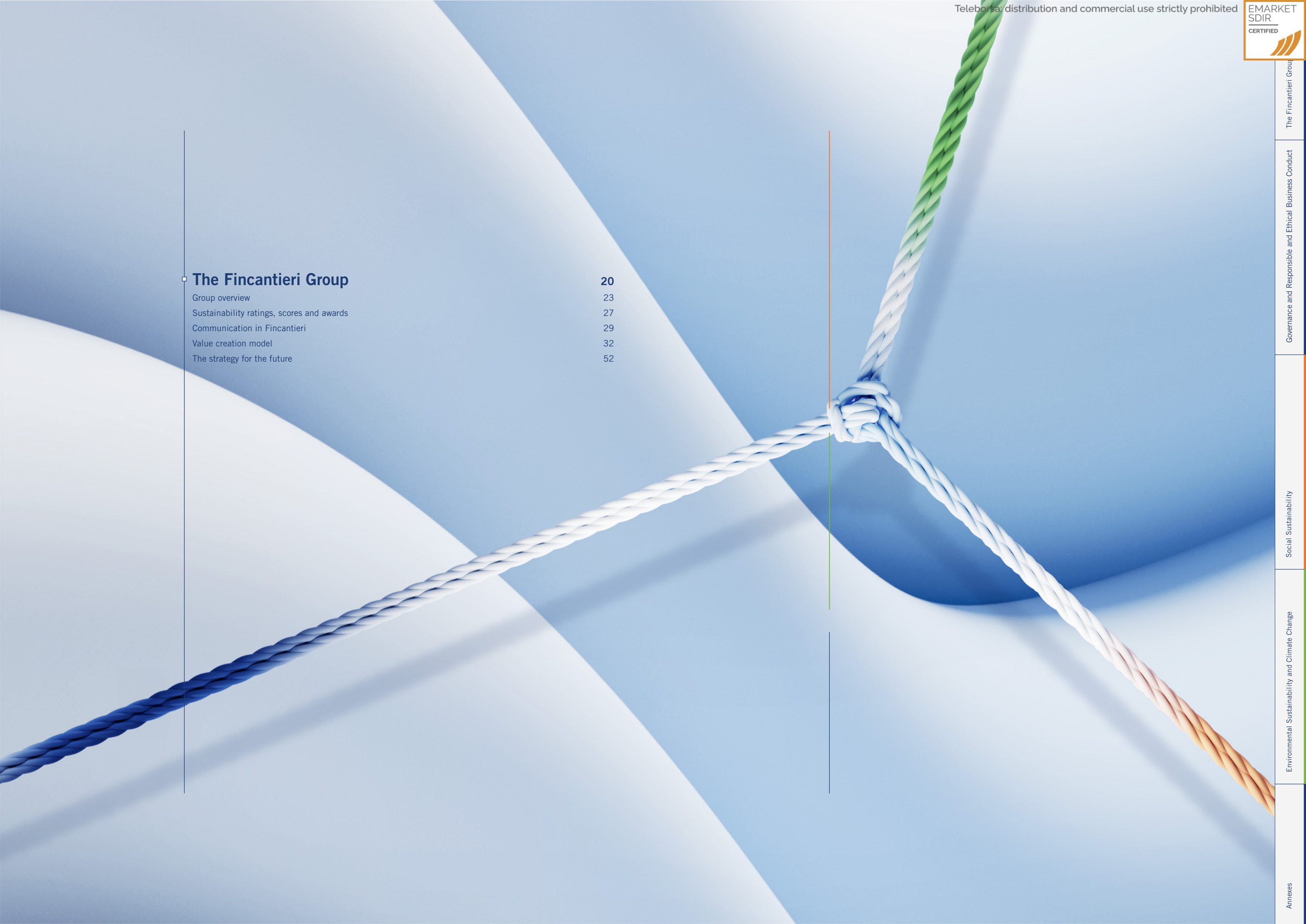
Material topic	Objective	Target	Status	Page
Protection, inclusion and development of people and communities				
				
Development and safeguarding of human resources	<b>Investing in the career development of resources and enhancing their value so that they can contribute to the achievement of the Group's strategic objectives</b>	As part of the meritocratic policy, reward at least 60% of the resources assessed as high performers <sup>2</sup> using the new performance appraisal model adopted globally. The bonus refers to salary increases, one-off measures, and level or qualification upgrades	✓	162
	Developing future leadership by strengthening the pipeline of young talent included on accelerated growth paths, reducing the gender gap, avoiding anti-selection phenomena	+30% of new resources included in the 'Talent' acceleration program for young high-potential resources embarking on a career development path, of which 25% women, compared to 2020-2022	✓	163
	Develop a working environment where employees feel increasingly more engaged, motivated and willing to build their professional future, through the use of annual surveys to measure employee engagement	Improve by 2 pp the Employee Engagement rate <sup>3</sup> recorded in the 2022 survey	✓	186
Human rights	In line with the guidelines being defined <sup>4</sup> and international best practices, proactively identify and assess potential risks and impacts related to the respect for human rights, incorporated in the policy and Code of Ethics, referred to in the general terms and conditions of the orders and signed by suppliers	Due-diligence on Italian and European production sites and their satellite business	✓	90
	Annual sustainability audits conducted by Fincantieri (second party) at suppliers' premises to assess and monitor suppliers' compliance with human rights, health and safety and the environment	Audits of suppliers of priority/strategic interest to the Group on respect for human rights, health and safety and the environment (approx. 200 suppliers including the remaining 7 not carried out due to COVID pandemic issues) with at least 40 audits per year. Starting from 2023, depending on the score obtained from the audit, recovery plans, progressive or immediate phase-outs are defined on an ongoing basis, depending on the severity, with evidence being reported in the Supplier Observatory	✓	138
	Ensuring maximum integration and full involvement of the company population by developing training and awareness-raising initiatives on diversity and inclusion	2 projects, one to support parenting or caregivers and one to raise awareness of disability	✓	167
Diversity and equal opportunity	Strengthening gender equality and women's empowerment by promoting projects aimed at ensuring a level playing field for women in the world of work	Obtaining UNI PdR125 Gender Equality Certification for Fincantieri S.p.A.	✓	166
		Extend the gender pay gap analysis to Group level	✓	166
Local communities and relations with the local area	<b>Communication campaign to disseminate the Group's new mission, vision and purpose to all relevant stakeholders in order to play an active role in building a supportive and inclusive community</b>	Definition of the integrated strategic communication and sustainability plan in order to disseminate the corporate purpose, the Group's new mission in the creation of long-term sustainable value for all its reference communities while respecting people and the environment	✓	29
	Development of educational and social inclusion projects especially for disadvantaged groups and those at risk of exclusion	Activation of at least two initiatives, one of which at Group level	✓	211
	<b>Supporting institutions in defining research and innovation pathways that favour the design of ships with reduced environmental impact</b>	6 institutional meetings	✓	214

Material topic	Objective	Target	Status	Page
Industrial excellence				
				
Health and safety in the workplace	Improvement of health and safety at work performance with a view to zero injuries to protect workers' health and the working environment	Contain the frequency rate for work-related injuries <sup>5</sup> below 7.5 for the next 5 years	✓	173
		Contain the severity index <sup>6</sup> within 0.2 for the next 5 years	✓	173
	Supporting inspection activities through robotized systems	Carry out a feasibility study for the adoption of autonomous inspection and monitoring systems for shipyard areas and on board ship. These tools will be used to perform their tasks in high-risk or difficult-to-access areas for personnel or to automate low added value tasks	✓	175
Sustainable supply chain	Development of a Sustainable Supply Chain in order to integrate sustainability criteria into the supplier qualification system and to ensure adequate risk control	Launch of an ESG assessment program and coverage of the most relevant suppliers, in terms of purchasing volume of 30%	✓	137
	Raising suppliers' awareness of ESG issues	Organization of at least one engagement session on ESG issues per year with strategic suppliers	✓	142
	Management of conflict minerals along supply chain	Drafting and publishing a Policy on the management of conflict minerals <sup>7</sup>	✓	132
Governance and business integrity		Application of an increase to the Result Bonus and Management Objective Plan related to five annual sustainability objectives to the target population (white and blue collar employees)	✓	184
	Assignment of sustainability objectives in the corporate variable remuneration system	Attribution of sustainability objectives to at least 25% of staff (middle managers and senior managers) who have access to the variable remuneration system	✓	184
		Attribution of sustainability objectives to the top management of foreign subsidiaries	✓	184
	Aligning the financing strategy with sustainability targets and international best practices in terms of sustainable finance	Increase the weight of sustainable finance to at least 20% of medium/long-term funding	✓	114
 <b>Objective completed</b> ✓ Target completed				



The 2023-2027 Sustainability Plan is available on the website [www.fincantieri.com/en/sustainability/governance/sustainability-plan/](http://www.fincantieri.com/en/sustainability/governance/sustainability-plan/)

<sup>2</sup> High performers refers to employees rated Above Expectations or Excellent.  
<sup>3</sup> Employee engagement rate to measure the degree of belonging, satisfaction and motivation. Calculated on the basis of favourable responses to 11 questions in the survey.  
<sup>4</sup> In order to anticipate the requirements contained in the Proposal for a Directive of the European Parliament and of the Council on the due diligence of companies regarding sustainability.  
<sup>5</sup> Frequency rate (injury rate) (no. of work-related injuries/hours worked \* 1,000,000).  
<sup>6</sup> Severity index (no. of days lost due to injury/hours worked \* 1,000).  
<sup>7</sup> Refer to raw materials or minerals - tin, tantalum, tungsten and gold (the «3TG») - 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.



■ **The Fincantieri Group**

Group overview	20
Sustainability ratings, scores and awards	23
Communication in Fincantieri	27
Value creation model	29
The strategy for the future	32
	52



We work for a future where our workforce is integrated with technology, big data and artificial intelligence and where ships, propelled by non-polluting fuels and new generation engines, will have zero impact on the planet

Fincantieri is one of the world's leading shipbuilding groups, the only one active in all sectors of high added value shipbuilding. We are world leader in the construction and conversion of cruise ships (with a market share of over 40%), and a major player in the field of offshore and naval vessels. We operate in the wind, oil & gas, fishing vessels and specialized vessels sectors, 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.

With its 2023-2027 Business and Sustainability Plans Fincantieri is positioning itself as enabler of the energy and digital transition in the shipping industry. Fincantieri is leading the transition with the objective of building the ship of the future – green and digital – a path on which the Group has developed pioneering solutions ahead of global regulations and trends. It already has distinctive achievements to its credit, such as designing the world's first hydrogen-powered prototype and naval vessels, or having acquired leadership in the design and construction of Service Operation Vessels (SOV) operating in marine wind farms. These achievements testify to the Company's commitment and ability to be an enabler of the ecological 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.

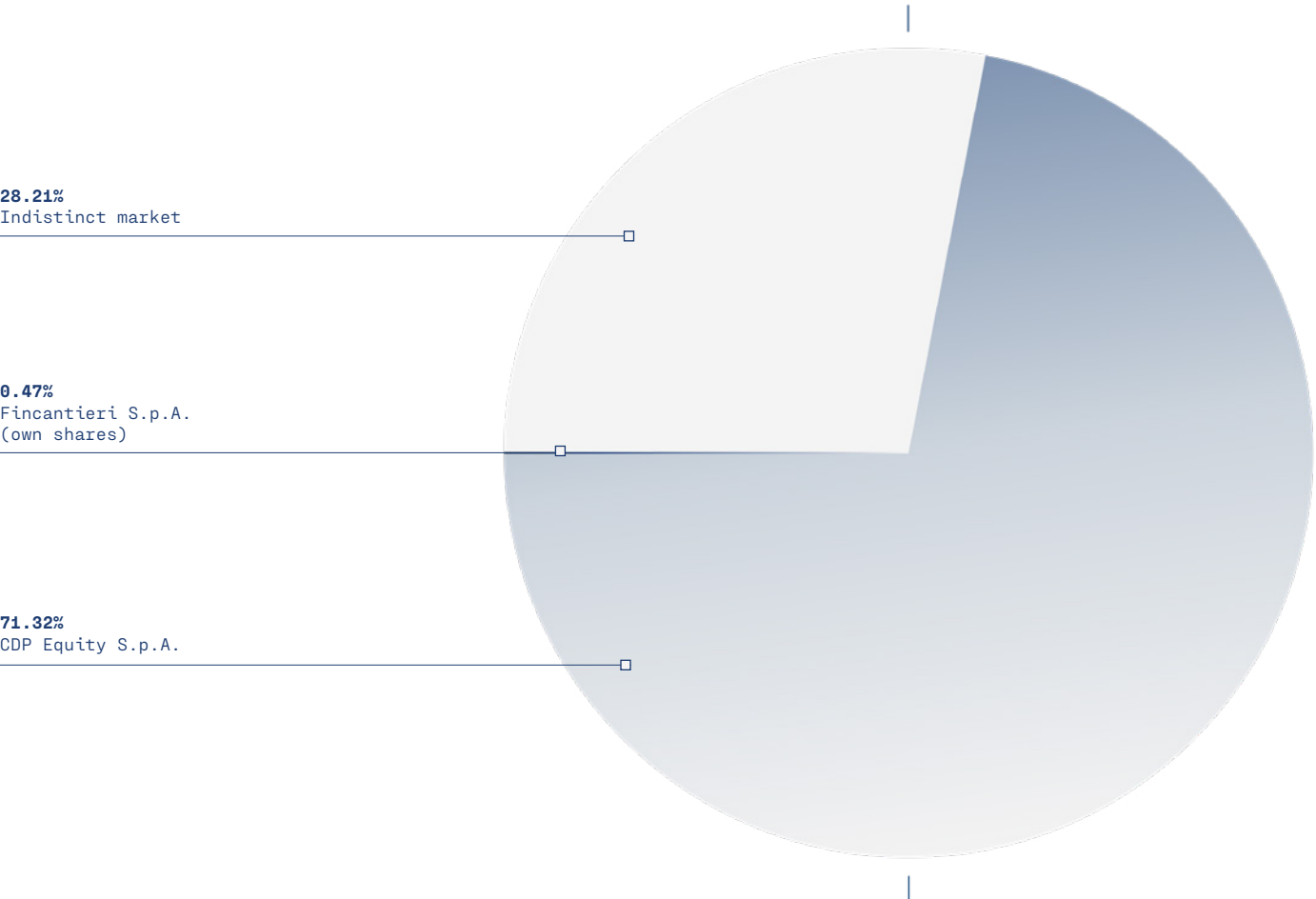
We stand out for our industrial expertise and our ability, developed over the years, in managing highly complex projects, thus being able to offer one of the most advanced integrated platforms in the world. In this sense, the Group is increasingly a platform for technology and innovation, as well as an advanced systems integrator, a system of systems.

With over 230 years of history and more than 7,000 ships built, we maintain our know-how and headquarters in Italy, where we employ over 11,000 people. Our production network spans 18 shipyards on four continents and employs over 21,000 direct workers.

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 96 subsidiaries, 36 of which are Italian and 60 are foreign. During 2023, there were no acquisitions of companies.



Shareholders











Characteristics of the Shareholder	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 31<sup>st</sup>, 2023, 71.32% of Fincantieri's Share Capital of euro 862,980,725.70 is held, through the subsidiary CDP Equity S.p.A., by Cassa Depositi e Prestiti S.p.A. (CDP), 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 0.47% of shares representing the Share Capital).

Group overview

The Group operates through the following three segments:

- Shipbuilding:** encompassing the business areas of cruise ships, naval vessels and the Accommodation Cluster (renamed 'Ship Interiors');
- 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 vessels and ferries, as well as unmanned vessels, offering innovative products with reduced environmental impact;
- Equipment, Systems and Infrastructure:** includes the following business areas: i) Electronics Cluster, which focuses on advanced technological solutions, from the design and integration of complex systems (system integration) to telecommunications and critical infrastructure; ii) Mechatronics Cluster, i.e., integration of mechanical components and power electronics in naval and onshore applications; and iii) 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.

Segments		Shipbuilding				Offshore and Specialized Vessels				Equipment, Systems and Infrastructure			Other		
Business areas		 Cruise ships	 Naval vessels	 Ship Interiors		 Offshore and Specialized Vessels			 Electronics cluster	 Mechatronics cluster	 Infrastructure cluster	 Corporate functions			
Product Portfolio		Contemporary Premium Upper Premium Luxury Exploration/Niche Expedition cruise vessels	Aircraft carriers Destroyers Frigates Corvettes Patrol vessels Amphibious ships Logistic support ships Multirole and research vessels Special vessels Submarines Product lifecycle management: - Integrated logistic support - In-service support Training and assistance	Cabins Wet units Public areas Catering Glazing Interior Design		Drilling units Offshore support vessels (AHTS-PSV-OSCV) Special vessels Fishery/Aquaculture Wind offshore			Design and integration of complex systems (system integration) with a focus on automation  Cyber security  Telecommunications  Critical infrastructures	Energy generation/storage systems: - Electrical, electronic and electromechanical integrated systems Entertainment systems - Stabilization, propulsion, positioning and power generation systems - Steam turbines	Design, construction and assembly of steel structures on large projects such as: - Bridges - Viaducts - Airports - Ports - Maritime/hydraulic works - Large commercial and industrial buildings		Strategic direction and coordination: - Governance, Legal and Corporate Affairs - Accounting and Finance - Human Resources - Information Systems - Research & Innovation - Purchasing		
		Ship repairs	Refitting	Refurbishment	Conversions										
Main Subsidiaries/Associates/Joint Ventures		Fincantieri S.p.A. • Monfalcone • Marghera • Sestri Ponente • Cantiere Integrato Navale Riva Trigoso and Muggiano • Ancona • Castellammare di Stabia • Palermo • Arsenale Triestino San Marco • Bacino di Genova  CSSC - Fincantieri Cruise Industry Development Ltd.  FMSNA Inc.  Fincantieri Services Doha LLC  Fincantieri Services USA LLC  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.  Marine Interiors Cabins S.p.A.  Marine Interiors S.p.A.  Seanergy a Marine Interiors company S.r.l.  MI S.p.A.  OPERAE a Marine Interiors Company S.r.l.  Fincantieri Naval Services – Sole Proprietorship LLC  MTM S.c.a.r.l.				Fincantieri S.p.A.  Fincantieri Oil&Gas S.p.A.  Vard Group AS • Brattvaag • Langsten • Søviknes  Vard Promar SA • Suape  Vard Vung Tau Ltd. • Vung Tau  Vard Shipyards Romania SA • Tulcea • Braila  Vard Interiors AS  Vard Design AS  Vard Marine Inc.			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.  HMS IT S.p.A.  S.L.S. - Support Logistic Services S.r.l.	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.  BOP6 S.c.a.r.l.	Fincantieri Infrastructure S.p.A.  Fincantieri Infrastructure Opere Marittime S.p.A.  Fincantieri Infrastructure Florida Inc.  Fincantieri Infrastrutture Sociali S.p.A.  SOF S.p.A.	Fincantieri S.p.A.		



**Vision**

Creating a sustainable, high-tech fleet of ships, where new technologies and innovation are integrated seamlessly in order to reduce environmental impact and improve naval system efficiency.

**Purpose On Board**

We contribute to moving society forward by creating, shaping and leading the green and digital future of the global shipbuilding industry.

**Future on Board:** the signature of the Fincantieri brand. We bring a future on board that is built on our proven expertise and credibility as a digital design authority and integrator of complex solutions. A future where our workforce is integrated with technology, big data and artificial intelligence and where ships, propelled by non-polluting fuels and new generation engines, will have zero impact on the planet.

**Mission On Board**

Global leadership in the development and lifecycle management of digital and green ships. 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, general public and local communities, creating value for every stakeholder.

Values



Sustainability ratings, scores and awards

During 2023, we consolidated our position as best-in-class on sustainability issues in our industry.

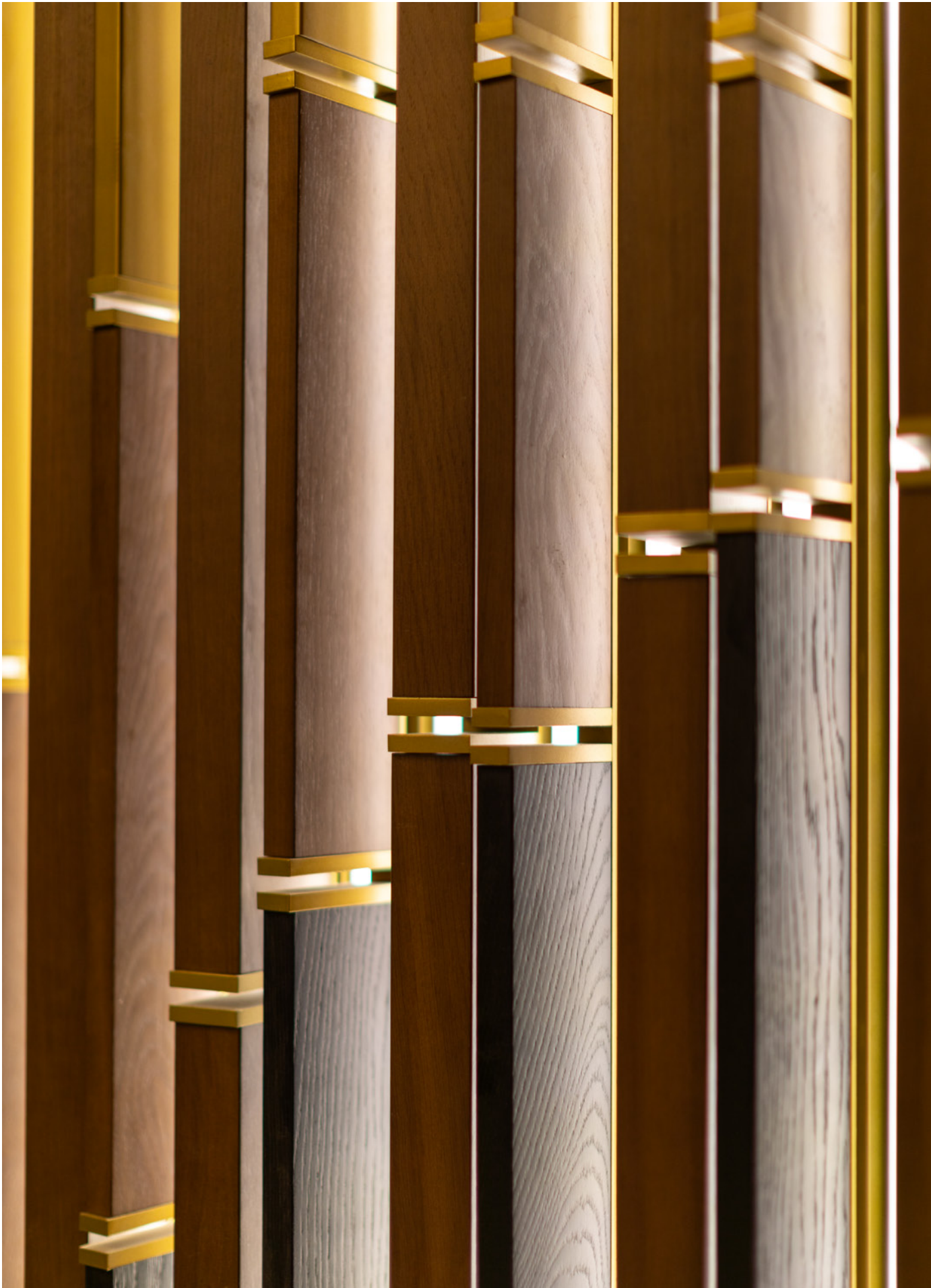
Sustainability ratings and scores

Rating agency	Description	2020	2021	2022	2023
CDP	CDP is an independent non-profit entity that assesses the companies' commitment at global level to managing and monitoring climate change risks and opportunities. Its analysis is in line with the requirements of the Task Force for Climate-Related Financial Disclosures (TCFD) and the main environmental standards. Its rating scale ranges from D (lowest) to A (highest) and Fincantieri is placed in the highest band, called Leadership, achieving a higher result than the European average. Moreover, CDP also awarded Fincantieri the <b>A-</b> rating in the <b>Supplier Engagement Rating (SER)</b> ranking. This rating measures the effectiveness with which companies are involving their suppliers, again as regards climate change.	<b>A-</b>	<b>A-</b>	<b>A-</b>	<b>A-</b>
Sustainalytics	Sustainalytics is a subsidiary agency of Morningstar. It rates companies according to the ESG Risk Rating, which provides an overall score based on an assessment of how exposed the company is to Environmental, Social and Governance (ESG) risks and how these are managed. The scale ranges from 0 (low risk) to 40 (high risk). Fincantieri ranked 4 <sup>th</sup> out of 134 in the Heavy Machinery and Trucks sub-category and 12 <sup>th</sup> out of 581 companies evaluated in the Machinery basket. It was included in the prestigious list of <b>'Top-Rated ESG Companies'</b> . This recognition highlights the Company's outstanding performance.	<b>25.71<sup>1</sup></b> medium risk	<b>19.7</b> low risk	<b>17.4<sup>2</sup></b> low risk	<b>14.2</b> low risk
Moody's	Moody's ESG Solutions aims to understand an organization's ESG performance, assess its risk exposure, policies and action plans. The rating scale ranges from 0 to 100 and consists of four bands: Weak (0-29), Limited (30-49), Robust (50-59) and Advanced (60-100). Fincantieri was confirmed in the <b>'Advanced'</b> band for the fourth year.	<b>68/100</b> Advanced	<b>70/100</b> Advanced	<b>70/100</b> Advanced	<b>69/100</b> Advanced
S&P Global	S&P Global, through the Corporate Sustainability Assessment (CSA) questionnaire, assesses companies on ESG aspects with a rating scale from 0 to 100. Fincantieri was evaluated within the IEQ Machinery and Electrical Equipment basket, achieving a score of 59/100 on January 23 <sup>rd</sup> , 2024.	<b>32/100</b> on December 18 <sup>th</sup> , 2020	<b>58/100</b> on December 20 <sup>th</sup> , 2021	<b>61/100</b> on December 16 <sup>th</sup> , 2022	<b>59/100</b> on January 23 <sup>rd</sup> , 2024

Sustainability awards

Integrated Governance Index 2023	Fincantieri is confirmed among the <b>'Leader'</b> companies assessed through the Integrated Governance Index (IGI) 2023 promoted by EticaNews. IGI is a quantitative index constructed on the basis of a questionnaire addressed to major Italian companies. Its aim is to measure the degree of integration of ESG factors in corporate governance and identity. In 2023, 98 companies joined the project, which is now in its eighth year.
Universum	In Italy, for the fifth consecutive year, Fincantieri has been recognized as one of the <b>'Most Attractive Employers'</b> 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 S.p.A. is ranked among the top 50 companies according to students and young professionals in Science, Technology, Engineering and Mathematics (STEM). While in the Humanities/Liberal Arts/Education and Business categories, Fincantieri S.p.A. is ranked among the top 100 companies.
Top Employer Italia	Fincantieri has received from the Top Employers Institute the <b>'Top Employer Italia 2024'</b> certification, official recognition of the corporate 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. Fincantieri's improved results over the years confirm its growing focus on listening to and engaging people, its constant commitment to fostering an increasingly inclusive working environment and its ability to attract talent and invest in employee training and development.
Safety Award	In 2023, the Shipbuilders Council of America (SCA) awarded the <b>'Excellence in Safety Award'</b> to Fincantieri Marinette Marine for promoting safety and accident prevention. To be eligible for the annual SCA safety awards, member organizations must submit an SCA Injury & Illness survey for all four quarters. They must have also recorded zero fatal accidents and have a Total Recordable Incident Rate (TRIR) below the SCA average or reduce the TRIR by 10% or more compared to the previous year.

1 Partial evaluation  
2 Updated in June 2023



## Communication in Fincantieri

Communication is key to generating 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.



### Sustainability Plan Objective achieved in 2023



Communication campaign to disseminate the Group's new mission, vision and purpose to all relevant stakeholders in order to play an active role in building a supportive and inclusive community

Target	Timing	Perimeter	Description
Definition of the integrated strategic communication and sustainability plan in order to disseminate the corporate purpose, the Group's new mission in the creation of long-term sustainable value for all its reference communities while respecting people and the environment	2023	Group	<p>After a careful analysis of the scenario and competitors, the Group's purpose, new mission and its global communication strategy were defined. The purpose and mission were presented at the Fincantieri Convention (May 2023). This event was attended by over 1,000 senior and middle managers. They were then disseminated to all stakeholders through the communication platforms available to the Group (e.g. website, social media, intranet).</p> <p>A new and evolved equity story lies at the heart of the project and is summarized by the new claim Future on Board, inspired by the pillars contained in the 2023-2027 Business Plan: the gradual expansion of core competencies for the transition to the digital and zero-emission ship, as well as the strengthening of the high added value shipbuilding business in the cruise, defence and off-shore sectors.</p> <p>The new claim marks a turning point for the Group. It is opening up to new scenarios, strongly oriented towards technological innovation and energy transition: a zero-emission future, thanks to green fuels and new propulsion technologies, where automation, data management and artificial intelligence will make management of the ship's entire lifecycle more efficient.</p>



### Fincantieri on the Future

Scan the QR code and watch the video

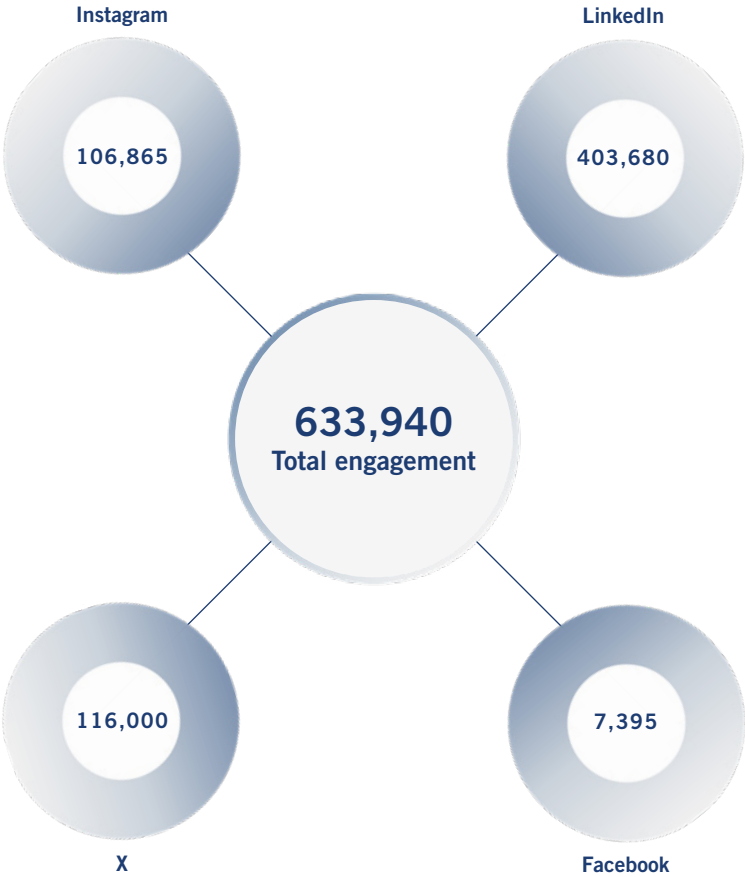
In 2023, a specific **ESG Communication function** was created within the Corporate Group Strategic Communication Department with the aim of consolidating and disseminating the Group's ESG identity with a dedicated internal and external communication plan. A digital communication campaign was also planned with the aim of conveying the Group's new identity and positioning even more extensively.



Social media also plays an increasingly important role in sustainability-related communication. Fincantieri has official channels on LinkedIn, X, Instagram, Facebook, YouTube and the newly created Threads. The total engagement generated in 2023 by the Parent Company's social properties represents 401% of that for 2022.

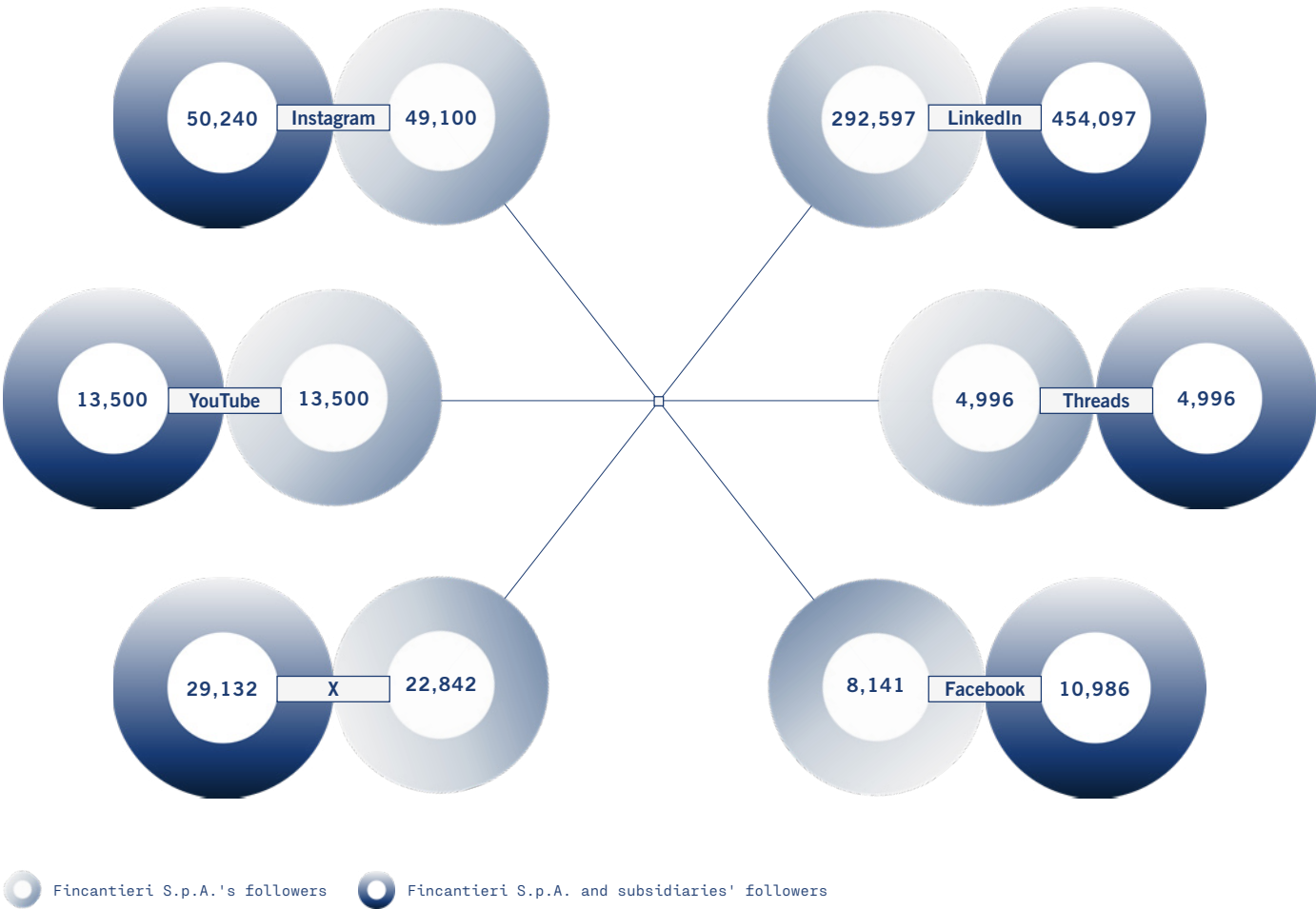
Impressions	2023
Total engagement (401% over 2002)	> 20 mln
LinkedIn	7.4 mln approx.
Instagram	6.3 mln approx.
X	1 mln approx.
Facebook	5.3 mln approx.

The official channels totalled an overall engagement of over 630,000 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 390,000 followers, which has grown by more than 60,000 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 40% to about 560,000.

Fincantieri's followers - 2023



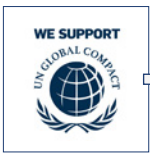




Value creation model

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.



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.

In 2023, Fincantieri signed up to the **Women's Empowerment Principles**, seven principles promoted by Global Compact and UN Women dedicated to companies and aimed at activating practical actions and promoting equal conditions for women in the world of work. Our aim is to bring on board a future where equity becomes a common and shared reality, and where the uniqueness of each individual is a factor of enrichment rather than discrimination. This commitment of ours began a long time ago and steered a defined course: to promote a sensitive and active culture towards issues of Diversity and Inclusion. We know that only by allowing each person to express his or her talent can our Group truly be enriched by what really counts: human capital.

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



Sustainability model

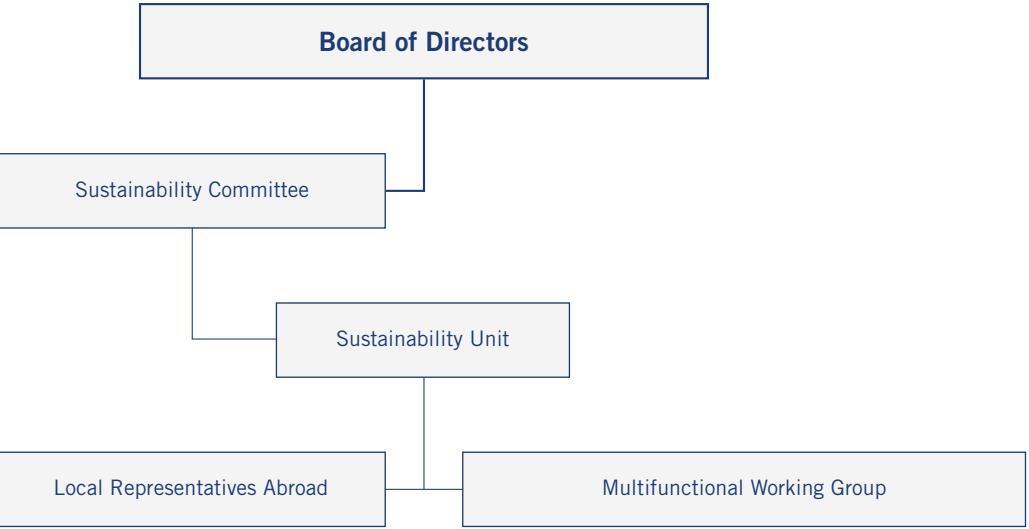
Our sustainable business model is aimed at creating long-term value for everyone involved in our activities. By means of well-structured sustainability governance, a clear definition of material topics and commitments, a risk management system that incorporates Environmental, Social and Governance (ESG) 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 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 investigative, advisory and consultative 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 sustainability report pursuant to the applicable regulation, 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 sustainability risks that may arise for the company activities 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 disclosures, required by applicable regulations, 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 guidelines of the Business Plan before it is submitted to the Control and Risk Committee;
- examines other sustainability issues at the request of the Board.

The Chairman of the Committee reports on the Committee’s activities to the Board at the earliest opportunity. The Committee met 8 times in 2023.

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.

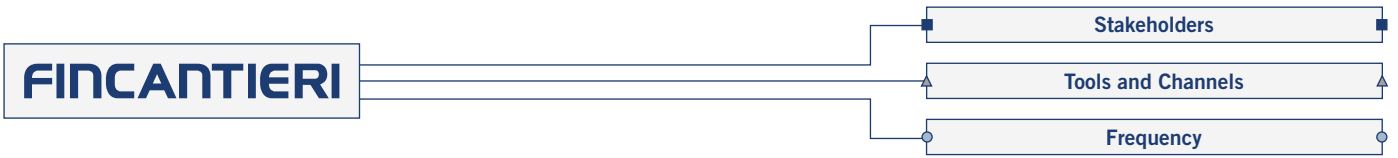
Stakeholder identification and engagement

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	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.
2023	During 2023, we promoted stakeholder involvement (financial community, suppliers and partners, customers, associations, etc.) through a 'Sustainability survey', an important initiative aimed at assessing and understanding the impacts of material topics for Fincantieri. This initiative was an important opportunity for us to hear the voices and perspectives of over 500 stakeholders, allowing us to gain a deeper understanding of their priorities and concerns with regard to sustainability. Stakeholders had the opportunity to express their opinions and assessments on the topics they consider most relevant to our work, enabling us to orient our strategies and actions towards a sustainable and responsible footprint. Furthermore, the initiatives already started in previous years with the financial community, suppliers and employees continued.

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.

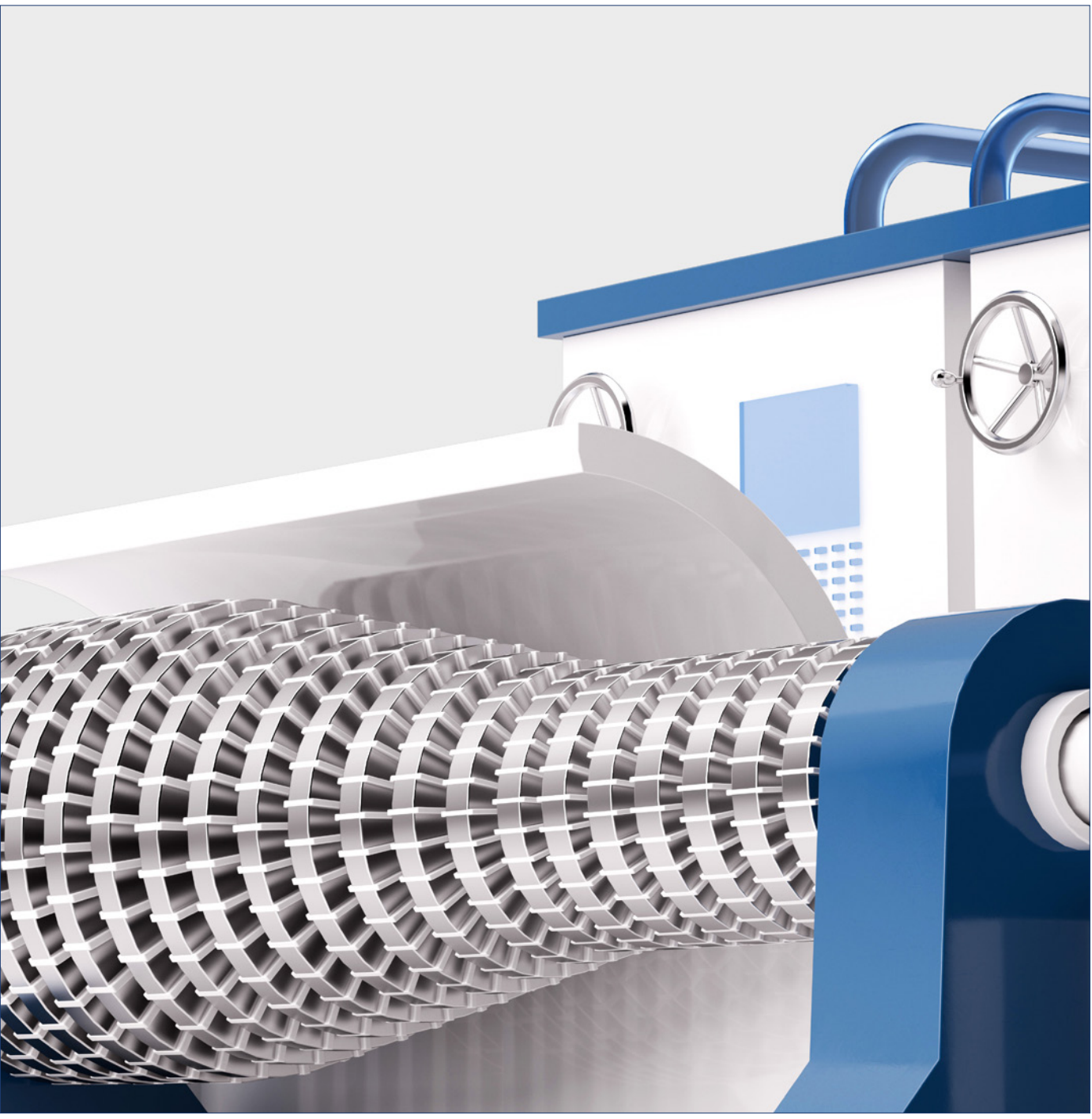






Environment	<ul style="list-style-type: none"><li>■ Fincantieri's mission is to become a model of excellence in environmental protection and it therefore adopts, in its strategic choices and corporate processes at all levels, the principles of environmental sustainability when carrying out its work.</li><li>▲ Direct contact with bodies and ad hoc working parties.</li><li>● Continuous dialogue and periodic meetings.</li></ul>
Community	<ul style="list-style-type: none"><li>■ Fincantieri is aware of its role in the local community and considers the demands of the latter, collaborating systematically with all the relevant figures in the area. Fincantieri promotes proactive initiatives that foster the development of the local community and areas where the Company operates.</li><li>▲ Participation in working parties, meetings with representatives from NGOs and non-profit organizations, civil society institutions and associations, press conferences. Periodic meetings with schools and universities to discuss and develop topics for research, internships.</li><li>● Continuous dialogue and periodic meetings.</li></ul>
Suppliers and Partners	<ul style="list-style-type: none"><li>■ Fincantieri suppliers are a valuable strategic resource. That is why the Company promotes long-term relationships and sharing of responsibilities and development.</li><li>▲ Meetings with strategic suppliers, dedicated audits at selected suppliers, feedback questionnaires. Various activities related to health and safety topics.</li><li>● Continuous dialogue and periodic meetings.</li></ul>
Labour Unions	<ul style="list-style-type: none"><li>■ Fincantieri confirms the importance of hands-on representation of its workers through suitable levels of involvement, awareness and the assignment of co-responsibility for production objectives and issues of common interest. Accordingly, a new system of industrial relations has been implemented in line with the relevant commercial, economic and production context.</li><li>▲ Meetings, working parties/discussions and the establishment of appropriate joint bodies to address various topics with the labour unions on all levels.</li><li>● Continuous dialogue and periodic meetings.</li></ul>
Financial community	<ul style="list-style-type: none"><li>■ Financial dialogue is constant, in compliance with the law and in line with best working practices, ensuring complete transparency.</li><li>▲ Press releases, periodic presentation of financial results, conference calls, Shareholders' Meetings, meetings with investors and analysts, one-to-one presentations, road shows and shipyard tours. E-mail address dedicated to Investor Relations for institutional investors and small shareholders.</li><li>● Frequency as set by law and internal organizational models; dialogue with investors is continuous and related to investor engagement strategies; dialogue with analysts is continuous and related to analyst engagement strategies.</li></ul>
Customers	<ul style="list-style-type: none"><li>■ Fincantieri always listens to its customers' needs, each ship is the product of a strong relationship with the shipowner.</li><li>▲ The entire shipbuilding process calls for a continuous relationship between the project manager and the customer and their staff.</li><li>● Direct and continuous relationship</li></ul>

Human Resources	<ul style="list-style-type: none"><li>■ At Fincantieri people come first. Constant collaboration and cooperation allow for individual and group growth, making ideas and practices, responsibilities and actions a common factor.</li><li>▲ Days dedicated to education, individual performance reviews, discussions with labour unions and employee representatives, involvement in specific initiatives, and performance evaluation meetings. Courses, various activities, e-learning related to health and safety topics.</li><li>● Continuous dialogue and periodic meetings.</li></ul>
Institutions and Public Administration	<ul style="list-style-type: none"><li>■ The distinct nature of Fincantieri's business calls for a continuous relationship with Institutions and the Public Administration.</li><li>▲ Direct contacts, internet, ad hoc working groups, definition and development of common projects.</li><li>● Continuous dialogue and periodic meetings.</li></ul>



Dialogue with investors and analysts and reporting to the market continued in 2023. Constant dialogue with investors, analysts and rating agencies through reliable, transparent and timely communication on significant and price-sensitive activities and events aims to preserve and increase the market's trust in the Company, as well as fostering sustainable development by creating long-term relationships. With this in mind, Fincantieri has long adopted and implemented activities aimed at encouraging dialogue between Top Management, shareholders and all stakeholders involved through a wide range of communication channels: teleconferences and videoconferences with analysts and investors, monitoring activities and updates to the market through direct contact with its brokers, interaction with current and potential investors, participation in institutional events and, since the listing, dedicated mail boxes for institutional investors and individual shareholders, which are monitored on a daily basis.

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](http://www.fincantieri.com/globalassets/investor-relations/politica-per-la-gestione-del-dialogo/engagement-policy.pdf)**

In 2023 we again took part in the **Italian Sustainability Week** organized by Borsa Italiana, meeting investors and analysts with whom, in addition to the main updates on the business, 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 the shipping industry;
- sustainability objectives, targets and ratings;
- sustainable finance.

On May, 10<sup>th</sup> 2023, **Capital Market Day**, the Chief Executive Officer of Fincantieri S.p.A. presented the 2023-2027 Business Plan to current and potential investors, emphasising the Group's goal to become a world leader in the construction and whole-lifecycle management of digital and green ships in the cruise, defence and energy sectors. On this occasion, the directions (Innovation, Inclusion and Integrity) of the Sustainability Plan were presented.



**The presentation of the 2023-2027 Business Plan is available on the website [www.fincantieri.com/globalassets/investor-relations/presentations/results/2023/fincantieri-1q2023-results\\_2023-2027\\_strategic-plan.pdf](http://www.fincantieri.com/globalassets/investor-relations/presentations/results/2023/fincantieri-1q2023-results_2023-2027_strategic-plan.pdf)**

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, Surface Navy Association, Shipbuilders Council of America, Norsk Industri Maritim.



**For more information on memberships and participation in associations, see the website [www.fincantieri.com/en/sustainability/governance/memberships-and-participation-in-associations/](http://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 2023, 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.**

### Materiality Analysis 2023

The materiality analysis we conducted in 2023 was developed in accordance with the approach laid down by the Global Reporting Initiative (GRI) Standards of 2021, which require us to identify the most significant negative and positive impacts, both current and potential, on the economy, the environment and people, including impacts on the Group's human rights (so-called impact materiality). We also carried out an initial, internal exercise inspired by the Double Materiality analysis defined by the Corporate Sustainability Reporting Directive (CSRD), with mandatory impact on Fincantieri's reporting from 2025, which involves the combination of two aspects: impact materiality and financial materiality. The process, carried out this year, allowed us to refresh our consideration of the significant impacts directly related to the Group's activities, products and services, including upstream and downstream activities in the value chain. The update of the Group's materiality analysis was divided into four steps, as required by the GRI Standards:



Analysis of the surrounding environment, relevant regulations and corporate documentation in order to gain a deeper understanding of Fincantieri's operating environment and stakeholders' expectations.

Identification of impacts through analysis of the reference context, industry best practices and Enterprise Risk Management activities.

Assessing, with the involvement of internal and external stakeholders, the impacts that Fincantieri generates or could generate on the economy, the environment and society.

Prioritization and grouping of impacts into material topics and subsequent approval of results.

#### Context analysis

The first phase of analysis was carried out through research and sector studies, a study of regulations and historical knowledge of the sector. It enabled a better understanding of the context in which Fincantieri operates and the expectations of stakeholders. At this stage, the following were considered:

- the regulatory environment: Legislative Decree 254/2016, Regulation (EU) 2020/852 - European Taxonomy, GRI Standards and the new CSRD Directive, with particular focus on the topics and sub-topics reported by the European Sustainability Reporting Standards (ESRS) Sector Agnostic published in July 2023;
- documents and publications on trends in the global context provided by: The Economist Impact, Waterborne, Sea Europe, World Economic Forum's Global Risks Report, with a focus on developments in the industrial/shipbuilding context;
- benchmarking against peers and competitors;
- material topics identified in previous reporting and those of significance to ESG rating agencies.

#### Identification of impacts

Based on the areas of interest highlighted in the context analysis and the study of internal documentation, the positive and negative impacts, current or potential, that Fincantieri has or could have on the economy, the environment and people, including those on human rights, deriving from its activities or business relations, have been identified for each of these. Therefore, a list of impacts was defined and subsequently traced back to the topics of interest for the Fincantieri Group.



Assessment of impacts

The impacts identified in this way were then assessed on the basis of two main criteria:

- **Probability**, i.e. the frequency with which an impact could occur.
- **Severity**, understood as the combination of the severity of the impact, its spread and the irreparable nature of the impact.

Assessments were collected by sending out an online ‘Sustainability survey’ questionnaire to over 500 internal and external stakeholders in the following categories: customers, employees, suppliers, partners, the financial community, institutions and public administrations as well as other stakeholders. In addition, the Multifunctional Working Group that supports the Sustainability function in drafting the Sustainability Report was involved through a workshop. This year’s survey included a greater involvement of more qualified stakeholders on the issues to be assessed in order to give the assessments greater credit and make the process more efficient. The assessment referred to a scale from 1 to 6, where 6 indicates the highest value.

Prioritization of impacts

In accordance with the requirements of the GRI Standards, impacts found to be significant, i.e. those that received a rating higher than the materiality threshold, were prioritized and subsequently grouped into topics. The analysis confirmed 15 relevant topics in line with the results of the previous analysis. Of these, 6 correspond to strategic topics identified last year, also although the topic of ‘Diversity and equal opportunity’ did not receive a high score in the survey, it was again considered of utmost importance by the Top Management and the Board of Directors, and was thus included among the strategic topics.

The results of the analysis were reviewed by the Sustainability Committee on February 20<sup>th</sup>, 2024 and approved by the Board of Directors on February 22<sup>nd</sup>, 2024.

The following table shows the most relevant impacts for each material topic, prioritized starting with the highest score obtained in the assessment by stakeholders. The impacts represented were selected solely on the basis of their assessment, regardless of their positive or negative nature. The squares represent the level of significance of the impact and have been ordered on a scale of 1 to 3, where 3 represents the highest level of significance.



Main impacts

ESG	Topic	Description of topic	Impact	Significance
S	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 injuries 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.	Negative impact: Increase in accidents, occupational illnesses and/or damage to workers' mental and physical health due to inadequate management and monitoring of safety, faults and malfunctioning of company assets	<div><div></div><div></div><div></div></div>
G	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.	Positive impact: Incentives to reduce emissions by developing innovative technologies and through collaboration with suppliers and partners committed to responsible practices	<div><div></div><div></div><div></div></div>
G	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.	Negative impact: Potential violation of human rights within the supply chain due to incorrect monitoring	<div><div></div><div></div><div></div></div>
S	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 labour unions and workers, also through the establishment of appropriate joint bodies. 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.	Negative impact: Unfavourable consequences for employees due to inadequate enforcement of existing labour regulations including collective bargaining, working hours and pay	<div><div></div><div></div><div></div></div>

ESG	Topic	Description of topic	Impact	Significance
E	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.	Negative impact: Increase in GHG emissions related to the Group's own operations and value chain	<div><div></div><div></div><div></div></div>
E	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.	Positive impact: Purchase and use of innovative materials and promotion of initiatives to incorporate the circularity principle into the business model, including participation in research activities	<div><div></div><div></div><div></div></div>
E	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 corporate 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.	Negative impact: Increased presence of pollutants and/or hazardous or highly hazardous substances in the atmosphere, water or in production processes, such as: sulphur oxides (SOx), nitrogen oxides (NOx) and heavy metals	<div><div></div><div></div><div></div></div>
S	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.	Positive impact: Increased efficiency, safety and reliability of products for both the customer and the end user	<div><div></div><div></div></div>
G	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.	Positive impact: Promotion of the principles of ethics, integrity and transparency through the promotion of cooperation between countries and international partnerships including in the maritime sector	<div><div></div><div></div></div>

S	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 endeavours to guarantee as far as possible 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.	Positive impact: Increased data protection and security for all internal and external stakeholders through the development of specific security plans and systems	<div><div></div><div></div></div>
S	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.	Positive impact: Increased customer satisfaction and trust through effective relationship management and the development of targeted solutions	<div><div></div><div></div></div>
S	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.	Positive impact: Generating economic benefits for the local community through: partnerships, awarding of contracts, payment of taxes/contributions, implementation of development programs and investment in infrastructure/services	<div><div></div><div></div></div>
S	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.	Positive impact: Entering into agreements with national and international trade unions in the industry to protect employees and raise awareness of their human rights	<div><div></div><div></div></div>
S	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.	Positive impact: Improving the wellbeing of employees through the implementation of integrated programs for the protection and promotion of equal opportunities	<div><div></div></div>
S	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.	Positive impact: Increased employee wellbeing and a better work-life balance through appropriate welfare schemes	<div><div></div></div>



Sustainability commitments

We have defined 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.



The Charter of Sustainability Commitments is available on the website [www.fincantieri.com/globalassets/sostenibilita2/pdf/fincantieri\\_charter\\_of\\_sustainability\\_commitments\\_en.pdf](http://www.fincantieri.com/globalassets/sostenibilita2/pdf/fincantieri_charter_of_sustainability_commitments_en.pdf)

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. In 2023, the Group's risk management model was revised by developing an integrated Enterprise Risk Management (ERM) – Project Risk Management (PRM) model.

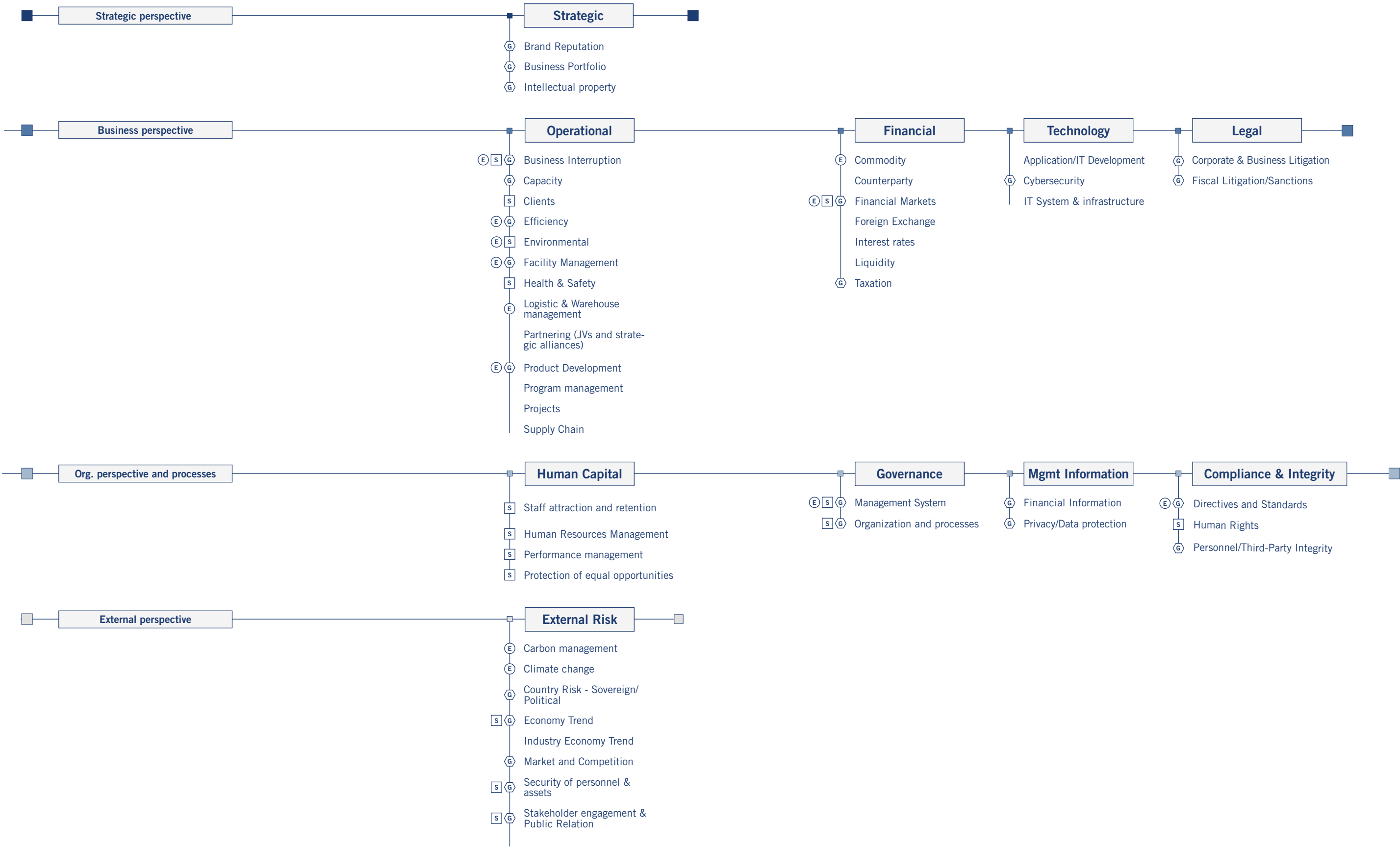
All factors that may have an impact on ESG (environmental, social and governance) issues are considered in the risk identification process. In total, **more than 200 risk events** were identified (68% of which concerned ESG). The risk analysis was supplemented with the Climate Change Scenario Analysis, conducted in accordance with the principles defined by the Task Force on Climate-Related Financial Disclosures (TCFD), focusing on physical and transition risks related to climate change.

The risks were **assessed** at the **inherent** and **current residual** level by the Company's middle and top management. As a result of this assessment, the most relevant or emerging risks in relation to the strategic objectives and the external reference context were identified and examined.



Risk Universe

(E) Environmental (S) Social (G) Governance





Management of the **ESG risks** grouped into **19** main **sub-categories** is described in the chapters of this Sustainability Report and the 9 sub-categories with relevant ERM risks are highlighted with the letter (R).

Main ESG risks

	Material topic	Risk sub-category	Description of the risk sub-category	Management approach
E	Climate change	Climate change (R)	Risk that climate change and associated weather phenomena (acute: such as storms, floods, earthquakes, fires or heat waves, and chronic: such as temperature changes, rising sea levels, reduced water availability, loss of biodiversity, etc.), may damage assets (plants, buildings, etc.), cause a production slowdown or stoppage for the Company and/or suppliers, require unscheduled work to make safe or to adapt to ecological transition.	Chapters: - Fincantieri for the climate: TCFD Report - Sustainable management of natural resources
		Commodity	Risk that changes in the price of raw materials (e.g., steel, copper) and commodities (e.g., gas, energy), including those from renewable sources, 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: TCFD Report - Sustainable management of natural resources
E	Environmental management	Environmental (R)	Risk that the Group, in carrying out its production activities, may cause damage to environmental matrices (water, land, air) with consequent harm to the local territory and the community both in 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: TCFD Report - Sustainable management of natural resources
E	Environmental impact of products and services	Carbon management	The risk refers to the possibility that the Group will encounter challenges related to the management of greenhouse gas (GHG) emissions and related environmental issues. This risk includes potential exposure to regulatory changes and financial impacts arising from carbon or environmental taxes, and reputational risks related to the Group's sustainable practices and environmental impact.	Chapters: - Fincantieri for the climate: TCFD Report - Technology for the climate
S	Health and safety in the workplace	Health & Safety (R)	Risk that the Group does not invest adequately, including through information and awareness-raising activities, in the protection of health and safety in the workplace, with consequent harm to its own employees and third parties involved in Company activities.	Chapter: - People/Health and safety in the workplace
S	Development and safeguarding of human resources/ Company welfare	Staff attraction and retention (R)	Risk that the Group 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
S	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 corporate 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
S	Product quality and safety	Management System	Risk that the management systems adopted by the Group, understood as the set of procedures, information flows and information systems, are inadequate and/or insufficiently integrated and/or obsolete with respect to the changing needs of the company and what the market offers, jeopardizing the achievement of the corporate objectives, the maintenance of the competitive advantage achieved or the maximization of the return for stakeholders.	Chapter: - Customers and products

S	Customer satisfaction	Clients	Risk that the company does not pay proper attention to the needs of its customers and to improving the product and service offered, resulting in an inability to meet or exceed their expectations.	Chapter: - Customers and products/ Customer satisfaction
S	Local communities and relations with the local area	Stakeholder engagement & Public Relation	Risk that the Group does not adopt an adequate stakeholder engagement and public relations strategy aimed at building and consolidating long-term relationships with stakeholders. This risk includes corporate communications on sustainability to meet the rating objectives by ESG agencies, disclosure to the market and investors, dialogue with trade union representatives, and relations with institutions and governments aimed at building consensus on issues that are relevant to corporate strategy. 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.	Chapters: - The Fincantieri Group/ Value creation model - Sustainable supply chain/ Management system for a sustainable supply chain - Communities and local territory/Engagement with communities and institutions
S	Diversity and equal opportunity	Protection of equal opportunities	Risk that the Group does not implement personnel development policies aimed at protecting diversity, fairness and inclusion and promoting equal opportunities. This risk may arise from the non-existence of or discontinued investment in staff awareness-raising and the absence of appropriate means of protection against discrimination.	Chapter: - People/Diversity and equal opportunity
S	Human rights	Human rights	Risk of causing, directly or indirectly, 'adverse' impacts on people along its value chain, with reference to its own operations (e.g. employees) and those of its business partners (e.g. contractors' workers).	Chapter: - Governance/Human rights
G	Innovation, research and development	Product development (R)	Risk that the Group does not monitor and/or invest in technological developments for products/services 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
G	Cyber security	Cyber security (R)	Risk that the Group suffers a cyber attack aimed at identity, data and information theft (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
G	Sustainable supply chain	Supply chain (R)	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 Group's sustainability principles with consequent economic, legal and reputational impacts. This risk includes aspects of economic and financial soundness, capacity and concentration of suppliers in core areas, and control over outsourced activities.	Chapter: - Sustainable supply chain

Material topic	Risk sub-category	Description of the risk sub-category	Management approach
G Governance and business integrity	<b>Personnel/ Third-Party Integrity (R)</b>	Risk of relationships with third parties (customers, suppliers, strategic partners) of dubious integrity, in terms of ethics and legality in their conduct of business, and that leaders/senior managers or, more generally, Group employees may be involved in improper, unethical or fraudulent conduct, compromising stakeholders' trust, threatening the company's reputation and potentially negatively affecting the company's financial and operational stability.	Chapters: - Governance/Legality, integrity and prevention of corruption - Sustainable supply chain / Management system for a sustainable supply chain
	<b>Brand Reputation (R)</b>	Risk that damage to the image (brand) may expose the Group to the loss of customers, profits and competitive advantage. This risk may, for example, arise due to activities/behaviour that do not protect the interests of stakeholders (e.g. customers, the community), either by people within the organization or by external parties with whom the company has business relationships. It includes the risk arising from the dissemination of false and misleading information in digital media (e.g. AI and deep fakes).	Chapters: - The Fincantieri Group/ Value creation model - Governance/Legality, integrity and prevention of corruption - Sustainable supply chain/ Management system for a sustainable supply chain - Customers and products/ Customer satisfaction - Communities and local territory
	<b>Organization and processes</b>	Risk that the Group's organizational model is unable to support the Group's business transformation and growth and/or that the system of powers and proxies is not consistent with the Company's organizational system, risk management strategies, competences and actual monitoring and supervision possibilities, or is not clearly and formally publicized both outside and inside the Company, resulting in activities that harm the interests of third parties and the Company itself. This risk may arise if, for example, there is an inadequate or no reorganization of functions, roles and responsibilities, company processes and procedures, a lack of the necessary skills to manage change, or an unclear description of the powers assigned and their limits.	Chapters: - Governance/Corporate Governance - Governance/Internal control and risk management system
	<b>Directives and standards</b>	Risk of non-compliance with laws, regulations and company by-laws, primary or secondary regulations of emerging countries, and sector-specific regulations, as a result of the evolution and tightening of the national and international legal and regulatory environment. This includes directives and regulations on climate change adaptation and mitigation, business and trade compliance, national and international legislation on cyber security and anticorruption, EU, national and international legislation on the protection and processing of personal data, and rules and regulations applicable to listed companies.	Chapters: - Governance/Legality, integrity and prevention of corruption - Fincantieri for the climate: TCFD Report



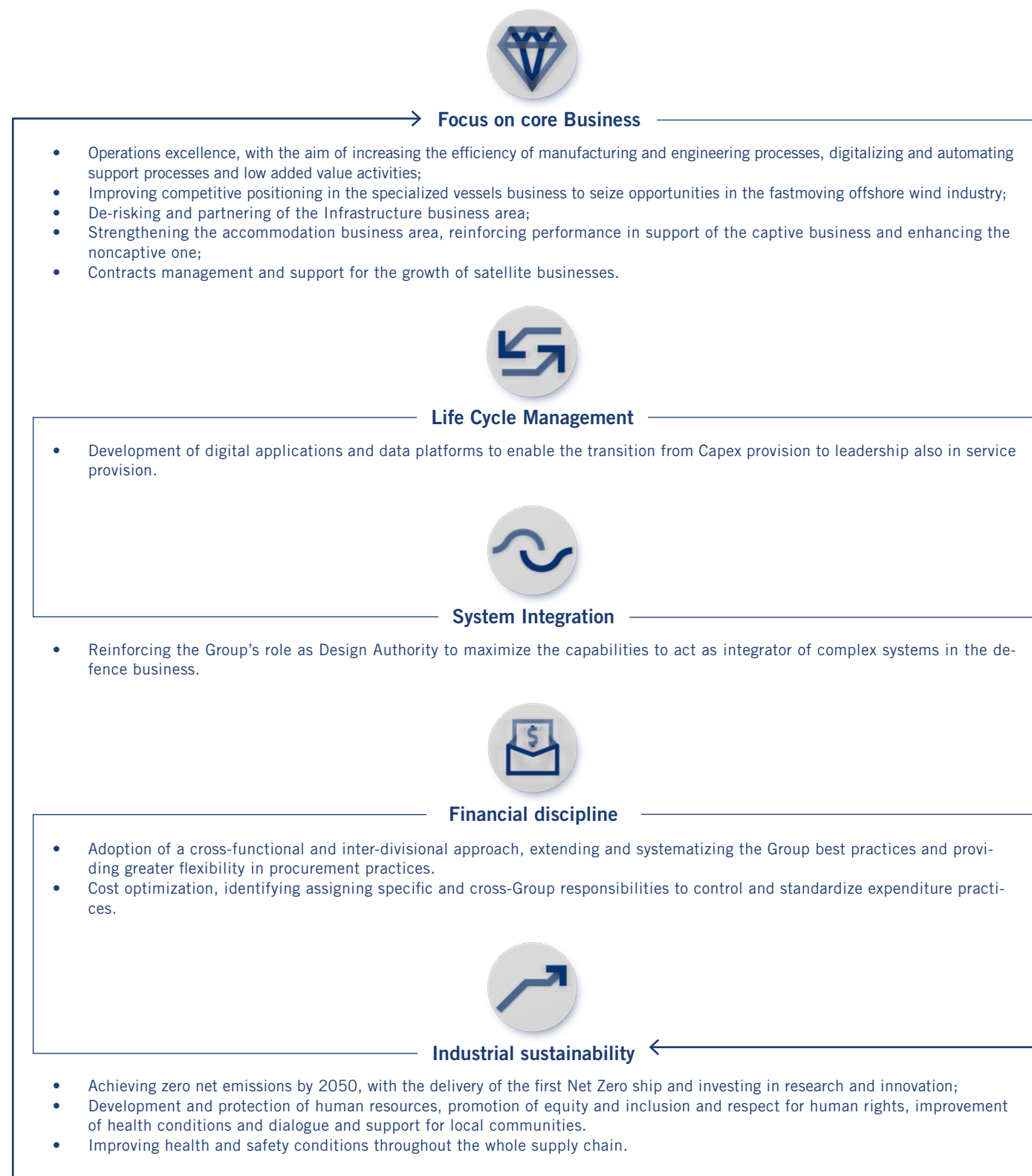
For further information on the internal control and risk management system, see the chapter 'Governance - Internal control and risk management system'

## The strategy for the future

Underlying the Group's ESG identity is a solid and strong desire to become a leading player in all aspects of sustainability. The **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 positioning, 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 and actions



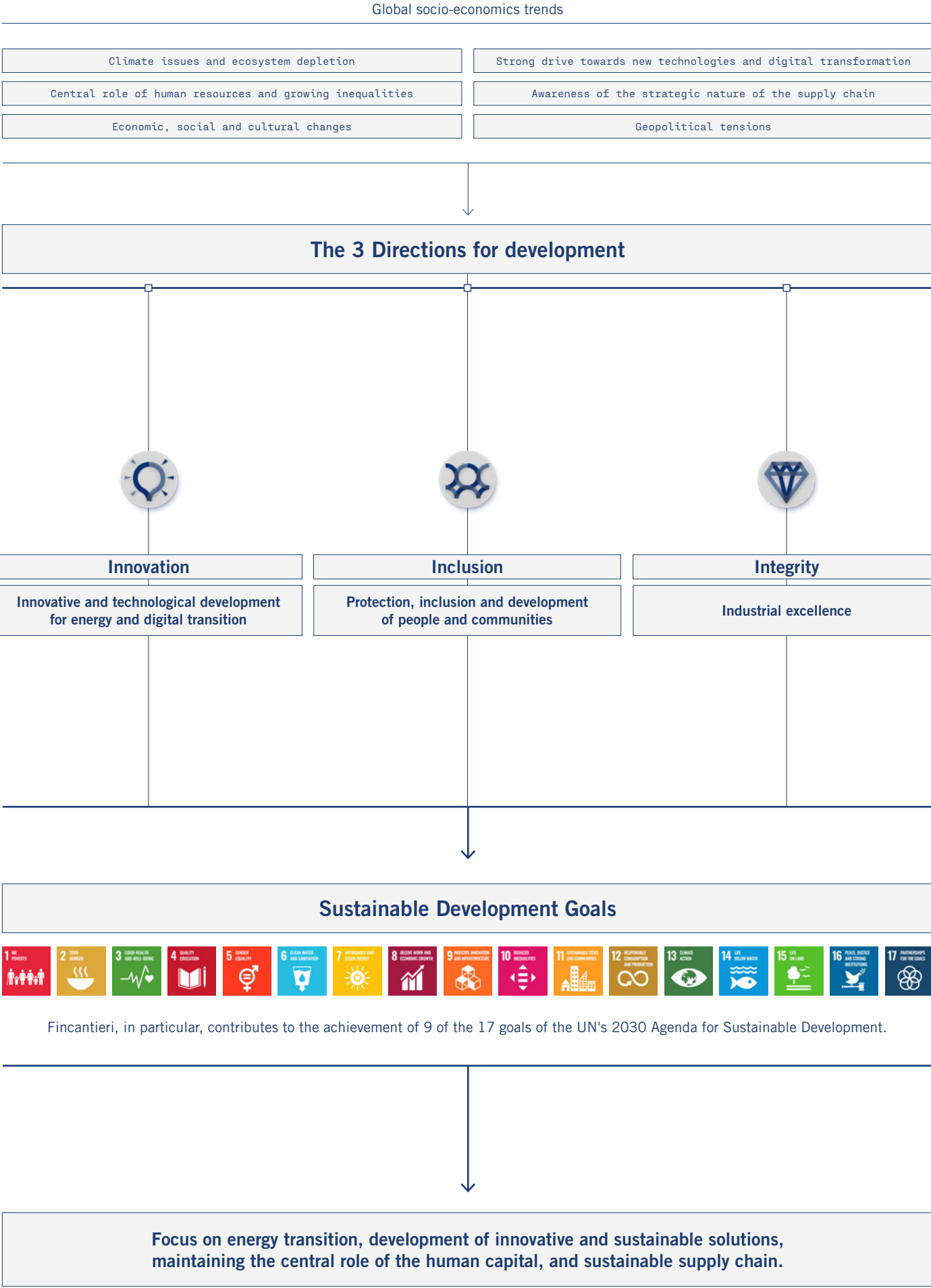
The Business Plan is available on the website [www.fincantieri.com/globalassets/investor-relations/presentations/results/2022/fincantieri-2023-2027-business-plan.pdf](http://www.fincantieri.com/globalassets/investor-relations/presentations/results/2022/fincantieri-2023-2027-business-plan.pdf)



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 for 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:
3 Directions
24 Commitments
15 material topics, 7 of which are strategic topics
41 ESG objectives

take into account global socio-economic trends and include the Group's material topic. They are also reflected in and represent the development of the ESG pillar of the business plan.

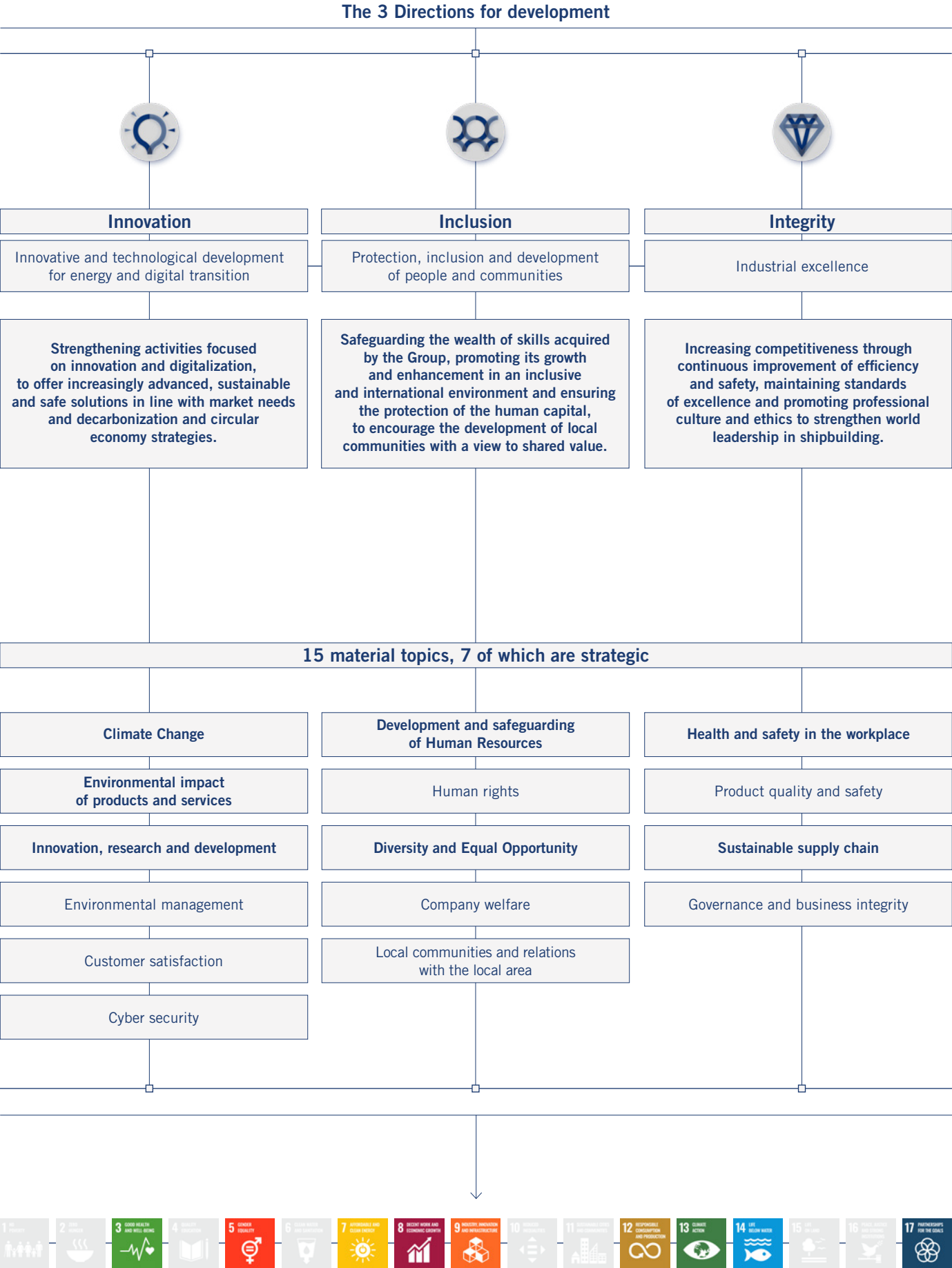
undertaken by the Group through its Charter of Sustainability Commitments.

identified by means of stakeholder engagement and market benchmarking that enable the views of the Group to be taken into consideration as well as those of customers, suppliers and partners, the financial community and other stakeholders, who were involved through an online survey. Material topics are reported annually in the Non-Financial Statement - Sustainability Report.

to be achieved in the short, medium and long term, which will contribute in particular to the achievement of **9 SDGs**, that Fincantieri has recognised as significant for its business and in line with its strategic guidelines. 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 guidelines 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





Main objectives of the 2023-2027 Sustainability Plan

Innovation - Innovative and Technological development for energy and digital transition

Climate change	Environmental impact of products and services	Innovation, research and development	Environmental management	Customer satisfaction	Cyber security
<b>-20% Scope 1 and 2 GHG emissions</b> by 2030  <b>-8% by 2027</b>  <b>-4% by 2025</b>	Identify tools to implement the logics of <b>circular economy</b> by 2025	<b>Digital transformation</b> with the introduction of increasingly green technologies by 2024	Definition of actions to mitigate <b>impacts on biodiversity</b> by 2027	Application of the <b>CSI questionnaire</b> <sup>3</sup> integrated with <b>ESG issues</b> by 2024	Monitoring of <b>cyber incidents</b> through <b>single SOC</b> <sup>4</sup> by 2027
<b>100% of electricity from renewable sources</b> by 2030	<b>Net Zero cruise vessels</b> by 2050  <b>-40%<sup>2</sup> CO<sub>2</sub></b> by 2030  <b>-30%<sup>2</sup> CO<sub>2</sub></b> by 2025	<b>Digitalization</b> of internal processes and of third parties by 2025	<b>-12% water withdrawal</b> over hours of production by 2030  <b>-10% by 2027</b>  <b>-3% by 2025</b>		
<b>4 research projects</b> to improve energy efficiency and reduce emissions by 2030	<b>14 new initiatives and projects</b> to reduce the environmental impact of ships by 2027	Drafting the <b>Research&amp;Innovation Policy</b> by 2023	Maintaining the portion of <b>waste sent for recycling between 80-90%</b> every year		
<b>-5% VOC<sup>1</sup> emissions</b> over hours of production by 2027  <b>-3% by 2025</b>			<b>-10% waste</b> produced over hours of production by 2027  <b>-5% by 2025</b>		

Strategic material topics

Material topic

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

Inclusion - Protection, inclusion and development of people and communities

Development and safeguarding of human resources	Human rights	Diversity and equal opportunity	Company welfare	Local communities and relations with the local area
Improve <b>EE rate</b> <sup>1</sup> by <b>5pp</b> by 2026  <b>+2pp</b> by 2023	<b>Due diligence and monitoring of human rights</b> by 2025	<b>+5pp women middle managers</b> by 2027  <b>+3pp</b> by 2025  <b>+4pp women white collar</b> by 2027  <b>+2pp</b> by 2025	Activation of additional <b>2 crèche services</b> by 2025	Activation of additional <b>2 educational projects for disadvantaged groups and those at risk of exclusion</b> by 2025
<b>60% resources evaluated high performers</b> <sup>2</sup> rewarded by 2023	<b>+200 sustainability audits on suppliers</b> of which <b>at least 40 per year</b> by 2027	<b>7 projects</b> to raise awareness on the <b>topic of Diversity&amp;Inclusion (D&amp;I)</b> by 2026		<b>6 institutional meetings</b> to encourage the design of ships with low environmental impact by 2024
<b>+40% new resources</b> entered in the <b>'Talent'</b> <sup>3</sup> program of which <b>30% women</b> by 2025  <b>+30% of which 25% women</b> by 2023				Communication campaign to spread the new <b>mission, vision and purpose</b> by 2023

Strategic material topics

Material topic

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



Integrity - Industrial excellence

Health and safety in the workplace	Product quality and safety	Sustainable supply chain	Governance and business integrity
Study and implementation of <b>exoskeletons and robotic systems</b> to reduce injuries by 2027	Audit on <b>cyber risk at 90% of suppliers of critical systems</b> to the cruise business, as indicated in the IACS UR E26 standard, by 2024	Management of <b>"conflict minerals"</b> <sup>3</sup> along supply chain by 2027	Attribution of <b>sustainability objectives to Top Management</b> at Group level by 2023
Injury rate/Frequency rate <sup>1</sup> <7.5		Attribution of <b>ESG scores to 100% of strategic qualified suppliers</b> by 2025 and implementation of reward mechanism by 2026	Increase weight of <b>sustainable finance</b> to at least <b>40%</b> of medium/long-term funding by 2027
Severity index <sup>2</sup> <0.2 for next 5 years		50% by 2024	30% by 2025
		30% by 2023	20% by 2023
		Annual session on <b>ESG issues</b> with strategic suppliers	Definition of <b>Travel Risk Management</b> , in line with ISO 31030:2021, by 2027
<input type="checkbox"/> Strategic material topics			
<input type="checkbox"/> Material topic			

<sup>1</sup> Frequency rate (injury rate) calculated as (no. of work-related injuries/hours worked) \* 1,000,000.  
<sup>2</sup> Severity index calculated as (no. of days lost due to injury/hours worked) \* 1,000.  
<sup>3</sup> Refer to raw materials or minerals - tin, tantalum, tungsten and gold (the «3TG») - 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.

The 2023-2027 Sustainability Plan was approved by the Board of Directors of Fincantieri S.p.A. on February 16<sup>th</sup>, 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.

As of 2023, the objectives of the Sustainability Plan will be monitored on a quarterly basis and presented to the Sustainability Committee every six months.  
For some targets, we have a summary sheet that is also periodically shared with Top Management. For these indicators, in general 2021 is the reference year and the trend is calculated on this baseline. Where there is not the value 2021, the objective concerns the maintenance of a certain value during the Plan period (2023-2027).

Trend of the objectives in the 2023-2027 Sustainability Plan

SDGs	Sustainability Plan Objective	2021 (Baseline)	2022	2023	2023 Target	2025 Target	2027 Target	2030 Target
INNOVATION								
7	Reduction of Scope 1 and Scope 2 GHG emissions	148.924 tCO <sub>2</sub> e	+1.5%	-2.7%	-	-4%	-8%	-20%
	Percentage of electricity from renewable sources	82%	82%	85%	-	-	-	100%
13	Reduction of VOC emissions <sup>1</sup> over hours of production	25.1*10 <sup>-6</sup> tVOC/hours of production	-10.7%	-8.9%	-	-3%	-5%	-
	Reduction of water withdrawal over hours of production	0.000097 ML/hours of production	-6.1%	-4.0%	-	-3%	-10%	-12%
12	Percentage of waste recycled	87%	84%	85%	80%-90%	80%-90%	80%-90%	-
	Reduction of waste produced over hours of production	0.00472 t/hours of production	-7.6%	-4.8%	-	-5%	-10%	-
INCLUSION								
8	Improvement of Employee Engagement rate <sup>2</sup>	-	72%	+3pp	+2pp	-	-	-
	Percentage of new resources included in the 'Talent' acceleration program <sup>3</sup>	114	-	+53%	+30%	+40%	-	-
9	Audits of suppliers of priority/ strategic interest to the Group on respect for human rights. health and safety and the environment	-	-	49	40	120	200	-
5	Number of women middle managers	15.0%	16.1%	16.1%	-	+3pp	+5pp	-
	Number of women white collar employees and middle managers	22.0%	22.3%	22.6%	-	+2pp	+4pp	-
INTEGRITY								
3	Containment of the injury rate/ frequency rate <sup>4</sup>	-	8.1	6.6	<7.5	<7.5	<7.5	-
	Containment of the severity index <sup>5</sup>	-	0.3	0.2	≤0.2	≤0.2	≤0.2	-
8	Attribution of ESG scores to strategic qualified suppliers	-	-	32.4%	30%	100%	-	-
9	Increase the weight of sustainable finance	4.9%	-	57%	>20%	>30%	>40%	-

The objectives refer to the entire Fincantieri Group with the exception of the target on ESG scoring of strategic qualified suppliers for which US subsidiaries are excluded.  
<sup>1</sup> Volatile Organic Compounds.  
<sup>2</sup> Employee engagement rate to measure the degree of belonging, satisfaction and motivation. Calculated on the basis of favourable responses to 11 questions in the survey.  
<sup>3</sup> Aimed at young high-potential resources embarking on a career development path.  
<sup>4</sup> Frequency rate (injury rate) (no. of work-related injuries/hours worked \* 1,000,000).  
<sup>5</sup> Severity index (no. of days lost due to injury/hours worked \* 1,000).



Governance and Responsible  
and Ethical Business Conduct

<b>Governance</b>	<b>62</b>
Corporate Governance	64
Remuneration Policy	72
Internal control and risk management system	76
Legality, integrity and prevention of corruption	83
Human rights	88
Whistleblowing system	93
Complaint management system	94
Information Technology	95
Cyber security	99
Information and data security	101
<b>Economy and Market</b>	<b>104</b>
Economic value for stakeholders	104
European Taxonomy	106
Sustainable finance	114
Tax approach	116
Economic satellite businesses	118
<b>Innovation and Sustainability</b>	<b>120</b>
Innovation strategy	121
Main projects	123
Collaborations	126
Managing and sharing knowledge	129
<b>Sustainable Supply Chain</b>	<b>130</b>
Management system for a sustainable supply chain	131
Supply chain numbers	144



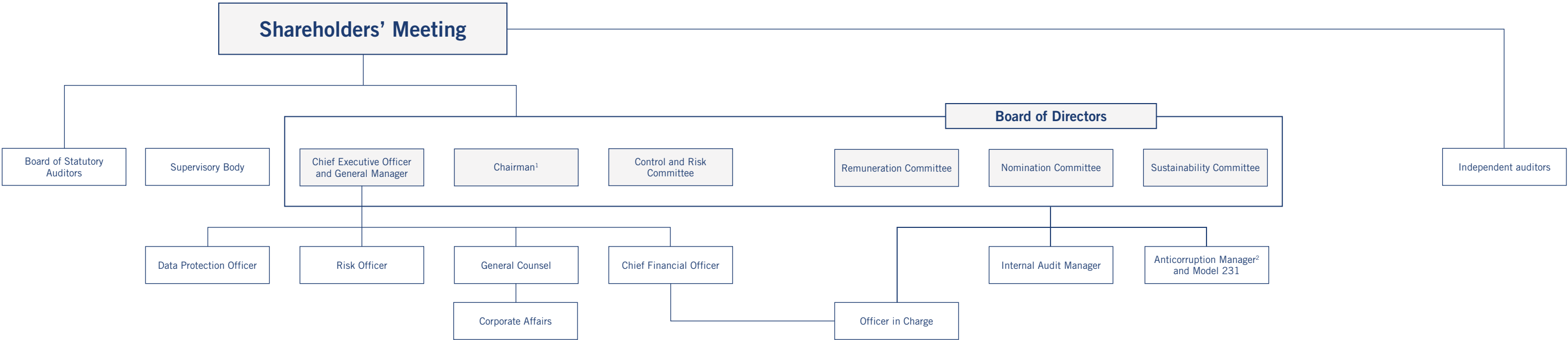
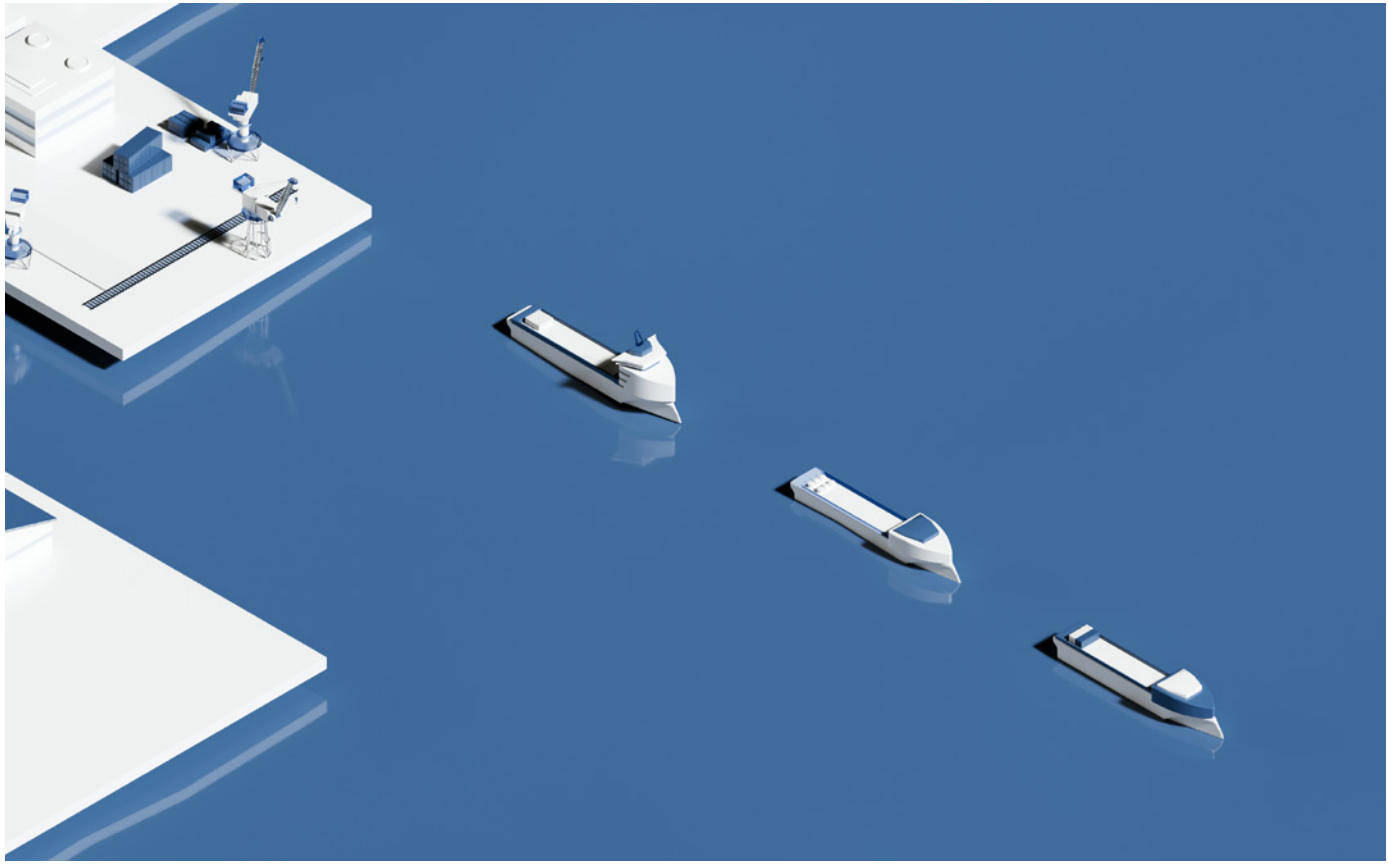
# Governance

We are convinced that one of the key components of sustainable growth is responsible and ethical business conduct

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/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

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



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

### 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 (also ‘Board’ or ‘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 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 growth, 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 the **Policy for managing dialogue with the 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 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](http://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 2024, the Board 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.

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 7 meet the independence requirements in accordance with art. 148, paragraph 3 of the Italian Consolidated Law on Finance (TUF), as well as the recommendations of the Corporate Governance Code.

The Board consists of 8 non-executive Directors and 2 executive Directors, namely the Chairman and the Chief Executive Officer.

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 plan for the succession of the Chief Executive Officer and other Executive Directors; in the preliminary investigation concerning the annual check 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 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.

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 – in particular the members of the Nomination Committee and the Sustainability Committee are all independent – and possess functional powers necessary for the performance of their assigned tasks.

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

The **induction activities** for Directors initiated in 2022 continued during 2023 financial year. In particular, the Board of Directors received an illustration of the Group's organizational structure and, with the support of an external consultant, examined a number of board practice issues, such as:

- the management and representative powers of directors;
- the duties of the board of directors, managing directors, independent directors and the relationship between executive and non-executive directors;
- the responsibilities of directors and in particular of non-executive directors and
- the role of the lead independent director.

The naval vessel business and cruise ship design activities were also presented to the Board, with visits to a shipyard dedicated to the naval business, as well as to some of the Company's offices dedicated to the cruise business.

Also, as part of induction activities, the Sustainability Committee has held a series of meetings with the corporate departments most involved in sustainability issues, aimed at achieving a better and deeper understanding of the initiatives directed towards achieving the objectives of the 2023-2027 Sustainability Plan.

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 ap- pointments**	CRC	RC	NC	SC
Claudio Graziano	Chairman	Sh. meeting to app. Fin. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A.)(*)	Executive	-	-	-	-	-	-	-
Pierroberto Folgiero	AD	Sh. meeting to app. Fin. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A.)(*)	Executive	-	-	-	-	-	-	-
Paolo Amato	Director	Sh. meeting to app. Fin. Stat. 2024	INARCASSA	Non-Executive	√	√	1	X	-	-	C
Barbara Debra Contini	Director	Sh. meeting to app. Fin. Stat. 2024	CDP Equity S.p.A.(***)	Non-Executive	√	√	-	-	-	X	X
Alberto Dell'Acqua	Director	Sh. meeting to app. Fin. 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. Fin. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A.)(*)	Non-Executive	-	-	-	X	X	-	-
Paola Muratorio	Director	Sh. meeting to app. Fin. Stat. 2024	INARCASSA	Non-Executive	√	√	-	-	C	-	X
Cristina Scocchia	Director	Sh. meeting to app. Fin. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A.)(*)	Non-Executive	√	√	2	X	-	C	-
Valter Trevisani	Director	Sh. meeting to app. Fin. Stat. 2024	CDP Industria S.p.A. (now CDP Equity S.p.A.)(*)	Non-Executive	√	√	-	X <sup>1</sup>	X	X	-
Alice Vatta	Director	Sh. meeting to app. Fin. Stat. 2024	INARCASSA	Non-Executive	√	√	1	-	-	X	X

\* 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 euro 1,000 million and/or revenues in excess of euro 1,700 million on the basis of their latest approved financial statements), as at 31 December 2023.

\*\*\* Barbara Debra Contini was appointed Director of the Company, upon the proposal of the shareholder CDP Equity S.p.A., by the Shareholders' Meeting of May 31<sup>st</sup>, 2023, in application of the legal majorities instead of the list vote pursuant to art. 19.8(e) of the By-laws, to replace Alessandra Battaglia (who resigned on March 24<sup>th</sup>, 2023).

**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 and non-independent director 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 27<sup>th</sup>, 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 31<sup>st</sup>, 2024.

Other information on the Board of Directors\*

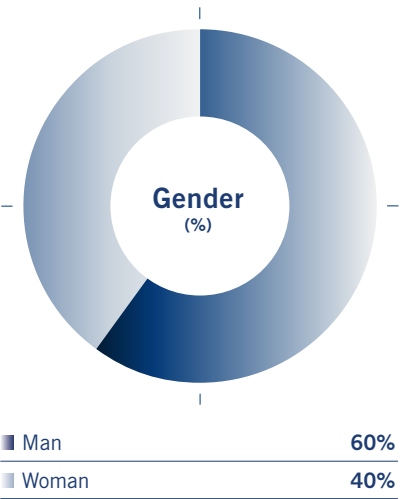
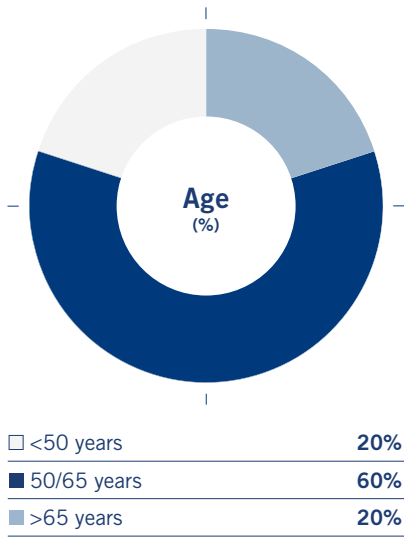
	2023
Number of directors	10
Number of executives	2
Number of non-executives	8
Number of non-executives not qualified as independent under the Code	1
Number independent under the Code	7
% less represented gender	40%
Average age of Directors	58.2
No. of BoD meetings	12
% attendance at BoD meetings	97.5%
Average duration of BoD meetings	161 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 2023 financial year.

Characteristics of the members of the Board of Directors

Area of expertise*	%
ESG	50
International relations	20
Financial	80
Industrial	50
Planning and strategy	80

\* For further information on the expertise of each Director, 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 company procedure, is entrusted to the Human Resources and Real Estate 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 art. 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 on the website internet <https://www.fincantieri.com/en/investors-relations/financial-statements/>



and section 4.1 of the Report on Corporate Governance and ownership structure available on the website [www.fincantieri.com/en/governance/corporate-governance-system/corporate-governance-reports/](http://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 May 31<sup>st</sup>, 2023 for the financial years 2023, 2024 and 2025.

Composition of the board of Statutory Auditors at the date of the report\*

Member	Role	Expiry of term
Gabriella Chersicla	Chairman	Sh. meeting to app. Fin. Stat. 2025
Elena Cussigh	Standing auditor	Sh. meeting to app. Fin. Stat. 2025
Antonella Lillo	Standing auditor	Sh. meeting to app. Fin. Stat. 2025
Marco Seracini	Alternate auditor	Sh. meeting to app. Fin. Stat. 2025
Ottavio De Marco	Alternate auditor	Sh. meeting to app. Fin. Stat. 2025
Arianna Pennacchio	Alternate auditor	Sh. meeting to app. Fin. Stat. 2025

\* The Board of Statutory Auditors in office until 31 December 2023 was appointed by the Shareholders' Meeting on 31 May 2023.

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\*

	2023
Numbers of auditors	3
Average age of auditors	56.7
No. of meetings	14
Average duration of meetings	128 min.
% attendance by Auditors	100

\* The statistical data of this table for Fincantieri refer to the composition and functioning of the Board of Directors during the 2023 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/](http://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/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 Regulations 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 Real Estate 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 General

Manager, Executives with Strategic Responsibilities and other Key Executives (Top Management).

The implementation of the Remuneration Policy for Executives with Strategic Responsibilities and other Key Executives is delegated to the Chief Executive Officer and General Manager, with the support of the Company's Human Resources and Real Estate Department, without prejudice to the powers attributed to the Remuneration Committee on the general criteria for the remuneration of Executives with Strategic Responsibilities.

The 2024 Remuneration Policy, though characterized by the presence of new instruments, is aligned and consistent with the 2023 Policy adopted by the Company.

The remuneration of the Company's Top Management is characterized 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 Margin, Free Cash Flow, orders, Sustainability and additional role and segment targets for the remaining percentage.

In 2023, the weight of the sustainability objective has been confirmed at 15% and is based on specific Group targets in the environmental area (Climate change - Reducing emissions of volatile organic compounds (VOC) through plant interventions and implementing a gradual replacement of the products used with other solvent-free or lower-solvent products) social area (People - Developing a working environment where employees feel increasingly engaged, motivated and willing to build their professional future) and governance area (Sustainable Supply Chain - Developing a Sustainable Supply Chain in order to integrate sustainability criteria into the supplier qualification system at European level and to ensure adequate risk control).

In 2024, the Board of Directors, on a proposal of the Remuneration Committee, confirmed the presence of a sustainability index in the MBO of the Chief Executive Officer and General Manager, increasing the weight from 15% to 20%. In continuity with the previous year, the target is developed on Group targets in Environmental (Environmental Management), Social (Health and Safety in the Workplace) and Governance (Sustainable Supply Chain) areas.

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 with respect to fixed remuneration and the claw back clause) to all "high risk employees", i.e. senior and middle managers identified as attorneys 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 core 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 8<sup>th</sup>, 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 **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 the achievement of the sustainability targets set 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 economic and financial performance and stock performance, also in order to align with best practices and the growing expectations of the financial community on sustainable development.

In light of the above, the Board of Directors, upon the proposal of the Remuneration Committee, taking into account the growing importance of ESG issues, provided, for the 2022-2024 LTI Plan, 2nd Cycle (2023-2025), for an increase in the weight of the sustainability objective (from 20% in Cycle I to 25% in Cycle II) and a change in the performance bands.

The creation of sustainable value in the medium/long term, the alignment of the interests of management with those of the shareholders and support the retention 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.

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 stock performance (the TSR against both the FTSE Italia All Share Modified index and an International Peer Group).

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 [https://www.fincantieri.com/globalassets/governance/assemblee/assemblea-degli-azionisti-2021/documenti-relazioni/eng\\_information\\_document\\_ltip\\_2022-2024.pdf](https://www.fincantieri.com/globalassets/governance/assemblee/assemblea-degli-azionisti-2021/documenti-relazioni/eng_information_document_ltip_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](http://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/long-term, Top Management is given sustainability objectives, closely related to the commitments made in the Sustainability Plan, which identifies objectives concerning, for example, innovation, the environment, business integrity and ethics, health and safety in the workplace, product quality and safety, and sustainable supply chain.

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 deriving 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, General Manager 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 Directors, 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 General Manager. Executives with Strategic Responsibilities and other Key Executives, as well as other Company Senior Managers enjoy more favourable treatments than that established by the National Collective Bargaining Agreement for their category in terms of insurance, social security and supplementary pension coverage.

The structure of the remuneration package is set out below and the population involved is specifically indicated.

Type of remuneration	Purpose	Population 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"><li>Chairman</li><li>Chief Executive Officer and General Manager</li><li>Non-executive Directors</li><li>Executives with Strategic Responsibilities</li><li>Other Key Executives</li></ul>
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 executives involved.	<ul style="list-style-type: none"><li>Chairman</li><li>Chief Executive Officer and General Manager</li><li>Executives with Strategic Responsibilities</li><li>Other Key Executives</li></ul>
Medium/long-term component (Performance Share Plan)	It remunerates results achieved in the medium/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"><li>Chief Executive Officer and General Manager</li><li>and, also, on the proposal of the Chief Executive Officer, among the following:</li><li>Executives with Strategic Responsibilities</li><li>Other Key Executives</li></ul>



For more information, see the Remuneration Report available on the website [www.fincantieri.com/en/governance/remuneration/](http://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 company 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:

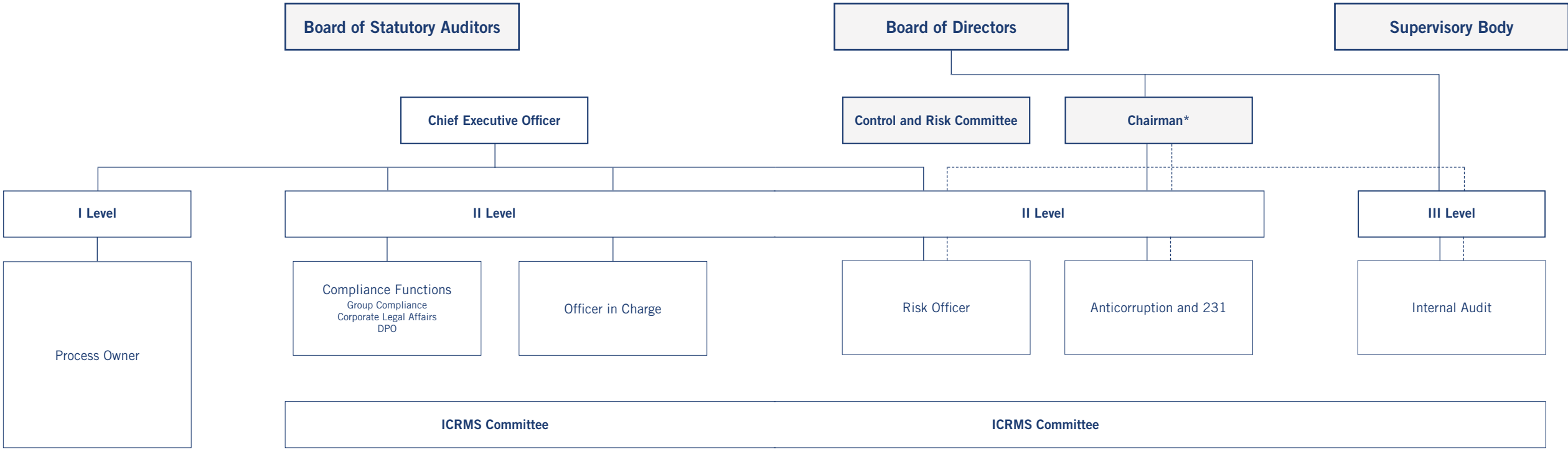
- 1<sup>st</sup> level:** the operational departments identify and assess risks and implement specific actions to manage them;
- 2<sup>nd</sup> level:** the functions in charge of risk management define risk management methods and tools, and conduct monitoring activities;
- 3<sup>rd</sup> level:** the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

Fincantieri has adopted a **Risk Management Policy** that defines 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.

The risk management model (also known as the ICRMS) was redefined in 2023 to ensure greater oversight and improve the effectiveness of the internal control and risk management system (ICRMS), with the aim of:

- redefining the structure and scope of responsibility of the roles in ICRMS, ensuring that the segregation of duties is reviewed and supplemented;
- strengthening and centralizing the risk management system for the project;
- establishing a committee dedicated to coordinating and supporting the Functions involved in the ICRMS.

ICRMS Structure



\* Director in charge of the ICRMS



Risk management model

In order to implement these guidelines, Fincantieri has been using an integrated risk management model for some time now. This model complies with the principles contained in the Corporate Governance Code for listed companies and is based on the international standard known as COSO ERM – Integrated with Strategy and Performance and its purpose is to identify, assess and manage risks proactively, minimizing negative consequences and maximizing opportunities for growth and development uniformly across the Group.

During 2023, the Company embarked on a major project to revise the Group's risk management model, aimed at the development and adoption of an integrated Enterprise Risk Management (ERM) – Project Risk Management (PRM) model. The new model aims to capture the interconnections between all business risks, both 'Enterprise' and 'Project', allowing for a more comprehensive and holistic view of risk management, improving the organization's resilience and appropriately addressing future challenges. The constituent elements of the new model implemented since the 2023 Annual Report represent the first important step along an evolutionary path of integration and improvement in the identification, assessment and management of the Group's risks. The purpose of the system is to identify and manage the main risk events using a business-oriented approach, with a focus on integrating planning, strategic management and business operational level.

This integration of project risks and Enterprise Risk Management (ERM) is facilitated with the use of specific Key Risk Indicators (KRIs). These indicators represent the progress of contracts over the project life cycle in relation to expected performance, acting as an information link to ERM. This also allows contracts to be monitored at Group level, aligning project-specific objectives with Fincantieri's broader and more general objectives. The main new elements include:

- the definition of a Macro Risk Rating model developed within PRM to support Bid/No Bid decisions and to prioritize the level of Risk/Opportunity monitoring in the Prospect, Proposal and Execution stages;
- the development of the Project Advanced Risk Measurement, a key approach of the PRM assessment model, which allows the Net Contract Risk profile and the overall portfolio risk profile (at segment/business area and group level) to be monitored over time.
- the redefinition of the ERM risk universe, structured over several levels and containing specific risk events that are closely related to the different segments and business areas in which the Group operates;
- the revised structure of the risk management model with a more precise identification of the Risk Owners;
- the introduction of trend indicators (KRIs), which can have a direct impact on risk occurrence;
- the adoption of a quantitative assessment system for risks that have a predominantly economic-financial and GHG impact;
- the introduction of probabilistic quantitative approaches that enable the potential impacts of occurrences on the key indicators of the business plan, as well as on the budgets defined for each of the organizations within the Group, to be precisely defined.

The risk management process is carried out using a continuous improvement 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 incentivize 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 **Internal Control and Risk Management System Committee** (the 'ICRMS Committee') has the task of supporting the corporate departments involved in the ICRMS, optimizing their respective processes and coordination with the Group's organizational structure, in line with the Company's strategic objectives. The ICRMS Committee meets every quarter and is coordinated by the Risk Officer, who sets the agenda in consultation with the Legal and Corporate Affairs Department. The ICRMS Committee is comprised of the Chairman, the Chief Executive Officer, the Head of Internal Audit, the Risk Officer, the Head of the Anti-Corruption and Model 231 Function, the General Counsel, the Chief Financial Officer, the Financial Reporting Officer and the Head of the Human Resources and Real Estate Department.

The **Risk Officer** is responsible for guaranteeing that a risk management system is in place, ensuring the monitoring of business and contract risks at Group level in coordination with the subsidiaries and individual divisions, providing support to the Chairman for the supervision and coordination of the ICRMS, particularly with reference to Enterprise Risk Management.

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.

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.

Continuous monitoring of the ERM process and risks



Risk identification

The identification of possible existing risks, in relation to the defined strategic objectives, is carried out on an ongoing basis in order to promptly identify and manage the potential threats or opportunities that the Group may face in the pursuit of its activities.

The Group's risk universe has several levels:

- Perspective
- Risk category
- Level I and II sub-category
- Risk event

All factors that could potentially jeopardize the Group's values and strategic objectives are considered during the risk identification process, thanks to an integrated view of risks that have an impact on ESG (Environmental, Social and Governance) factors. In total, more than 200 risk events were identified (68% of which concerned ESG).



**For more information on sustainability risks, see the chapter 'The Fincantieri Group - Value creation model - Sustainability risks'**

The table below lists the categories with a brief description of the risk areas grouped in them.

Perspective	Category	Definition
Strategic perspective	Strategic	Risks related to events that could threaten the company's current competitive position in its core market and the achievement of established objectives.
	Operational	Risks relating to the conduct of company processes and activities, in the various areas of operations, that could affect the efficient and effective implementation of the corporate business model and the achievement of the Group's strategic and operational objectives, including sustainability issues.
Business perspective	Financial	Risks related to the procurement, management and allocation of financial resources, with reference both to treasury and finance activities and to the financial aspects of current operations. This includes liquidity, credit, market and tax risks.
	Technology	Risks related to the management of technological infrastructures, applications and the data managed in them and to their availability and security.
	Legal	Risks relating to the management of disputes, resulting from breaches of regulations, unlawful conduct and the use of non-compliant negotiating schemes, which may entail higher administrative, tax and criminal charges or penalties.
	Human Capital	Risks related to human resources management policies, including the issues of retention, skills development, loyalty and protection of equal opportunities.
Org. perspective and processes	Governance	Risks associated with the exercise of authority, management and control (e.g. processes and responsibilities, management systems).
	Management Information	Risks inherent in data and information management, both in terms of collection and processing (e.g. financial information) and in terms of protection (e.g. privacy).
	Compliance & Integrity	Risks of non-compliance with laws, regulations, self-regulation standards or codes of conduct. This category includes risks of corruption, fraud and/or illegal activities as well as risks related to the protection of human rights.
External perspective	External Risk	Risks, arising from the external context in which the group operates (e.g. competition, general economic and sector trends, climate change, political instability, stakeholder expectations) that may negatively affect strategic choices and business organization.

The Risk Officer periodically updates the **Risk Management Model**, which is based on different levels of responsibility and defines who is Responsible, Accountable, Consulted and Informed (according to the well-known RACI approach) at each stage of the risk assessment and management process. The approach ensures that all stakeholders are involved in the decision-making process and that relevant information is collected and communicated effectively. Clear responsibilities reduce the possibility of errors or omissions in risk assessment and enable the Group to make informed decisions to protect its interests.

Risk assessment

Identified risks are assessed using qualitative and quantitative tools, considering the probability of occurrence over the plan horizon and the magnitude of their impact.

In order to support the Risk Owners and make the assessment of the probability of occurrence of risk events more objective, the assessment model includes the use of Key Risk Indicators (KRIs) that provide key indications on the trend or potential escalation of a specific risk. Evolving markets, changing rules and regulations, internal reorganizations and boundary changes are just some of the factors that can influence the probability of a given risk event occurring.

For the impact assessment, the model adopts the prevailing impact approach, which has the advantage of directing risk response actions towards reducing the most significant impacts, identifying the best strategies to ensure continuity of company activities.

The Model envisages **14 types** of impact:

- **Strategic**
- **Reputational**
- **Economic-financial**
- **Governance**
- **Legal**
- **Tax**
- **Human capital**
- **Intellectual capital**
- **Environmental**
- **Health and safety of people**
- **Social (community)**
- **Security (physical, information and personal)**
- **Protection of physical assets**
- **Greenhouse gas (GHG) emissions**





Risk response

Each type of impact is scored on the rating scale by means of a tree model that considers four specific criteria to highlight correlations between impacts of different natures and to rank the severity of the impact itself. 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 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) and, as part of the assessment, each Risk Owner identifies the main controls in place and evaluates their adequacy. Each control is evaluated according to the principles of intrinsic effectiveness (a preventive control is more effective than an ex-post control) and actual effectiveness. 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 the Group's overall exposure, comparing it with the defined thresholds, in order to identify the priorities for action for the subsequent risk response strategies.

The risk management strategy (e.g. Mitigation, Transfer, etc.) is defined based on the risk assessment and depends on the position of the risk exposure with respect to the thresholds. 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. The identified and planned treatment actions may act on the probability of occurrence, the magnitude of impact, or both, determining the expected residual risk rating.

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;
- 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/](http://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.

Codes and Politics



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](http://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.

Number of employees trained on business ethics and integrity

	Senior Managers		Middle Managers		White Collar Employees		Blue Collar Employees		Total		% Of Total Employees	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	242	153	529	341	5,882	3,984	103	20	6,756	4,498	62%	40%
Norway	0	12	0	59	0	290	0	59	0	420	-	33%
Romania	0	11	0	28	0	503	0	28	0	570	-	13%
Rest of Europe	2	3	6	6	36	40	0	0	44	49	20%	21%
North America	60	71	251	266	709	651	33	199	1,053	1,187	44%	48%
South America	0	0	0	0	0	0	0	0	0	0	-	-
Asia, Africa and Oceania	0	1	3	4	13	30	252	144	268	179	24%	15%
Total	304	251	789	704	6,640	5,498	388	450	8,121	6,903	39%	33%
% of total employees per category	67%	55%	64%	55%	71%	58%	4%	5%	39%	33%		

The data refer to the entire Fincantieri Group.

The overall decrease recorded at Group level is connected to the three-yearly periodic review of Legislative Decree 231/2001 issued in 2022, which had heavily involved the Parent Company's senior managers, middle managers and white collar employees and will involve blue-collar employees in 2024. In 2023, at Fincantieri S.p.A., training on business ethics and integrity enabled the level of employee awareness on corruption to be expanded by examining the characteristics of the anticorruption management system, the control principles and the whistleblowing system. In North America, annual anticorruption and ethics training activities continued, while the VARD group, after the revision of the business ethics guidelines and the whistleblowing policy, updated employees' skills on the subject to ensure dissemination of the content.

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 December 19<sup>th</sup>, 2023. 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/](http://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](http://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 **Prevention of Corruption 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 Prevention of Corruption.

With reference to the Parent Company, the Anticorruption and 231/2001 function plays an important role in the anticorruption management system, including coordinating the process of identifying and assessing risks and the related controls, auditing – with the support of the Internal Audit function – the implementation of the system, and promoting and supporting the definition and implementation of training programs. 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 2023 the following courses were delivered at the Parent Company:

- **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;
- **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 offences, workplace safety offences, environmental offences, offences against the individual, offences against the Public Administration 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 and the tools made available to employees to recognise and fight the corruption phenomenon.

**These courses** are delivered to **all employees** of Fincantieri S.p.A. (white collar employees, middle managers and senior managers) upon hiring and every three years. Information on the anticorruption management system is also disseminated to **blue collar employees**, also every three years. 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 and the Anticorruption and 231/2001 function 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.

Number of employees trained on anticorruption

	Senior Managers		Middle Managers		White Collar Employees		Blue Collar Employees		Total		% Of Total Employees	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	40	126	119	294	857	3,640	108	0	1,124	4,060	10%	37%
Norway	0	12	0	59	0	290	0	59	0	420	-	33%
Romania	0	11	0	28	0	503	0	28	0	570	-	13%
Rest of Europe	3	2	6	6	36	40	0	0	45	48	20%	21%
North America	57	70	240	266	724	627	33	0	1,054	963	44%	39%
South America	0	0	0	0	0	0	0	0	0	0	-	-
Asia, Africa and Oceania	0	1	3	4	13	30	252	144	268	179	24%	15%
Total	100	222	368	657	1,630	5,130	393	231	2,491	6,240	12%	29%
% of total employees per category	22%	49%	30%	51%	18%	54%	4%	2%	12%	29%		

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 2023**.





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 international 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.

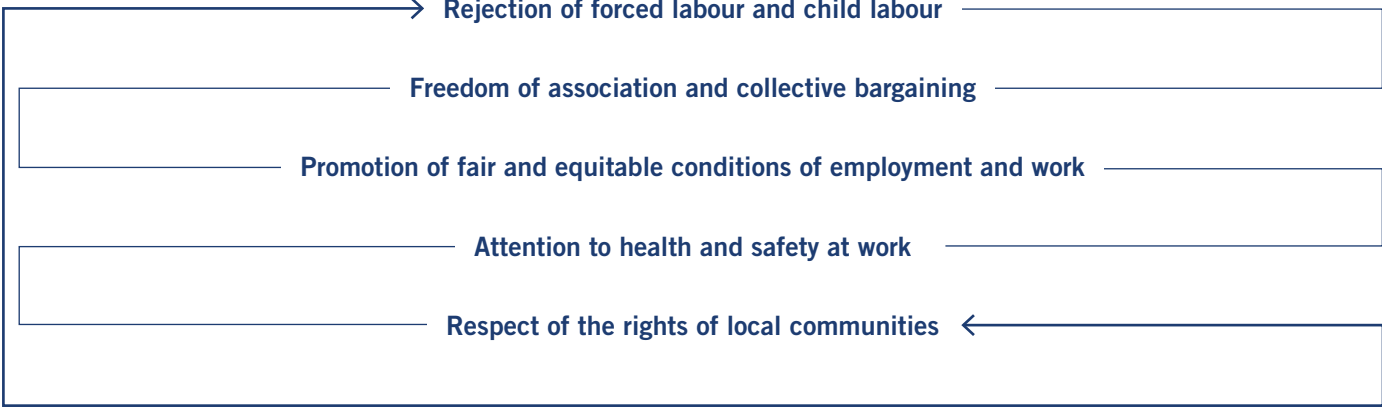
The Group has adopted the **Policy on Human Rights – Commitment for the respect of human rights and diversity** and the **Suppliers’ Code of Ethics**, two relevant documents to guide the company's activities, following an approach to business that is not limited to compliance with the regulations in 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:

Principles




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/governance/etica-impresa/suppliers-code-of-ethics.pdf](http://www.fincantieri.com/globalassets/governance/etica-impresa/suppliers-code-of-ethics.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’.**





Sustainability Plan Objective achieved in 2023



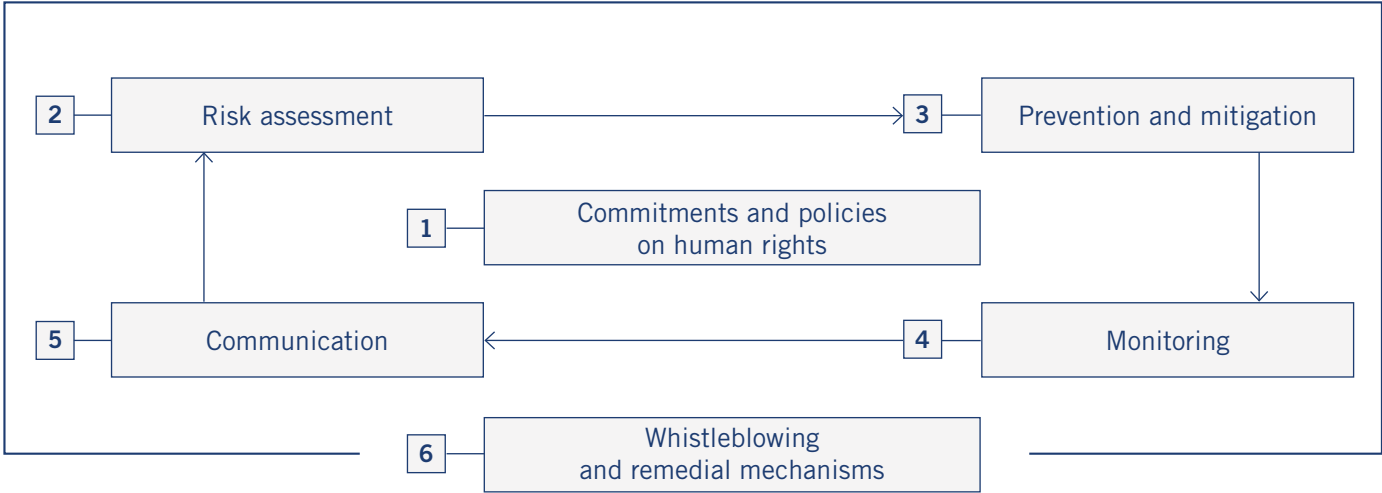
In line with the guidelines being defined\* and international best practices, proactively identify and assess potential risks and impacts related to the respect for human rights, incorporated in the policy and Code of Ethics, referred to in the general terms and conditions of the orders and signed by suppliers

Target	Timing	Perimeter	Description
Due-diligence on Italian and European production sites and their satellite business	2023	Group	During 2023, due diligence activities were carried out on Fincantieri S.p.A., including its production sites, and its Italian and European subsidiaries. As described in detail below, site visits were made to a number of randomly selected companies and shipyards.

\* In order to anticipate the requirements contained in the Proposal for a Directive of the European Parliament and of the Council on the due diligence of companies regarding sustainability.

During the year, the due diligence process was initiated on sites within the Italian and European perimeter, including contractors and suppliers (Tier 1) with whom Fincantieri conducts business relations. The process is inspired by international standards and guidelines, which provide for six basic steps, all characterized by **stakeholder involvement**:

- **Commitments and policies on human rights:** integration of human rights commitments into company policies.
- **Risk assessment:** identification and assessment of actual and potential negative impacts throughout the supply chain.
- **Prevention and mitigation:** definition of actions to prevent, mitigate and remedy negative impacts;
- **Monitoring:** monitoring the implementation and effectiveness of these actions and their results.
- **Communication:** communication of actions taken to manage negative impacts;
- **Reporting and remediation mechanisms:** remediation of any negative impacts through the presence of effective complaint mechanisms and remediation plans.



During the activity, an analysis of actual and potential negative impacts specific to human rights was structured, following a risk-based approach. The **Human Rights Risk Assessment (HRRRA)** was conducted using the following methodological framework:

- **Identification of priority areas of impact:** the analysis of corporate documentation and the involvement of the internal functions of Fincantieri S.p.A., Marine Interiors S.p.A. and the Vard group, made it possible to identify specific risk events on which the Group's activities and business relationships could generate negative impacts. The involvement of internal stakeholders, i.e. representatives of the functions involved, such as Sustainability, Human Resources, Security, Health and Safety, and Legal Affairs, through interviews and specific site visits, was crucial in this phase. The visits were carried out at an Italian subsidiary, Marine Interiors S.p.A., and three shipyards, randomly selected from those located in the countries included in the scope of activity (Italy, Romania and Norway). The information gathered during the visits was used for the assessment of potential negative impacts on human rights and for mapping the existing controls. After this analysis, the identified risk events were grouped into seven main impact areas (or salient issues):

Intervention areas

Child labour

Violation of the basic human rights of minors, including the employment of workers below the minimum legal age.

Forced labour, modern slavery and human trafficking

Violation of the freedom of workers, who are forced to work against their will or under inhuman and degrading conditions.

Inadequate working conditions and violation of the freedom of association

Violation of contract obligations laid down in collective agreements and of workers' rights pertaining to working conditions, which include, for example, adequate wages, freedom of association, and observance of working hours.

Discrimination and harassment

Discrimination on the basis of individual characteristics, such as gender, age, origin, class, religious belief, ability and minority membership.

Violation of privacy

Violation of the right to protection of personal data and the right to privacy.

Violation of occupational health and safety

Violation of applicable health and safety regulations in the countries where the Group and its suppliers operate, such as inadequate protective equipment or an unhealthy working environment.

Violation of the rights of local communities

Violation of the right of local communities to live in an environment that is healthy and free of health hazards.

Furthermore, considering the specific characteristics and nature of our business, particular attention was paid to the risk of violating the rights of migrants, women, children and local communities.

- **Assessment of actual and potential negative impacts:** the probability of occurrence of the impact and its severity, defined as the product of severity, spread and remediability, were assessed for each identified risk event. Among the factors considered in the assessment are, for example, the size of the population that would be impacted, any history of rights violations and country risk, which indicates the likelihood of an impact occurring in a given area. For each identified impact area, public sources were analysed to determine the level of potential risk for the countries in which the Group and its suppliers operate. In fact, each area of activity is characterized by specific geopolitical and socio-cultural conditions that can affect human rights to a greater or lesser extent. Probability and severity were assessed using a scale from 1 to 4 (where 1 = low, 2 = medium-low, 3 = medium-high and 4 = high). This activity identified which risk events Fincantieri needs to manage more carefully, including forced labour, modern slavery and human trafficking, inadequate working conditions and violation of freedom of association, violation of health and safety at work and violation of the rights of local communities.

- **Residual risk assessment:** in addition to assessing the possible negative impacts that could occur, we mapped the safeguards in place for the protection of human rights by the various corporate departments, in order to identify any areas of improvement to strengthen their mitigation, prevention and remedial actions.

The **results of the HRRRA** revealed that the political and social conditions of the countries in which Fincantieri operates – directly through subsidiaries and indirectly through suppliers – represent one of the key elements to be considered in the risk analysis. For example, the European companies that are involved in the activity have different levels of risk depending on local regulations, which may be more or less stringent. With regard to the supply chain, the analysis identified suppliers operating in countries with a high risk of possible human rights violations and where Fincantieri is aware that there are inherent difficulties in managing possible negative impacts, due to socio-political conditions that expose workers to possible violations. Nevertheless, over the years Fincantieri has adopted various safeguards and implemented mitigation and prevention actions, including:

- The obligation to implement the Suppliers' Code of Ethics as a binding contractual clause for the establishment of business relations.
- Supplier selection and qualification process, which takes into account ESG parameters, checks on health and safety, pay and contributions, and application of national collective agreements, where available.
- Definition of a corporate structure dedicated to the management of shipyards, and responsible for the control of suppliers and contractors that operate on a daily basis within the Group's production facilities.
- Implementation of on-site audits by dedicated internal structures on operating sites, subsidiaries, and at suppliers' premises, based on the level of risk that emerged from the risk assessment, the recurrence of the supplier and how strategic the supplier is for the Group.

In addition to these controls, thanks to the results of the risk assessment, Fincantieri will be able to define targeted actions to be applied to the production sites in question, with the aim of consolidating them over time, in a perspective of continuous improvement. In the coming years, we will strengthen our commitment as outlined in our 2023-2027 Sustainability Plan. In 2024, we will continue implementing the action plan defined after the due diligence activity and in 2025 we will implement the monitoring systems for human rights.



## Whistleblowing system

Since 2009, the Company has adopted a system for reporting infringements ('**whistleblowing**'), defined in the Organizational Model and in the Prevention of Corruption management system (certified ISO 37001), 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 company 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' and of Legislative Decree 24/2023 concerning the protection of people who report infringements of EU and national law. Information on this system can be found in the Organizational, Management and Control Model pursuant to Legislative Decree 231/01, distributed to all employees and made available to all third parties working with the Company. On the website and on the company intranet there is a link to the IT platform for whistleblowing; specific training is also carried out, in compliance with Decree 231/01 and the Management System for the Prevention of Corruption (ISO 37001), addressed to all employees (blue collar employees, white collar employees, middle managers, senior managers) on the operation of the Company's whistleblowing system.



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

At the Group level, 14 **reports of violations** of the Code of Conduct were received in 2023, for which 13 investigations were initiated and one was rejected as not attributable to criminal offences or violations of company regulations. The reports concerned the Parent Company in 7 cases, the VARD group in 5 and the subsidiary SOF S.p.A. in 2.

With regard to subsidiaries, the reports concerned:

- two cases of alleged harassment in the work environment, one of which is unconfirmed by the investigations carried out and one is under investigation;
- three cases for violations relating to unprofessional behaviour of employees, two of which related to the same individual resulted in disciplinary sanctions and one was not upheld;
- two cases of alleged illicit payments by a supplier to employees, a situation which is currently being investigated.

With reference to the 7 reports received by Fincantieri S.p.A. through the whistleblowing system activated by the Company, three of these refer to potential cases of corruption concerning alleged donations of money or gifts by suppliers to employees in order to encourage the assignment of works. In detail:

- in the first case, the investigations carried out did not confirm the content of the report; however, they suggested the adoption of risk mitigation actions to protect the company and the employee involved;
- in the second case, no evidence was found to confirm the content of the report, which was filed without a request for action;
- in the last case concerning gifts given to an employee, it was found that they consisted of tickets for sporting events of a low value. Although this did not constitute a violation of company regulations, the employee and the company concerned were made aware and reminded of these regulations.



- The remainder concerned:
- an alleged theft of insignificant value, not attributable to a criminal offence or violation of company regulations;
  - violent behaviour of employees of a supplier company committed outside the shipyards, resolved by a warning to the company to operate according to the rules of conduct set out by the company for its production sites;
  - illegal activities by an employee seconded to a foreign subsidiary, for which no corroborating evidence was found during the investigation;
  - the false promise by employees to improve the contractual economic conditions of some workers in the satellite businesses in exchange for personal favours (report under investigation).

## Complaint management system

The Company constantly monitors complaints defined as communications from third parties concerning grievances, claims or violations of law that may constitute crimes, offences or irregularities and/or conduct of any kind, including of omission, 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 applicable regulation, 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 them 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 impacts. 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 2023, 626 complaints were received concerning labour practices (which may relate to bullying, deskilling, failure to pay wages and salaries or contributions), of which 593 related to Fincantieri S.p.A. and mostly referred to requests for payment as regards wage and contribution solidarity of the client. Of those received at Group level, 55 were resolved during the year and 17 were resolved through remedial action. The remaining complaints have either been rejected by the Company or are currently pending before the competent judicial authority. Also during the reporting period, 4 complaints were received that referred to US subsidiaries, concerning human rights violations related to age, gender diversity, race, nationality, all of which were addressed and resolved without consequences for the companies.

## Information Technology

In recent years, Information Technology has played an increasingly important role within the Group, with the aim of promoting technological innovation, supporting the transformation and optimization of processes and enabling integration and synergies in corporate processes.

Fincantieri's 2023-2027 Business Plan is characterized by a strong focus on the technological and digital transition, as a distinctive element to strengthen the Group's leadership position, and is implemented through several strategic initiatives aimed at the digitalization of shipyards, processes and the ship product. In this context, the Group Information Technology function is actively and constantly involved, making its know-how available to ensure the achievement of the objectives of the Business Plan and the promotion of the culture of innovation across the whole Group. In the Sustainability Plan, Information Technology objectives make an important contribution to the Innovation direction, in order to realize advanced, safe and sustainable solutions in line with market requirements and the strategies of decarbonization and circular economy.

For the areas of design, development, management, delivery and monitoring of Information and Communication Technology (ICT) services, Fincantieri S.p.A. is certified according to international standards ISO 9001 and **ISO 27001**, confirming compliance with the levels of quality and reliability required by international standards, as well as compliance with information security standards. The latter are fundamental, in the current international context of the risk of cyber attacks, to guarantee the safeguarding of the company's digital assets, protecting the Group's industrial know-how and competitiveness.

The other Group companies with ISO 27001 certification are: SOF, Fincantieri NexTech and its main subsidiaries, including E-Phors, Cetena, Issel Nord and IDS.

Since 2022, we have launched a series of initiatives aimed at responding to a profoundly changed reference context, faced on the one hand with the Group's growing organizational complexity, connected to more stringent regulations (e.g. General Data Protection Regulation – GDPR, National Cybersecurity Perimeter - PSNC), changed business needs and significant growth in volumes, and on the other hand with the technological evolutions and the increasing focus on sustainability and energy transition issues.





Sustainability Plan Objective achieved in 2023



Digital transformation through the introduction of technologies and equipment to optimize corporate processes and make them more green in line with organizational and management best practices

Target	Timing	Perimeter	Description
Completion of migration (50% remaining servers) from on-premise infrastructure to Public Cloud infrastructure characterized by improved energy efficiency (+16% DCIE*), and optimization of consumption compared to 2021 through: rationalization (~ -15% servers) re-sizing (~ -14% computing power) on-demand activation of non-productive servers (~-60% up-time)	2023	Group	The Journey to Cloud program aimed at adopting a hybrid, multi-cloud infrastructure solution, based on AWS/Azure Public Cloud, with significant energy efficiency improvements, was concluded successfully. The migration of the virtual servers previously hosted on a private Cloud was completed at the beginning of 2023 and involved a total of about 600 servers, allowing an increase in DCIE (Data Centre Cloud Infrastructure Efficiency) of about 16%. At the same time, rationalization activities were carried out that led to a reduction in the number of servers by about 15% at the same initial baseline, and further consumption optimization policies were implemented, with non-productive servers being shut down at night and on public holidays (from 24/7 to 12/5 operation).
Group framework agreement signed for the supply of energy-efficient printers			A framework agreement was signed at Group level for the supply of energy-efficient printers (TEC** reduction of at least 70%), and an assessment was carried out on the printer fleet, which resulted in a reduction of about 8%. The replacement of obsolete printers during 2023 involved about 76% of the devices, compared to an initially planned target of 50%.
Rationalization of the printer fleet (-5% with a target of 16 users/printer), refresh of at least 50% of the obsolete printers compared to 2021 and their mapping by production area with their print volumes			
Assessment of Data Centre and Printing services for VARD (Norway, Romania) and Fincantieri Marine Group (FMG) and definition of an evolution roadmap			Infrastructure assessments were carried out at the foreign subsidiaries, which were necessary to define possible evolution programs, aimed at improving the resilience, security and scalability of infrastructures, in line with Fincantieri's best practices.

**Parent Company As-Is perimeter:** Data Centre Services - Fincantieri S.p.A., Isotta Fraschini Motori, FC Infrastructure, FC SI, FC Oil & Gas, some companies of the Marine Interiors group, VARD (FC centralized services only); Printing Services - Fincantieri S.p.A., FC Infrastructure, FC SI, OSN, FC Oil & Gas, some companies of the Fincantieri NexTech group, some companies of the Marine Interiors group.  
As part of the SAP roll-out project in Fincantieri Marinette Marine (FMM), a cloud instance was activated for the IaaS delivery of ERP services in the US.  
\* Data Centre Infrastructure Efficiency (DCIE): ratio between the total power absorbed by IT equipment alone and the total power used by the data centre.  
\*\* Typical Electricity Consumption (TEC): electricity consumption of a device using an internationally recognized standard methodology. The TEC value is expressed in kWh/week.



Other initiatives implemented include the signing of a framework agreement for the disposal of obsolete assets (printers, PCs, servers) for reuse/recycling, in the perspective of the circular economy. With a view to continuous improvement, the function has launched several digitalization initiatives, such as, for example:

- Digitalization and centralization of paper-based processes related to:
    - documentation of suppliers' progress;
    - access management of satellite companies, involving around 45,000 external resources annually;
    - management of supply testing and verification events, before shipment to the shipyard.
- The estimated reduction of paper printouts when fully operational and with the same workload is about 1.1 million/year.
- Introduction of a solution to manage the transport of materials from, to and between the Group's locations and testing of algorithms based on High Computing or Quantum Computing to optimize intra-group transport and inventory, generating a direct benefit on emissions.



Sustainability Plan Objective achieved in 2023



Digitalization of internal processes and collaboration with third parties

Target	Timing	Perimeter	Description
Roll-out of ERP SAP, an enabling platform for process digitalization, in the subsidiaries: VARD (Norway, Romania)	2023	Group	An international program was initiated to adopt the ERP SAP at Group companies, as an enabling platform for the end-to-end integration and optimization of core intra-Group processes. The roll-out of the ERP SAP at the Vard group's subsidiaries in Romania and Norway has been completed, while the roll-out for Fincantieri Marinette Marine in the US is ongoing.

Analytics and Process Mining tools are enabling tools for the achievement of sustainability objectives as, by leveraging available data and data from digitalization projects, they provide insights into areas of lower efficiency and identify opportunities for optimizing and/or streamlining processes.

In particular, a scouting of market solutions was carried out in the area of Analytics/Business Intelligence at the beginning of 2021, identifying the target IT platform. In 2021-2022, the first company-wide dissemination was carried out, with the aim of enabling the realization of dynamically updatable reports. During 2022, a project was launched for the definition and subsequent implementation of the to-be-enterprise model for Analytics, integrated with the company systems, which saw the conclusion of the design phase in early 2023 and the start of the subsequent detailed analysis and implementation phases.

Process mining, a process management technique based on the analysis of company information system logs, makes it possible to analyse the time it takes for an entity to carry out the necessary steps within corporate processes, with the aim of highlighting potential improvement and optimization actions.

During 2022, a scouting of market solutions was carried out, leading to the identification of the pilot solution, which was used during 2023 on a specific business process, in order to assess its effectiveness and its subsequent extension to other corporate processes.



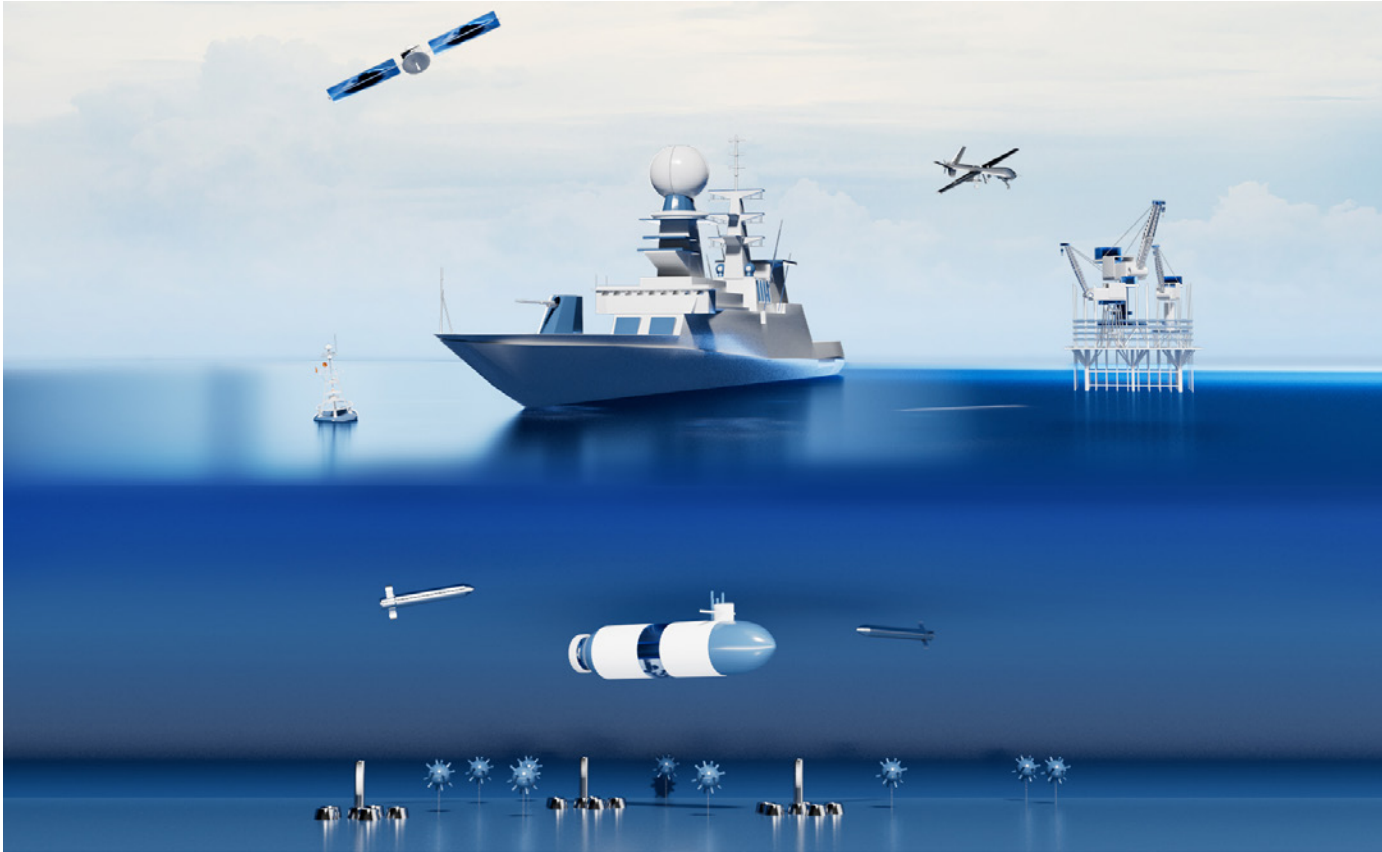


Sustainability Plan Objective achieved in 2023



Introduction of innovative analytics and process mining solutions that provide insights for process optimization

Target	Timing	Perimeter	Description
Introduction of a process mining solution with the aim of analysing the lead times of business processes and highlighting potential improvement actions, and its testing on the process of invoicing of accounts payable in order to assess its benefits before extending it to other business processes	2023	Group	The process mining pilot project was implemented using the solution identified on the perimeter use cases.
Creation of a corporate database (Data Platform) fed with data from the corporate master systems (e.g. SAP, Inspection Call), activation of AI/machine learning services in order to feed analytics useful to provide insight into areas of lower efficiency and to identify opportunities for optimizing and/or streamlining processes, and implementation of analytics and predictive analysis tools: <ul style="list-style-type: none"><li>Wave 1: 10 priority use cases (8 CFO, 2 Supply Chain)</li></ul>			In the area of business intelligence, the first phase of the study to define the architecture, data governance model and evolution roadmap was completed. The first set-up of the company's Data Platform integrated with data from the company's master systems was carried out, the first cognitive and artificial intelligence services were activated and priority use cases were implemented.



Cyber security

The Fincantieri Group has steadily intensified its interest in and commitment to cyber security development. It has implemented a comprehensive transformation program aimed at bringing into the Group specialist expertise in this area, with the dual intent of strengthening its resilience capabilities, while at the same time supporting naval product development with the introduction of cyber defence solutions and services for the main civil and naval platforms.

With regard to the program defending the corporate perimeter from continuous and sophisticated forms of threats perpetuated in the digital domain, our commitment is reflected in the implementation of an ambitious Group program aimed at gradually bringing the level of cyber resilience of the main subsidiaries in line with the Parent Company's standards. This is also in response to the recent attack launched against the US subsidiary Fincantieri Marine Group, which caused a temporary interruption of some of the overseas shipyard's numerical control production systems, the central coordinated management of which prevented more significant impacts on the company's business.

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 to the Group Operations, Corporate, Strategy and Innovation Department, 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 reference to the **Group resilience plan**, the following initiatives were completed in 2023:



Sustainability Plan Objective Achieved in 2023



Centralize the cyber security management and monitoring through a uniform service delivery model

Target	Timing	Perimeter	Description
Introduce a single security monitoring centre serving the Group on national and European territory: <ul style="list-style-type: none"><li>setting up the architecture</li></ul>	2024	Group	In advance of the Plan target, which was set for 2024, a single agreement model was defined in 2023 for the delivery of cyber security services and monitoring by the Security Operation Centre (SOC) of all the Group's Italian subsidiaries and the Norwegian subsidiary VARD, as well as the main group companies operating in the Defence sector. Uniform cyber security technological solutions were also identified and introduced within the subsidiaries.

- implementation of centralized security platforms in the areas of browsing control, e-mail filtering, phishing simulation campaigns and cyber monitoring, and definition of a simultaneous phased roll-out plan to the various subsidiaries;
- definition of the Operational Technology (OT) security framework for machinery supporting naval production, which includes architectural protection standards and operational monitoring models for anomalies attributable to cyber attack attempts;
- activation of an information sharing process among the most critical subsidiaries operating both in Italy and abroad, aimed at establishing information flows on attack campaigns taking place worldwide, in order to disseminate the distinguishing features of the compromise techniques, facilitating their timely recognition;
- insourcing the process of periodic cyber security assessments aimed at proactively identifying the presence of cyber vulnerabilities on the company's critical platforms, consistent with current regulations to which the company is subject;
- implementation of awareness campaigns aimed at employees to improve awareness of cyber risks through simulated attacks and training sessions on the most widespread social engineering techniques and the most effective organizational and behavioural methods for neutralizing them.

As regards the last point, according to the most authoritative international sources such as MITRE ATT & CK on the classification and modelling of cyber attacks, the human factor is still the main vehicle of infection of even the most sophisticated forms of cyber compromise. Therefore a cyber attack simulation program has been implemented involving all employees of the Parent Company. Its aim is to train staff to recognize the most common forms of phishing used by organized groups attempting the first step of intrusion.



Sustainability Plan Objective achieved in 2023



Raising awareness among employees and top management about cyber risks and train them to recognize such risks

Target	Timing	Perimeter	Description
Delivery of phishing awareness campaigns to employees (white collar employees, middle managers and senior managers): <ul style="list-style-type: none"><li>• 2 campaigns</li></ul>	2023	Group	<p>3 phishing awareness campaigns were delivered to all users of Fincantieri S.p.A. and its Italian subsidiaries in 2023. In detail, one campaign was delivered to top management, two campaigns to Fincantieri S.p.A. employees and one to all Italian subsidiaries of the Group. These campaigns, carried out using thirteen different e-mail templates, involved 7,800 unique users in total (about 15,000 e-mails sent).</p> <p>Alongside the delivery of the phishing awareness campaigns, a new phishing simulation platform was set up and then adopted, which was released during the delivery of the December 2023 campaign.</p>
Implementation of induction sessions to top management (including the Board of Directors): <ul style="list-style-type: none"><li>• 1 induction session</li></ul>			<p>In order to inform and raise awareness of Top Management about cyber risks and attacks during 2023, several induction sessions were held involving not only the members of the Board of Directors of Fincantieri S.p.A. but also the Board of Statutory Auditors and the Company's Supervisory Body. In particular, one session was organized for the members of the Sustainability Committee where they were briefed about the main risks and the initiatives implemented by the Company to tackle cyber threats. On this occasion, they visited the headquarters of the subsidiary E-Phors and its operational centre, which is the centre of excellence for cyber services. Top Management received a specific induction session that covered the results of the cyber awareness campaign aimed at management (first and second levels of the Chief Executive Officer). Moreover, the new training portal dedicated to the cyber world, adopted by Italian companies, was installed and subsequently tested, and a training course was developed (which will be delivered in-person) that focuses on specific threats pertaining to Top Management.</p>

Similar to 'internal' protection needs, the naval platforms produced by Fincantieri, which are a complex integration of heterogeneous digital systems (Computer Based Systems – CBS) that sometimes communicate with the outside world, are also potential targets of modern and sophisticated forms of attack unleashed by extremely organized groups. The purpose of such groups can range from being purely 'opportunistic' (in the case of digital extortion) to more targeted, such as the theft of industrial know-how from national military industries, driven by the intent to acquire increased geopolitical dominance.

In this scenario, Fincantieri – as the design authority of the on-board electronic architecture of the vessels it produces – plays a leading role in the design of tailor-made solutions to be applied to its naval platforms, which can accompany the product throughout its entire life cycle, from its conception, design and production, according to the **cyber security-by-design** approach, to after-sales with the delivery of services to maintain vessels' security level. In this capacity, through its subsidiary Fincantieri NexTech, Fincantieri has designed an innovative platform which is based on Italian technology and is capable of identifying potential cyber attacks on board and triggering automated response actions. In 2023, Fincantieri also entered into contract negotiations with the Italian Navy for a major cyber evolution program.

Lastly, as a strategic company for the national economic system and an international leader, Fincantieri continues its close collaboration 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, reporting every attempt to compromise it to the authorities.

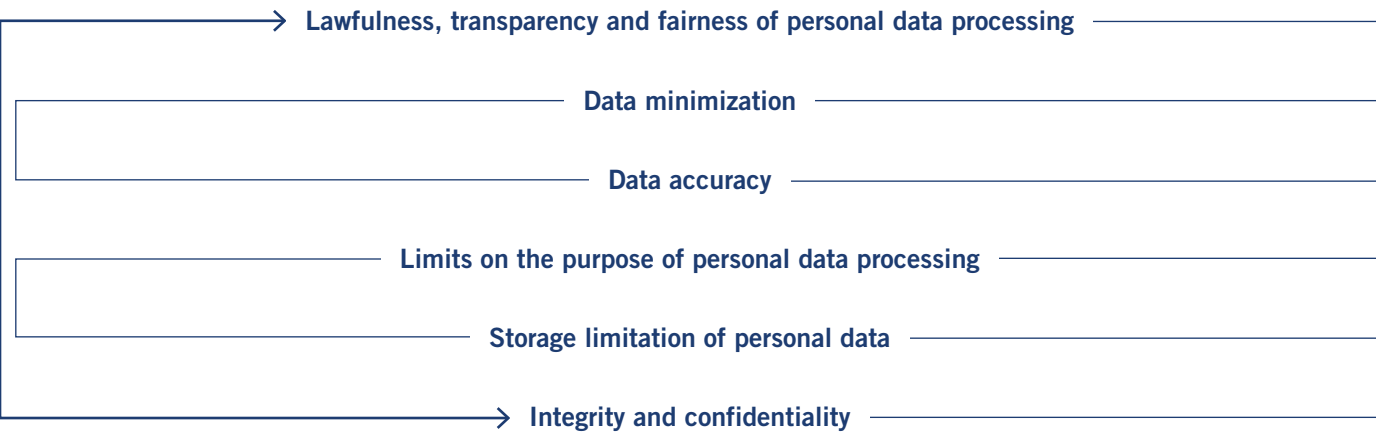
An extensive webinar 'Understanding cyberbullying' was held in 2023 with the State Police, focusing on parenting and included in the company's program to promote diversity, equity and inclusion issues. This webinar was aimed at raising awareness among all employees in the Italian companies about the modern and increasingly widespread sources of risk from new digital channels, such as cyberbullying and sexting, with the aim of providing simple guidelines for recognizing even the earliest occurrences of offences in this area, dealing with them and reporting them to the authorities.

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<sup>th</sup>, 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 Personal 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.

Principles of Fincantieri's Privacy Policy







The personal data protection system was laid out in detail in a specific Personal 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 2023, the DPO, in continuation with the previous year, supported Fincantieri S.p.A. in the planned review and updating of the Company's Personal Data Protection System and has provided advice and training in the field of data protection to corporate departments, responding to around one hundred and fifty 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.

The US subsidiary Fincantieri Marine Group suffered a cyber attack in 2023 that was dealt with promptly by implementing the protective measures for its network and launching a detailed investigation into the incident to understand its scope. The company then took additional technical measures to strengthen cyber security and prevent future unauthorized access.

In the subsidiary VARD, the Information, Communication and Technology department and the Human Resources department work together to implement policies that comply with GDPR. The VARD Group introduced the Employee Privacy Policy - in line with the GDPR - highlighting the company's commitment to promoting a sustainable corporate culture.





## 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, geographic 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 2021 GRI Standards, represents the economic impact of our business for the benefit of the main stakeholder categories. In 2023, we distributed a total economic value of euro 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	2022	2023	Var. 2023/2022
<b>Economic value generated directly</b>		7,639.5	7,754.3	1.5%
a) Revenue	Sales revenue	7,480.7	7,650.7	2.3%
b) Financial income	Interest income and return on equity investments	158.5	107.2	-32.4%
c) Capital gains/losses on business profits	Business profits	0.4	(3.7)	-1,140.6%
<b>Economic value distributed</b>		<b>7,426.9</b>	<b>7,438.5</b>	<b>0.2%</b>
a) Operating costs	Payments to suppliers	5,990.5	5,943.5	-0.8%
b) Cost of personnel	Payments to employees	1,185.7	1,218.4	2.8%
c) Dividends	Payments to suppliers of capital (shareholders)	0	0	
d) Interest paid and financial expenses	Payments to suppliers of capital (banking institutions)	240.9	271.8	12.8%
e) Duties and taxes	Payment of duties, taxes and other financial and legal fees	6.7	3.1	-53.6%
f) Donations to associations	Community investments	1.6	1.7	5.2%
<b>Economic value retained</b>		<b>212.5</b>	<b>315.8</b>	<b>48.6%</b>
Calculated as the difference between the economic value generated and the economic value distributed				

The data refer to the entire Fincantieri Group.

#### Revenues by segment

	2022	2023
Shipbuilding	77%	80%
Offshore and Specialized Vessels	10%	11%
Equipment, Systems and Infrastructure	13%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The data refer to the entire Fincantieri Group (revenues by segment before adjustments between segments).

We have always kept our headquarters in Italy, as well as all the engineering and manufacturing expertise that characterizes our distinctive know-how. We are present in different geographic areas both in Italy and worldwide; our widespread presence allows us to be close to markets and customers and to benefit from different geopolitical theatres. Through our business characterized by long-term employment prospects, we are able to guarantee economic stability to territories, contributing to employment growth, to the positive evolution of the socio-economic but also cultural context, creating value for the entire community. Our production network requires our shipyards to work in synergy with each other so that a single project brings value to different regions or nations. Integration ensures the proper combination of functionality, capacity, cost control, but also generates internationally distributed value by promoting the transfer of technology and knowledge aimed at fostering independent local development and the dissemination of best practices. Moreover, geographic diversification also allows us to address possible risks related to climate or geopolitical change. Our course is to strengthen the pillars of defence and cruise ships (core business) and to accelerate on offshore wind and underwater domains, expanding competences towards digital and green technologies that ensure the distinctiveness of the offer and enable new products/services.

In 2023, at Group level we delivered 26 vessels in 11 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 euro 34.8 billion for 85 vessels due for delivery until 2030.



## European Taxonomy

With the introduction of the **Regulation (EU) 852/2020** - 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 2023, the regulatory environment for the Taxonomy was supplemented with the introduction of two new Delegated Acts, **Regulation (EU) 2023/2485** (Amendment to the Delegated Regulation on Climate) and **Regulation (EU) 2023/2486** (Delegated Regulation on the Environment), which complement the provisions of **Delegated Regulation 2021/2139** (Delegated Regulation on Climate), broadening the scope of economic activities that can potentially contribute to the achievement of the six objectives and providing the technical screening criteria for all objectives.

Companies subject to the obligation to publish the Non-Financial Statement must disclose the following performance indicators (**KPIs**):

- the share of **Revenues**, capital expenditure (**Capex**) and the share of operating expenditure (**Opex**) of economic activities that potentially contribute to the achievement of environmental targets, the **'Taxonomy-Eligible'** activities;
- the share of **Revenues**, capital expenditure (**Capex**) and the share of operating expenditure (**Opex**) of economic activities that contribute substantially to the achievement of the environmental targets of Climate Change Mitigation and/or Climate Change Adaptation; the **'Taxonomy-Aligned'** activities in that they meet the technical screening criteria.

In particular, an activity is considered 'Taxonomy-Aligned' if:

- it contributes substantially to at least one of the above environmental targets;
- it complies with the technical screening criteria set by the Commission;
- it does not significantly harm the remaining objectives;
- it is carried out in compliance with the Minimum Safeguards.

For 2023 taxonomy reporting, non-financial enterprises are required to report eligible economic activities for all six taxonomy objectives and the alignment of certain activities for the first two objectives.

### The Fincantieri Group and its contribution to European environmental targets



For more information on sustainability risks, see the chapter **'Fincantieri for the climate: TCFD Report'**

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.

### Analysis of the eligibility of Fincantieri Group activities

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

In line with the Delegated Regulations on climate, on the environment and with the Amendment to the Regulation on climate, we have published the share of Revenues, Capex and Opex for the financial year, associated with activities that are Taxonomy-eligible and aligned for the Climate Change Mitigation objective, in accordance with art. 8 of the Taxonomy Regulation and art. 10 of the Delegated Act.

### Share of EU taxonomy eligible and aligned activity in terms of Revenues, Capex and Opex – 2023 Art. 8 (2) of the Taxonomy Regulation in conjunction with art. 10 (4) of the Delegated Act.

(euro/million)	Revenues	Capex	Opex
Total	7,651	283	217
Percentage of <b>Taxonomy-eligible</b> activities	57.4%	34.2%	67.3%
Percentage of non <b>Taxonomy-eligible</b> activities	42.6%	65.8%	32.7%
Percentage of <b>Taxonomy-aligned</b> activities	14.3%	2.7%	13.1%
Percentage of non <b>Taxonomy-aligned</b> activities	85.7%	97.3%	86.9%

The data refer to the entire Fincantieri Group.



For more information, please refer to the annex **'European Taxonomy: KPI calculation methodology and context information'**



An economic activity is defined as eligible if it is included in the list of economic activities in the Delegated Acts on Climate and the Environment. In order to identify Taxonomy-eligible activities, the activities carried out by Fincantieri and its subsidiaries were analysed with the aim of determining which activities could be traced back to those in the annexes of the Delegated Regulations, possibly also with reference to the NACE codes for the Group's economic activities. A detailed analysis was conducted in the reporting year on each company in order to expand the taxonomy scope, also considering the economic activities included in all six taxonomy objectives, taking care to avoid the risk of 'double counting'. This assessment enabled the company to review the considerations made in the previous reporting year and to elaborate on them further, where possible. Below is a breakdown of the Fincantieri Group's eligible activities:

Economic Activities	Objective	Description	Eligibility KPI
3.1 Manufacture of renewable energy technologies	Climate Change Mitigation	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2(1) of Directive (EU) 2018/2001	Revenues - Capex - Opex
3.3 Manufacture of low-carbon technologies for transport		Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rollingstock and vessels.	Revenues - Capex - Opex
3.4 Manufacture of batteries		Manufacture of rechargeable batteries, battery packs and accumulators for transport, stationary and off-grid energy storage and other industrial applications. Manufacture of respective components (battery active materials, battery cells, casings and electronic components)	Revenues - Capex - Opex
4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels		Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Revenues
5.1 Construction, expansion and operation of water collection, treatment and supply systems		Construction, expansion and operation of water collection, treatment and supply systems.	Capex
5.3 Construction, extension and operation of waste water collection and treatment		Construction, extension and operation of centralized wastewater systems including collection (sewer network) and treatment	Capex - Opex
5.5 Collection and transport of non-hazardous waste in source-separated fractions		Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling	Capex
7.1 Construction of new buildings		Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realize the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis	Revenues - Capex - Opex
7.2 Renovation of existing buildings		Construction and civil engineering works or preparation thereof	Capex - Opex
7.3 Installation, maintenance and repair of energy efficiency equipment		Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment	Capex - Opex
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.	Capex

7.7 Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate	Capex
8.1 Data processing, hosting and related activities	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centers, including edge computing	Capex - Opex
9.1. Close to market research, development and innovation	Close to market research, development and innovation	Revenues - Capex - Opex
9.3 Professional services related to energy performance of buildings	Professional services related to energy performance of buildings.	Revenues - Capex - Opex



For more information, please refer to the annex 'European Taxonomy: KPI calculation methodology and context information'

Economic Activity '3.3. Manufacture of low-emission technologies', which is the Group's largest eligible activity in terms of revenue, was only assessed in relation to the **Climate Change Mitigation objective** because, even with reference to the technical screening criteria with a view to future alignment, it is not in line with objective 2 of Climate Change Adaptation. 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 as 'low-carbon ships' all civil vessels 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 ready for battery power.

EEDI Index

The EEDI index is defined by the IMO as the minimum energy efficiency level per capacity mile (e.g. tonne per mile) for different ship types and size segments such as: cargo ships, bulk carriers, gas carriers, general cargo ships, container ships, refrigerated cargo and combination vessels, LNG ships, Ro-Ro cargo ships (vehicle carriers), Ro-Ro passenger ships and cruise ships with non-conventional propulsion. These types of ships are responsible for around 85% of CO<sub>2</sub> emissions in international shipping and have been integrated into the global regulatory framework. This index was made mandatory for new ships in July 2011 during the Marine Environment Protection Committee (MEPC) 62 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. 'Phase 3' is currently underway, covering the period from April 1<sup>st</sup>, 2022 to December 31<sup>st</sup>, 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.



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



Analysis of the alignment of Fincantieri's activities

Activities related to the naval segment were not included in the eligibility and alignment analysis again this year, despite the communication of some clarifications by the European Union regarding the Defence and Security sector. Despite the fact that Fincantieri's naval vessel division deals with the design and production of naval ships, it was decided, as a precautionary measure, not to include them in the taxonomy scope in the absence of a clear parameter to define them as 'low-carbon ships'. Also excluded from the eligibility analysis are the Group's activities related to ships that have no EEDI and no renewable or low-emission power supply, as well as the modernization of existing ships.

In 2023, we identified 3 new taxonomy activities eligible for the Climate Change Mitigation objective, namely: '3.4 Manufacture of batteries', '4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels' and finally '7.7 Acquisition and ownership of buildings', which testify to Fincantieri's progress towards increasingly sustainable and diversified economic activities.

The Fincantieri Group reserves the right to reconsider its assessments and interpretations in future reporting periods, to take into account any changes in the regulatory environment or further clarifications that may occur in the meantime; in fact, the scope of eligibility could be broadened to include a greater number of economic activities that contribute to climate targets. Furthermore, pending further regulatory developments, the Group is committed to continuous improvement of the activities necessary to ensure complete and accurate reporting in accordance with regulatory requirements.

In 2022, the alignment analysis had focused on the activity '3.3 Manufacture of low-carbon technologies' for transport specifically on cruise ships, in view of the economic-financial significance of the shipbuilding activity for the Group. Also in 2023, this activity contributes substantially to the Climate Change Mitigation objective, respecting the technical screening criteria defined in the Regulation and at the same time the criteria of Do No Significant Harm (DNSH), as well as respecting the Minimum Safeguards (MS).

Substantial contribution analysis for activity 3.3

The ships built by Fincantieri contribute to the Climate Change Mitigation objective in that they meet the technical screening criteria that require that civil vessels used for maritime and coastal passenger transport have an EEDI index 10% lower than the EEDI requirements applicable on April 1<sup>st</sup>, 2022 and are fuelled with direct zero-emission or renewable fuels (Climate Change Mitigation objective, activity 3.3, requirement m, item iii).

The EEDI requirement applicable as of April 1<sup>st</sup>, 2022 requires a 30% reduction from the 2008 baseline, for the period from April 1<sup>st</sup>, 2022 to December 31<sup>st</sup>, 2029 (Phase 3). Furthermore, Regulation (EU) 2023/2485 ('Amendment to the Delegated Regulation on climate') requires that ships to be delivered from January 1<sup>st</sup>, 2026 reach an EEDI index 20% lower than the IMO Phase 3 requirement, and be able to plug-in power at berth.

For the year 2023, Fincantieri has identified **two merchant ship models**, for a total of four ship designs that meet the substantial contribution criteria relating to the low-carbon emission ship construction activity, with an EEDI index that meets regulatory requirements, including the changes introduced by the respective amendment, and capable of running on zero-emission or renewable fuels (e.g. bio-LNG, ammonia, methanol, hydrogen). The construction of these ships took place exclusively at the Monfalcone shipyard. The Revenues aligned with activity 3.3 correspond to the revenues related to the four identified vessels, recorded in accordance with the IFRS 15 accounting standard applicable to contract work in progress and/or construction contracts.

Considering the technical requirements, the VARD group's specialized vessels were classified as non Taxonomy-aligned as the future use of dual fuel, hybrid technology or plug-in use for at least 25% of the energy used cannot not be confirmed.

Analysis of Do No Significant Harm (DNSH) criteria

Economic activity 3.3 can only be considered to be aligned with the Taxonomy and thus contribute to the Mitigation objective if it meets the Do No Significant Harm (DNSH) criteria, i.e. it must be demonstrated that it does not harm the remaining taxonomy objectives, according to criteria set out in the Regulation.

The DNSH criteria were analysed for the economic activity identified as aligned, for each environmental target to which it does not directly contribute.

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;
- a climate vulnerability analysis;
- an analysis aimed at identifying relevant adaptation solutions to reduce the risks identified.

In this regard, Fincantieri started a climate risk analysis that identified the main acute and chronic physical risks related to temperature, winds, water and solid mass. By studying possible climate scenarios (from RCP 2.6, which is in line with a temperature increase of less than 2°C by 2100 to RCP 8.5, which corresponds to an increase of more than 4°C), the acute and chronic risk exposures of the main assets of interest (e.g. production sites) and of main suppliers were assessed. The analysis was carried out taking into account the coordinates of these strategic points and assessing the extent of the risks in the various time horizons: short (2025 and 2030), medium (2040-2050) and long (2080) term. Risk projections were based on recognized global climate databases (e.g. IPCC, Copernicus).

The main assessment of the impacts of acute physical risks was determined by calculating the 'Business Interruption Days', i.e. the interruption of activities and/or slowing down of the supply chain due to extreme events such as storms, floods or fires. Starting from the revenues of each site, the economic impact of the business interruption days was subsequently quantified, taking into account any risk mitigation actions already in place and evaluating possible measures to be considered for residual risks. Our procedures and our Management Systems therefore comply with the DNSH requirements for climate change adaptation.



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

Sustainable use and protection of water and marine resources

For the purpose of the alignment of activity 3.3, Annex B of the Delegated Regulation on climate (Regulation (EU) 2021/2139) requires that a management plan for the use and preservation of water and marine resources be implemented, identifying and appropriately addressing the risks of negatively impacting water quality conservation and water stress. The assessment of the impact on water may be included in the broader environmental impact assessment according to Directive 2011/92/EU, and may be preliminary to obtaining an Environmental Authorization (AUA, AIA). Construction of the ships identified as aligned with the Taxonomy is carried out by the Monfalcone shipyard, which has an ISO 14001 certified Environmental Management System. The shipyard has also implemented a discharge monitoring plan and has been authorized to carry out shipbuilding activities after obtaining the relevant Environmental Authorization.



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 the objective '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. This includes a design to ensure high durability, recyclability, ease of disassembly of manufactured products and the re-use and utilization of secondary raw materials and components in the manufacture of products, through to waste management that prioritizes recycling over disposal. Fincantieri has implemented a waste management plan, at production site level, to give priority to the reuse or recycling of processing residues over disposal, according to the Group's best practices and the regulatory requirements of the relevant country. The design and shipbuilding phases are designed to guarantee a high durability of the ships produced, with an estimated average life of 25 years, and to encourage upgrading work that will allow the end use to be changed and/or performance to be improved in the future. Moreover, the vessels produced are accompanied by an 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 further information, please refer to the chapters 'Sustainable management of natural resources' and 'Technology for the climate'

Analysis of the Minimum Safeguard (MS) requirements

Pollution prevention and control

For the purpose of the alignment of activity 3.3, the DNSH criteria relating to the ‘Pollution prevention and control’ are linked both to technical requirements specified in Annex C of the Delegated Regulation on climate (Regulation (EU) 2021/2139), and to requirements directly specified in the economic activity in question. The products contemplated by activity 3.3, and especially in the case of the types of ships considered by the Fincantieri Group, are complex systems, since they consist of a large number of different components. The incidence related to the type of materials used, the semi-finished products produced and the assembled ships further increases compliance with the above criteria. The Group implements 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. Fincantieri, implementing the strategy on management of chemical substances 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 contained in Annex D of the Delegated Regulation on climate (Regulation (EU) 2021/2139) is related to the ‘Protection and restoration of biodiversity and ecosystems’ objective requires that an environmental impact assessment (EIA) has been conducted in accordance with Directive 2011/92/EU. The necessary mitigation and compensation measures for the protection of the environment must also have been implemented. The Fincantieri vessels aligned to the Taxonomy according to economic activity 3.3 are built in the Monfalcone shipyard that holds an environmental authorization (AUA, AIA), which provides for constant assessment, 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’

The Taxonomy also requires compliance with the Minimum Safeguards. We conduct our business activities inspired by 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. This is why we carried out a specific risk analysis for human rights violations for the first time in 2023. This analysis covered Italian and European production sites and their supply chain (see the section ‘The human rights due diligence process’). The outcome of the Human Rights Risk Assessment (HRRRA) was crucial in identifying the salient issues most relevant for the Group and prioritizing prevention and mitigation actions, as well as the areas in the supply chain for which specific and targeted action is a priority. Numerous safeguards are already in place to ensure respect for human rights along the supply chain. 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 Suppliers’ Code of Ethics as a binding contractual clause for the establishment of business relations. Within the Supplier Observatory, the Group guarantees the involvement of all the corporate departments concerned, the constant monitoring of the performance of its partners and suppliers, also in terms of sustainability, identifying improvement plans in the event of any non-compliance with the minimum requirements and preparing, where necessary, phase-out paths. Periodic audits are also carried out at suppliers’ premises to assess and monitor suppliers with regard to respect for human rights, health and safety and the environment.



For further information, please refer to the chapters ‘Governance - Human Rights’ and ‘Sustainable Supply Chain’

Taxation

Fincantieri S.p.A. has adopted its own Tax Strategy aimed at ensuring the timely fulfilment of all tax obligations, protecting the correct taxation of the Group on a global scale, and monitoring and mitigating tax risk. This strategy establishes the guidelines for the concrete implementation of these objectives at Group level and at the level of individual subsidiaries and is subject to the approval of the Board of Directors of Fincantieri S.p.A., with a periodic annual review and updating of its contents. In order to strengthen transparency with tax authorities, Fincantieri S.p.A. adheres to the transfer pricing provisions, in accordance with the OECD guidelines, providing a transparent and collaborative approach to tax authorities, while simultaneously promoting a corporate culture based on compliance with tax regulations and raising awareness of tax risks among the entire workforce.



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

Fair competition

Fincantieri is committed to promoting fair competition, considering it a crucial element in the pursuit of its interests and ensuring fairness for all market operators, customers and stakeholders. To support this commitment, Fincantieri has instituted specific policies to appropriately manage relations with the Public Administration, offset contracts and conflicts of interest. It has also defined the authorization process for outsourcing and the necessary measures for assigning tasks to employees or former employees of the Public Administration, as well as to third parties collaborating with public organizations. Fincantieri has also adopted a Code of Conduct that commits all its employees to working in compliance with the law, international conventions and human rights. Loyalty, honesty and fairness are essential for the Group’s good functioning and reputation. Fair competition and respect for stakeholders are prioritized, and behaviour contrary to the Code is sanctioned (for more information, see the section ‘Code of Conduct’). In order to raise awareness among those acting on behalf of Fincantieri, appropriate training measures have been implemented on fair competition, communication with the Public Administration and relations with external stakeholders.



For further information, please refer to the chapter ‘Governance - Legality, integrity and prevention of corruption’

Anticorruption and anti-bribery

Fincantieri has introduced internal regulatory instruments to implement an anticorruption policy that is in line with international standards. The commitment to combat corruption, initiated through the Code of Conduct, is articulated in various company documents and procedures such as the Anticorruption Policy (updated in 2020), the Management of Relations with the Public Administration, the guidelines on Grants, Donations, Sponsorships, Gifts and Hospitality, and the internal policy for the management of Conflicts of Interest, communicating every initiative to employees and third parties, in order to promote a firm condemnation of corruption. Since 2020, Fincantieri has also held ISO 37001 certification, the standard that provides all companies with an anticorruption management system. This system ensures the application of the policy, identification of risks, assignment of responsibilities, adoption of preventive measures and compliance with laws. At organizational level, the Board of Directors oversees compliance, while a Supervisory Body monitors risk behaviour. Training, provided through specific courses, involves all company levels and the system is constantly updated to adapt to organizational and regulatory changes, reflecting Fincantieri’s focus on ethics and anticorruption issues. In 2023, training continued with specific courses for employees, attorneys and corporate departments, enabling raising the level of awareness of corruption and examining the characteristics of the anticorruption management system, control principles and the whistleblowing system



For further information, please refer to the chapter ‘Governance - Legality, integrity and prevention of corruption’

Convictions

Fincantieri has not received any final convictions for unfair competition practices, tax evasion, corruption or bribery, nor has it been involved in violations of human rights or labour rights. Moreover, no queries were submitted by the Business and Human Rights Resource Centre (BHRRRC) and no cases were handled by the OECD National Contact Point (NCP). Furthermore, as far as the Board of Directors is concerned, it is worth noting that pursuant to applicable regulation, the Directors must meet the integrity requirements set forth in the Consolidated Law on Finance and its implementing regulations, as well as any other laws and regulations applicable to the Company’s Directors. Pursuant to art. 19.5 of the By-Laws, failure to meet these requirements results in ineligibility or automatic forfeiture of office.



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

Sustainability Plan Objective achieved in 2023



Align the financing strategy with the Group's sustainability targets and international best practices in terms of sustainable finance

Target	Timing	Perimeter	Description
Increase the weight of sustainable finance to at least 20% of medium/long-term funding	2023	Group	In 2023, 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 euro 1,615 million during the year, of which euro 615 million of construction loans and euro 1,000 million of medium/long-term financing. At the end of the year, total outstanding medium/long-term loans at Group level amounted to euro 2,163 million, of which euro 1,240 million equal to 57% of the total 'green/ESG linked' finance.

For more information on sustainability-linked funding signed in 2022, see the 2022 Sustainability Report available on the website [www.fincantieri.com/globalassets/sostenibilita2/eng\\_fincantieri\\_sustainability\\_report\\_2022.pdf](http://www.fincantieri.com/globalassets/sostenibilita2/eng_fincantieri_sustainability_report_2022.pdf)

In 2023, we signed with various banking institutions two green construction loans for a maximum total amount of euro 615 million, intended to cover the financial needs related to the construction of two cruise ships to be delivered in 2023 and 2024.

In accordance with the most recent international best practices, these loans are defined as 'green' because the financed asset is eligible with respect to the requirements dictated by the **Green Loan Principles** (with respect to the construction loan signed in July 2023) and the **European Taxonomy** (with respect to the construction loan signed in December 2023). Specifically, this latter financing is defined as 'green' given the assessment of the eligibility of the underlying construction project in relation to the climate change mitigation objective dictated by the European Taxonomy: the financed vessel is in fact one of the 'low carbon ships' and contributes substantially to the climate change mitigation objective since it is:

- characterized by an EEDI index value 10% lower than the applicable EEDI requirements;
- fuelled by fuels with direct zero-emission or renewable fuels.

Green financing differs from sustainability-linked financing through the absence of a symmetrical cost-related grid, based on the achievement of specific indicators (KPIs). In these loans, the cost advantage applies for the entire duration of the loan, from the time it is taken out. This is because the financed asset, after careful due diligence conducted by the financing banks, demonstrates eco-sustainable characteristics that result in a significant impact on pollution reduction and energy efficiency.

Finally, during 2023, three **sustainability-linked term loans** were signed with various banking counterparties for a total value of euro 1,000 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 2023, we transformed the existing reverse factoring agreement with BPER Factor into an **ESG-linked reverse factoring** agreement. The latter is in addition to the other four existing agreements with Crédit Agricole Factoring, Ifitalia (BNL), SACE Fct and Unicredit Factoring transformed in 2022 (total ceiling of euro 690 million, 90 suppliers involved), 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 a minimum duration of over 4 years with BNP Paribas Italian Branch to transform the credit guarantees of up to euro 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 above agreement resulted in the receipt in 2023 of the bonus of approximately euro 53 thousand for the achievement of the 2022 indicators and will allow for the receipt in 2024 of a similar bonus for the achievement of the 2023 indicators.





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](http://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 summarized 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/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 corporate 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 geographic area

(euro/million)			
	2022	2023	Var. 2023/2022
Italy	6.0	6.3	4.5%
Norway	4.9	(5.5)	-212.2%
Romania	1.4	2.9	106.7%
Rest of Europe	0	0.2	381.8%
North America	(16.2)	(10.6)	-34.6%
South America	6.1	3.5	-42.2%
Asia, Africa and Oceania	4.4	6.3	41.9%
<b>Total</b>	<b>6.7</b>	<b>3.1</b>	<b>-53.6%</b>

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 North America and Norway, the tax benefit is mainly due to the recognition of deferred tax assets generated in relation to losses on orders recognised during the year, and for South America, the change is due to lower taxable amount.



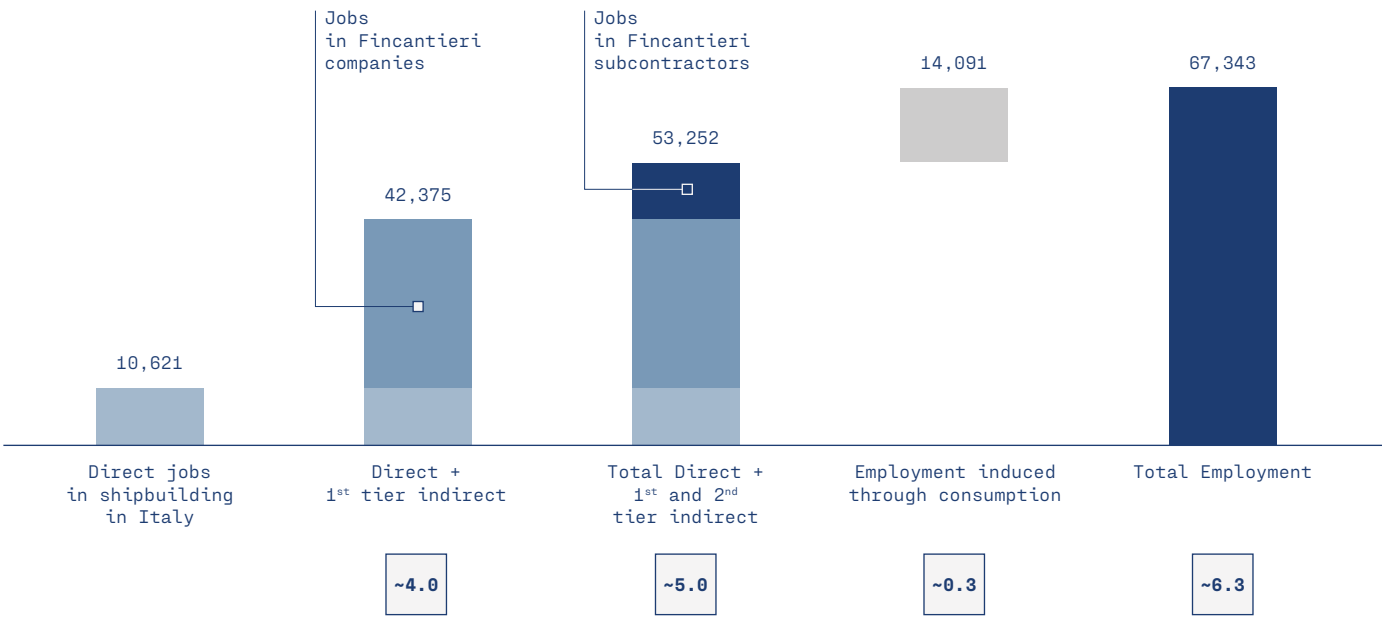
Economic satellite businesses

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 Italian economy. It is not an economic activity in the abstract that generates value and employment, but the presence of a player like Fincantieri whose size, behaviour, vision and responsibility trigger a multiplier effect.



According to a Censis study, Fincantieri's production multiplier is 4.05. This means that for every euro of additional production in Fincantieri, another 3.05 euros are activated in the rest of the economic sectors. Overall, in the Italian economy, **100 euro of Fincantieri production generates 405 euro of production**. The transfer of value in the area where a production site is located benefits a supply chain that mainly consists of small and medium enterprises. Such an important impact reflects a purchasing model that historically favours the national dimension, which also guarantees stability, visibility in terms of work, planning for the future and dimensional and technological growth. In fact, it lays down the conditions for a resilient, reliable and responsible supply chain. Equally important is the knock-on effect in terms of employment. 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 subcontractors 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 2023



Source: Fincantieri estimates for the year 2023, based on the Censis study, 'Fincantieri: the socio-economic impact of a global player. Shipbuilding at the service of the country', July 2023.

- **Direct and indirect effect:** Fincantieri employs 10,621 people in shipbuilding in Italy. Its presence triggers a direct and indirect employment multiplier of 5.0; i.e., for every Fincantieri employee, 4.0 are activated in the sectors supplying the production process, which altogether correspond to 42,631 employees in the satellite businesses (total 1st and 2nd tier indirect).
- **Induced effect:** more than 14,000 jobs are generated by the spending of the families of the 53,252 people employed, directly and indirectly activated by Fincantieri.
- **Total effect:** therefore considering the direct, indirect and induced effect, the total employment multiplier comes to 6.3, for a total employment attributable to Fincantieri's shipbuilding activity of approximately 67,350 units.

In other words, **for every 10 Fincantieri employees employed** in Italy in ship design and construction, **another 53 are employed outside**.





# Innovation and Sustainability

**Innovation is a fundamental component of the Group’s competitive advantage and its corporate culture and strategy are based on it. The future is innovation and we will never stop innovating**

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 global geopolitical, social and 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.



## Sustainability Plan Objective achieved in 2023

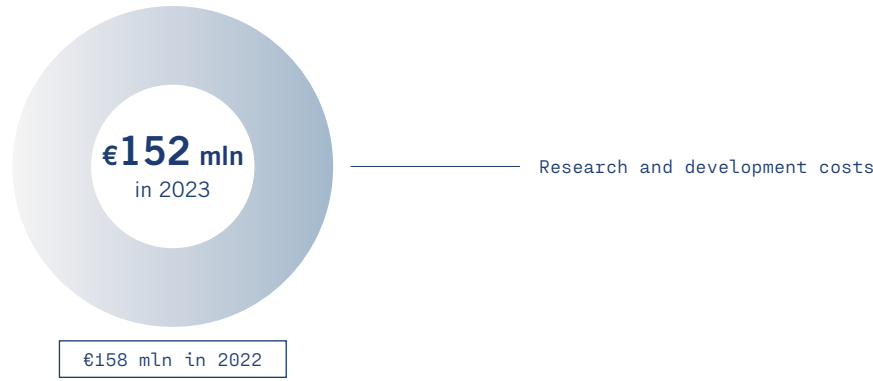


### Research & Innovation Policy

Target	Timing	Perimeter	Description
Drafting a Policy that identifies the principles and the strategy chosen by the Group to approach product and process research and innovation	2023	Group	In line with the corporate strategy and objectives, we drafted the Innovation Policy in 2023 to guide the Group's actions and maintain its leadership in technological innovation in the sectors in which Fincantieri operates. The principles Fincantieri has adopted and promoted include actions to drive the product's technological innovation and actions to promote improvements in the effectiveness and efficiency of internal processes. Furthermore, particular importance is given to constant contact with external players in the innovation ecosystem and the enhancement of internal resources, through, for example, the activation of training courses, the internal dissemination of know-how and best practices, and involvement in the generation of new ideas.

The Research & Innovation Policy is available on the website [www.fincantieri.com/globalassets/innovazione/politica-innovazione\\_eng.pdf](http://www.fincantieri.com/globalassets/innovazione/politica-innovazione_eng.pdf)

# Innovation strategy



Our innovation activity has three main technological directions.

## Innovation strategy





Environment

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

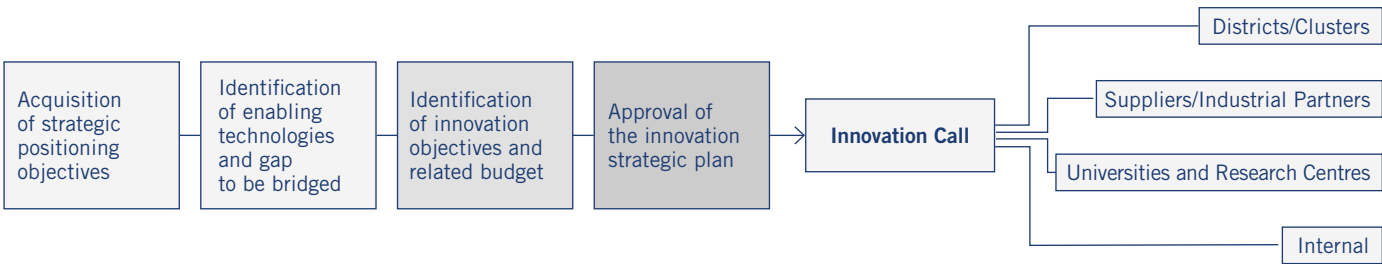
Maintaining and enhancing our global competitiveness and leadership is one of our main objectives. The current technological transition sees the emergence of breakthrough solutions. Their applicability to the production processes is constantly evaluated in order to seize the best opportunities to increase 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.

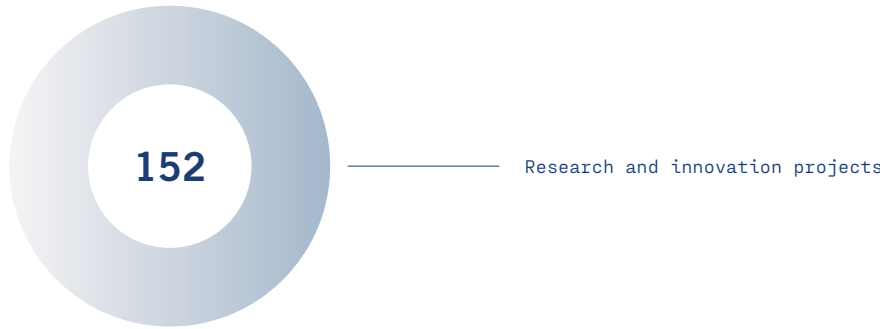
A working group dedicated to identifying the evolution of customer needs has been set up to identify and anticipate the needs of the market in which we operate. This information is used to identify the necessary technologies, the technological gap to make them operational and consequently the development 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



Main projects



In 2023, at Group level (including foreign subsidiaries), we have carried out over 150 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.

The main projects concerning the environment, digitalization and competitiveness are given below, along with more detail on a specific one for each area.

Environment

FUCCELL (2018-2023):

As part of the FUCCELL 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 a 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.

- **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.
- **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.
- **POSEIDON** – Propulsion Of Ships with E-Methanol In favour Of the Decarbonization Of Naval transport (2023-2027): the project aims to facilitate the use of e-methanol as e-fuel in maritime transport, demonstrating innovative solutions along the stages of the value chain. These activities will enable the most suitable types of vessels for the integration of e-methanol-based propulsion systems to be identified.
- **V-ACCESS** - Vessel Advanced Clustered and Coordinated Energy Storage Systems (2023-2026): the project aims to analyse, develop and validate a hybrid electrical energy storage system based on innovative technologies such as supercapacitors and superconducting magnetic energy storage systems (SMES). A hybrid system such as this will enable electricity consumption on board ship to be made more efficient by reducing emissions from traditional electric generators in response to demands for power that vary considerably over time.
- **PIAQUO** - Practical Implementation of AQUO (2019-2024): a cooperative project that 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.



Digitalization

EDINAF - European Digital Naval Foundation (2023-2025)

The project is financed by the European Defence Fund (EDF) and involves the Parent Company and the companies Fincantieri Nextech and Cetena. It is being developed in cooperation with 28 other partners from 8 countries, including: other shipyards, suppliers, SMEs, research and technology organizations, universities and SEA Europe (the European association of shipyards and naval equipment manufacturers).

EDINAF focuses on the development of a digital architecture for ships that offers a coherent set of resources, services and data solutions to support the naval vessel's core operations, and on the definition of a standardized digital platform including the relevant engineering methods, methodologies and tools required to manage the complex System of Systems that is the vessel.

The project will allow the Fincantieri Group to develop and introduce innovative technologies to improve the effectiveness and efficiency of its digital capabilities, creating specific know-how and expertise that will enable the Group to maintain and strengthen its competitive advantage. In particular, it will ensure that digital solutions can be developed and maintained on a common and shared basis with major players in the European shipbuilding industry, laying a solid and lasting foundation for future naval programs.

- **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.
- **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.
- **DS** - Digital Ship (2020-2023): the project aims to develop cost-effective simulation tools over the entire life cycle of the ship that will improve design, decision support and predictive maintenance processes and reduce real-world testing.
- **INTERACT** - INTERoperability STAndards for Unmanned Armed ForCes SysTEms (2021-2023): the project aims to create a basis for future European interoperability standards for unmanned naval systems, integrating the technical knowledge and operational experience available in Europe on the control, monitoring and application of unmanned systems.



Competitiveness

ALSO4 – Automated Laser Scanner Operations (2020-2023)

ALSO4 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 euro 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.

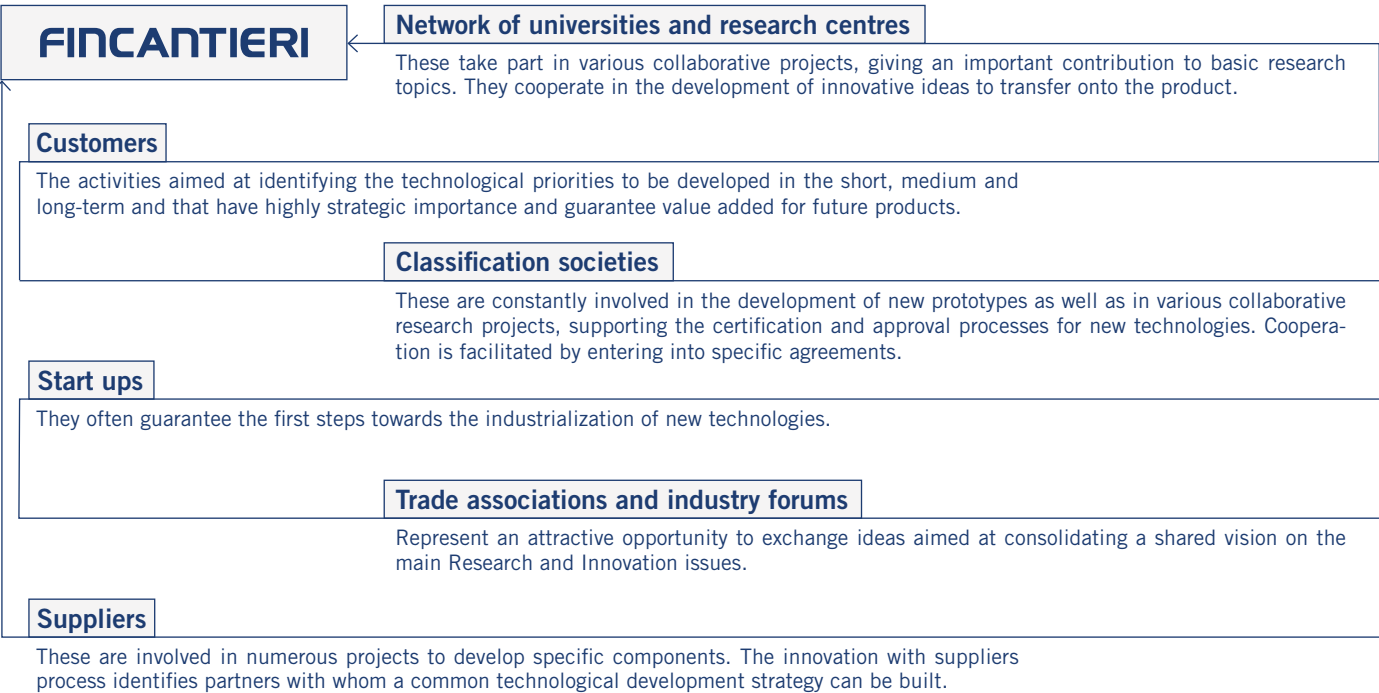
- **Hull 4.0** (2020-2023): the project, financed by the Ministry of Economic Development, aims to optimize hull production processes, by integrating production and quality control processes, in order to apply standards and methods that are as uniform as possible across the Group's various production 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 shipyards.
- **IFuture** (2020-2024): program agreement for the establishment of a "Innovation and Development Centre (CIS)", opened in March 2023, 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.
- **HEBD 2** - Hybrid emergency emersion device for submarines (2022-2024): the objective of the HEBD project is the design definition and related implementation of an emergency emersion system for the main submarine ballast tanks based on hybrid-type gas generators that, when appropriately activated, produce a gas mixture capable of emptying the submarine's ballast tanks.



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 and which the Company launched in 2023. The aim of Fincantieri's project is to contribute to the decarbonization of the economy by promoting the replacement of fossil fuels with hydrogen for ship generation. The IPCEI Hy2Tech tool aims to create a new hydrogen ecosystem that, starting with green hydrogen production technology, involves all sectors, from transport, distribution, deployment technology to end-user involvement in market creation. This objective cannot be attained without using the Important Project of Common European Interest. Furthermore, in December 2023, Fincantieri was one of 19 European companies directly participating in the

IPCEI Next Generation Cloud Infrastructure and Services (IPCEI CIS), which will launch an equal number of highly innovative projects in the area of cloud-edge continuum technologies. The objective of Fincantieri's project is the digitalization of the shipbuilding segment, both on board ship and in shipbuilding, through the implementation of advanced digital suites to manage ship and shipyard activities in the Edge-Cloud system, with particular reference to the development of the European Cloud and Infrastructure system functionalities. Similar to IPCEI Hy2Tech, IPCEI CIS aims to create an integrated European digital ecosystem. 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 (RLCF 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 sectors. 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.

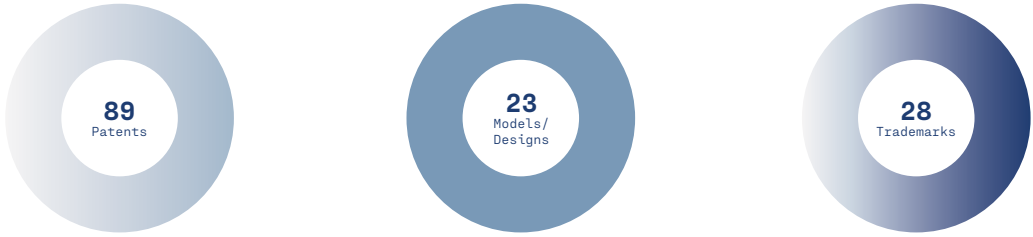
Internationally, we cooperate in the activities of:

- **EuroYards**, European Economic Interest Group of leading European shipbuilders, 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. The project, co-funded by the Research Council of Norway, ended in 2023.
- **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. The project, co-funded by the Research Council of Norway, ended in 2023.
- **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.

## Managing and sharing knowledge

Fincantieri Group's patent portfolio, including foreign subsidiaries, 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.

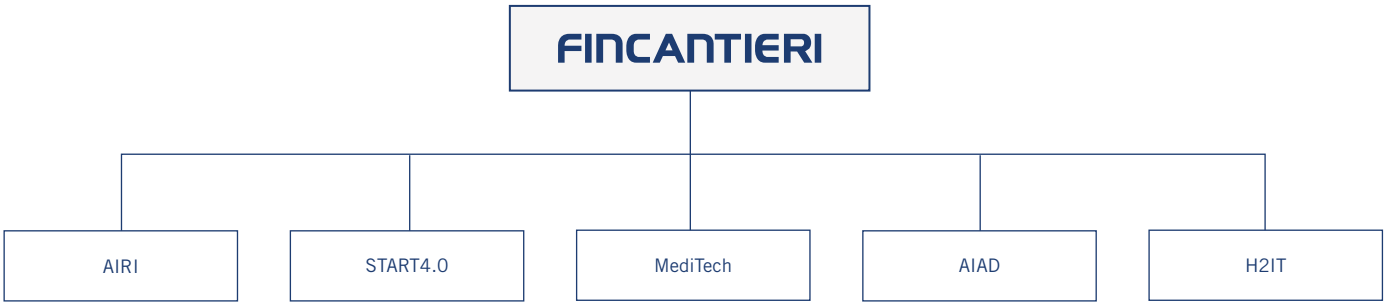


The Clusters and districts involved in cooperation relationships with the Group are:

- **Trasporti Italia 2020 Cluster**: 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.
- **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.

The Fincantieri Group also actively participates in the initiatives promoted within the National Recovery and Resilience Plan (PNRR), aimed at stimulating technology transfer between the various national stakeholders. These include: the **National Research Centre in High Performance Computing, Big Data and Quantum Computing (ICSC)**, the **National Centre for Sustainable Mobility (MOST)** and the **Territorial Innovation Ecosystem - Robotics and AI for Socio-economic Empowerment (RAISE)**.

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.



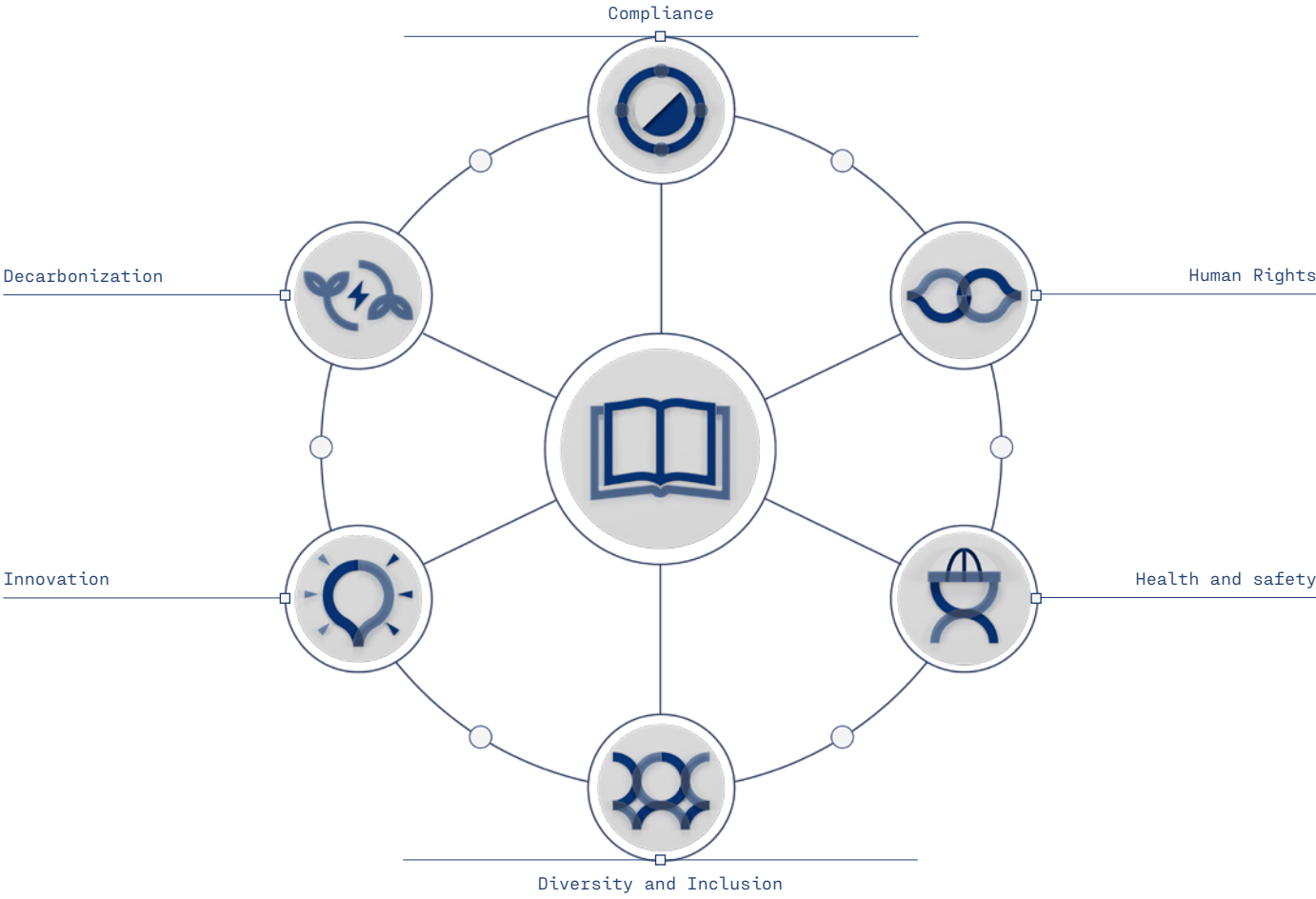


# Sustainable Supply Chain

As supply chain leader, we feel a responsibility to share our values and knowledge with the supply chain in order to develop a sustainable ecosystem

Our vision for the supply chain is to promote a growth path based on innovation and sustainability, driving change and encouraging a new level of cooperation with our partners. This approach is based on sharing our values contained both in the Suppliers' Code of Ethics and in the new **Suppliers' Identity**, created at Fincantieri's Supplier Summit held on 17 October 2023 in Genoa. Fincantieri Group's sustainable supply chain strategy aims to encourage continuous improvement approach, investing in ESG issues and promoting a culture that supports the development and wellbeing of local communities.

- **Human Rights:** dignity and equality for all, ban on child labour and forced labour, fair wages and a work-life balance.
- **Health and Safety:** risk reduction, zero accidents and a safety culture.
- **Diversity and Inclusion:** respect for differences, teamwork and a focus on people.
- **Innovation:** co-creation, sharing new ideas and exploring new opportunities.
- **Decarbonization:** energy efficiency, development of new green technologies and the Net Zero objective.
- **Compliance:** quality, on-time delivery and compliance with regulations and standards.



We are also committed to supporting and guiding this evolution by providing our partners with the tools needed for this development path. With this in mind, we initiated the **PartnerSHIP supply chain program**, which originated from our intention to develop a sustainable ecosystem involving the entire supply chain. PartnerSHIP marks an evolution in terms of supplier engagement and aims to develop more lasting relationships with our suppliers so that we can tackle and overcome the new strategic challenges together.

## Management system for a sustainable supply chain

We have developed a system to manage the supply chain in a sustainable way. This system includes:

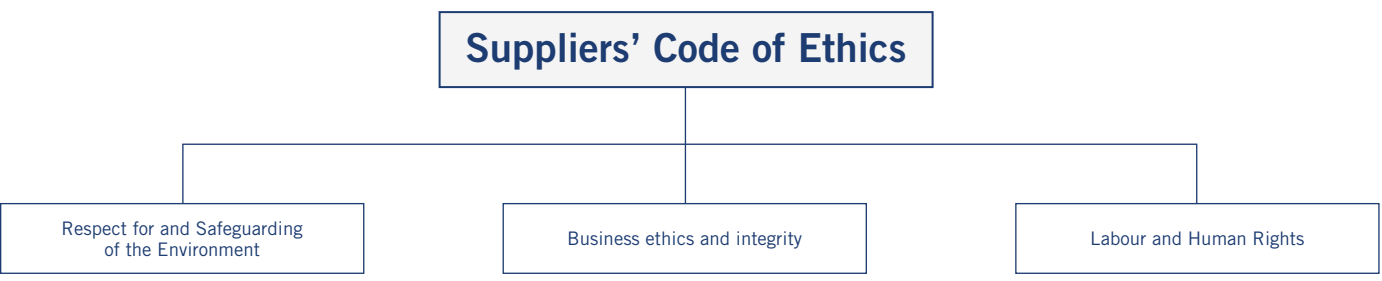
1. Respecting and sharing policies.
2. Supplier management processes: qualification, monitoring, ESG assessment and audits.
3. Supplier engagement.

### 1. Respecting and sharing policies

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. This is why our suppliers are required to comply with the policies adopted by the Group and to share the principles. In particular:

- **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.
- **Suppliers' Code of Ethics**, which 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 Code is based on three fundamental pillars:



The Suppliers' Code of Ethics is available on the website [www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/fincantieri\\_suppliers\\_code\\_of\\_ethics2.pdf](http://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 all purchase contracts, and any breach of it may entail a request for corrective measure 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.


- **Conflict Minerals Policy**, which aims to discourage the use of any minerals mined, refined or traded under conditions of armed conflict and human rights violations, mainly in the People's Republic of Congo but also in any conflict-affected or high-risk area.



Sustainability Plan Objective achieved in 2023



Management of conflict minerals along supply chain

Target	Timing	Perimeter	Description
Drafting and publishing a Policy on the management of 'conflict minerals'*	2023	Group	<p>The Conflict Minerals Policy was approved by the Chief Executive Officer of Fincantieri S.p.A. in 2023 and is available to all stakeholders.</p> <p> <b>The Conflict Minerals Policy is available on the website <a href="http://www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/catena-di-fornitura/politica_conflict-minerals_eng.pdf">www.fincantieri.com/globalassets/sostenibilita2/responsabilita-economica/catena-di-fornitura/politica_conflict-minerals_eng.pdf</a></b></p>

\* Refer to raw materials or minerals - tin, tantalum, tungsten and gold (the '3TG') - 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.

The Group is committed to ensuring a 'conflict free' supply chain by means of the following actions, which will be implemented in the coming years:

- incorporate, in the contracts signed with suppliers, the logic and commitments of the Policy for the conscious and responsible management of the entire supply chain, from mining the ore to the configuration of the scope of supply;
- take the necessary steps to identify the risks arising from improper management of conflict minerals and identify products and/or semi-finished products that might contain minerals from conflict zones;
- after the previous risk assessment phase, carry out the following activities on suppliers identified as strategic/critical:
  - request additional information on the origin of raw materials and minerals in the supplies in order to adequately ensure their traceability;
  - prepare plans and corrective actions for cases where the declarations are not compliant which may also include checks;
  - ensure constant monitoring of the supply chain in order to mitigate the risk of sourcing minerals from conflict countries;
  - improve employee preparedness (in terms of knowledge and awareness), requiring similar interventions for those engaged in the supply chain, pursuing the contribution of all those involved in the achievement of the corporate objectives.

2. Supplier management process: qualification, monitoring, ESG assessment and audits

e-NGAGE

The new e-procurement portal e-NGAGE was implemented during the year. Over time it will cover all the main phases of supply chain management: registration, qualification, invoicing, supply status, etc. e-NGAGE will make it possible to have a Group Register of Suppliers and share the logic and criteria for supplier inclusion defined by the Parent Company.



Fincantieri's digitalization process, which will continue in the coming years, aims to facilitate communication with all suppliers and increase compliance and efficiency in purchasing processes, the supply chain and access to production sites. If a supplier wants to apply to be on the Register, they must first register on the portal and complete a questionnaire, which contains questions with specific weights that will determine the qualification outcome. The process is overseen by a qualification team that brings together the different corporate departments involved in the process (Procurement, Quality, Finance, Personnel, Security, etc.). The supplier qualification process produces a positive outcome when the qualification team assesses the evaluation requirements as satisfactory. The team expresses its opinion on the areas of the questionnaire and on the mandatory annexes, including on:

- the adequacy of the corporate body;
- the specific expertise of employees;
- compliance with international quality, health, safety and environmental standards;
- the specific technical requirements and references;
- the requirements of economic and financial soundness;
- the security requirements and ethical and reputational aspects.







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.

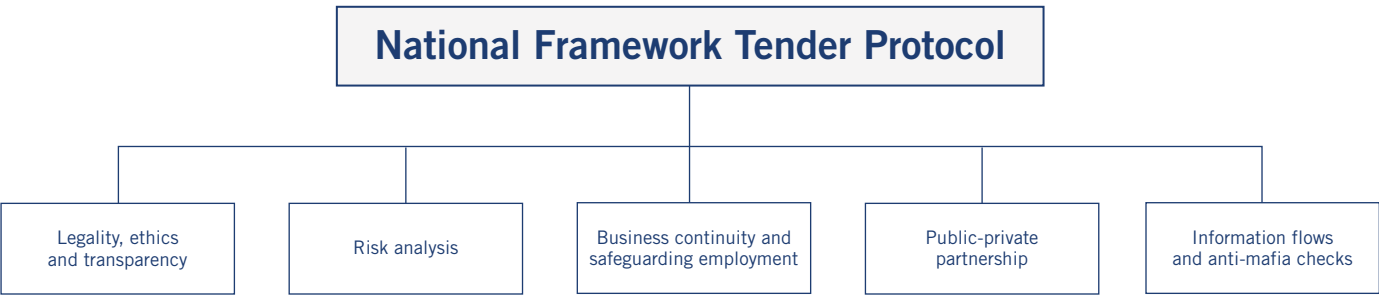
Similarly, we are aware that corporate reputation is a strategic asset that should be valued and protected, also to avoid compromising the trust placed in us by our stakeholders.

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.

The pillars of the National Framework Tender Protocol



In the US, where we are one of the leading manufacturers of medium-sized vessels for government agencies, the selection process has national specifications as it is steered by the choices of the US Government, which requires high-quality, high-performance goods and services that must be provided with skill and proven expertise.

As far as the VARD group is concerned, suppliers must be selected from among those that have been registered as approved suppliers (maker list) through a specific evaluation.

Monitoring

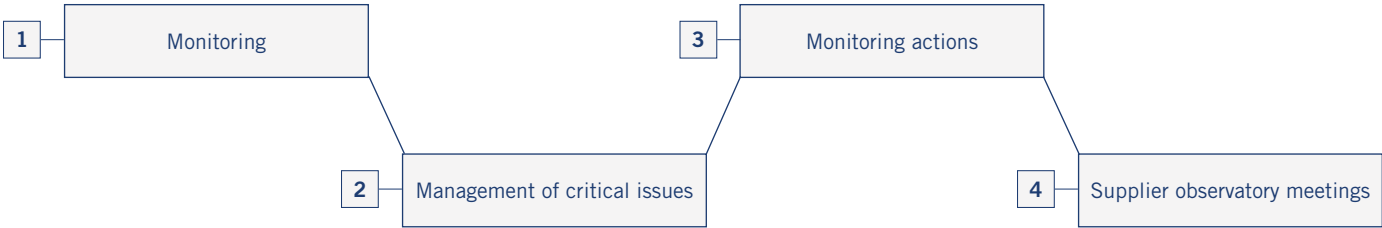
A stringent performance monitoring process is carried out so that suppliers can maintain their 'qualified status' and to promptly manage any critical issues.

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 supply chain by means of ever more frequent exchanges of information and documents with suppliers.

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. The evaluations cover several aspects, including health and safety.

One extremely important body is the Supplier Observatory, which ensures constant monitoring and makes decisions on how to manage any critical issues that emerged during the supplier management process.



Supplier Observatory

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 2023, **221 suppliers** were managed by the Observatory of Fincantieri S.p.A., with the following results:

- 38 suppliers overcame the critical concerns originally identified;
- 32 suppliers were included in phase-out plans, 12 of which due to ethical and reputational problems;
- 151 suppliers are currently being monitored under improvement plans.

ESG assessment

2023 saw the launch of the **ESG assessment program** of the supplier base. The program runs for four years and aims to: ensure suppliers' sustainable performance is measured through the assignment of an ESG score; define specific improvement plans; and set up reward initiatives for virtuous suppliers. The scope of assessment is Group level (excluding US subsidiaries) and the first assessment coverage target set for the year was achieved. In fact, assessments were carried out on major suppliers in terms of expenditure, accounting for a total of 32.4 % of the total purchase volume of all suppliers involved in the program.

The model on which the assessment is based, which is integrated in the e-NGAGE platform, was built using criteria defined by a working group from different companies in the industry and reported in the **ESG Supply Chain Guidelines**. It follows that suppliers are assigned a score according to a recognized industry standard, thus ensuring the **objectivity and independence of the assessment**.

A supplier's **ESG score** is based on the supply categories and is awarded following the completion of a specific questionnaire that is located on the SuppliHi platform and is accessed by the supplier via the e-NGAGE portal. The ESG score is calculated separately for each of the three pillars and is based on a score scale ranging from A (highest rating) to E (lowest rating). The environmental section is assessed by considering the environmental



management system, energy efficiency, pollution and waste management, etc.; the social section considers elements such as equal opportunities, human rights, working conditions, health and safety management system, etc.; the governance section assesses ethical aspects, responsible information management and sustainable procurement management.

The score gives insight into the strengths and areas for improvement in sustainability in order to be able to meet the challenges that regulations and stakeholders require in this field. Finally, the presence of an ESG badge with a synthetic score is an important element for sharing the assessment with all potential stakeholders (lenders, customers, communities, etc.).

The ESG assessment model is updated periodically by updating the reference guidelines and/or holding specific meetings of the working group, of which Fincantieri is an active member.



Sustainability Plan Objective achieved in 2023



Development of a Sustainable Supply Chain in order to integrate sustainability criteria into the supplier qualification system and to ensure adequate risk control

Target	Timing	Perimeter	Description
Launch of an ESG assessment program and coverage of the most relevant suppliers, in terms of purchasing volume of 30%	2023	Group (excluding US subsidiaries)	At the end of 2023, suppliers equal to 32.4% of the total purchasing volume of the program scope were assessed, thus achieving the target of 30% defined in the Plan.

In the next three years, work will continue with the aim of increasing the scope covered by the assessment, in line with the 2023-2027 Sustainability Plan.

ESG-linked reverse factoring

The **ESG-linked reverse factoring** initiative aims to incentivize Fincantieri's suppliers to improve their environmental and social impact, demonstrating on the one hand the Group's willingness to foster corporate responsibility, and on the other hand the commitment of institutions to support strategic clients in their projects to stimulate and enhance sustainability.

Thanks to this agreement, the discount rate applied to suppliers' invoices will also depend on the ESG score calculated on the e-NGAGE platform: suppliers with better ESG performance will therefore benefit from a better rating, thus accessing more favourable financing conditions.

The credit institutions providing this facility to suppliers of the Fincantieri Group are: Cr dit Agricole Eurofactor, Ifitalia (BNP Paribas Group), SACE FCT and Unicredit.

Audits



Every year we conduct periodic checks of our suppliers using various types of audits, both in the area of sustainability and qualification and monitoring.





Sustainability Plan Objective achieved in 2023



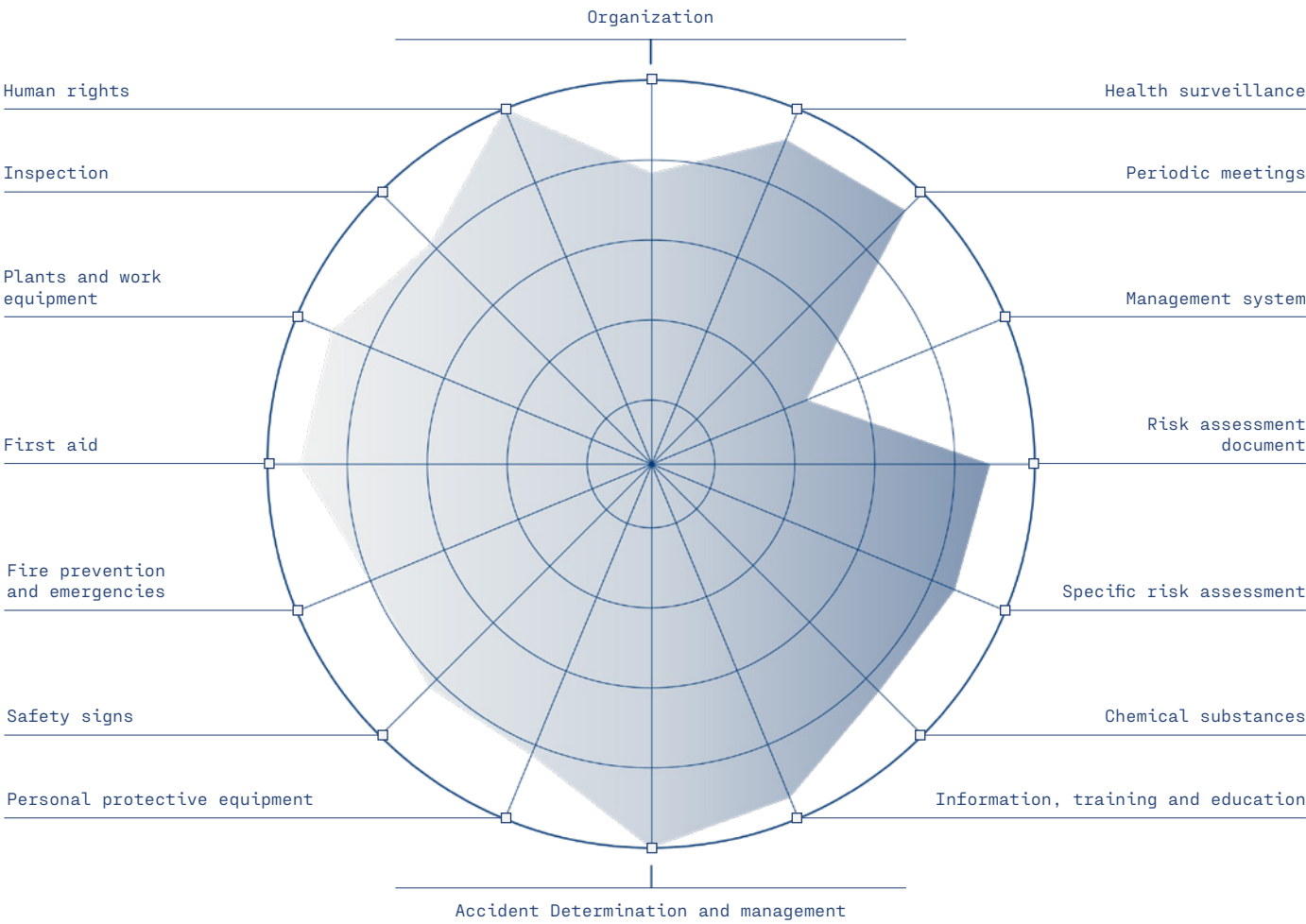
Annual sustainability audits conducted by Fincantieri (second party) at suppliers' premises to assess and monitor suppliers' compliance with human rights, health and safety and the environment

Target	Timing	Perimeter	Description
Audits of suppliers of priority/strategic interest to the Group on respect for human rights, health and safety and the environment (approx. 200 suppliers including the remaining 7 not carried out due to COVID pandemic issues) with at least 40 audits per year. Starting from 2023, depending on the score obtained from the audit, recovery plans, progressive or immediate phaseouts will be defined on an ongoing basis, based on the severity, with evidence being reported in Supplier Oversight	2023-2027	Group (excluding US subsidiaries)	In 2023, we conducted 49 second-party sustainability audits through internal resources.

Sustainability audits are conducted using two checklists: 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 checklists also include 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. 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.

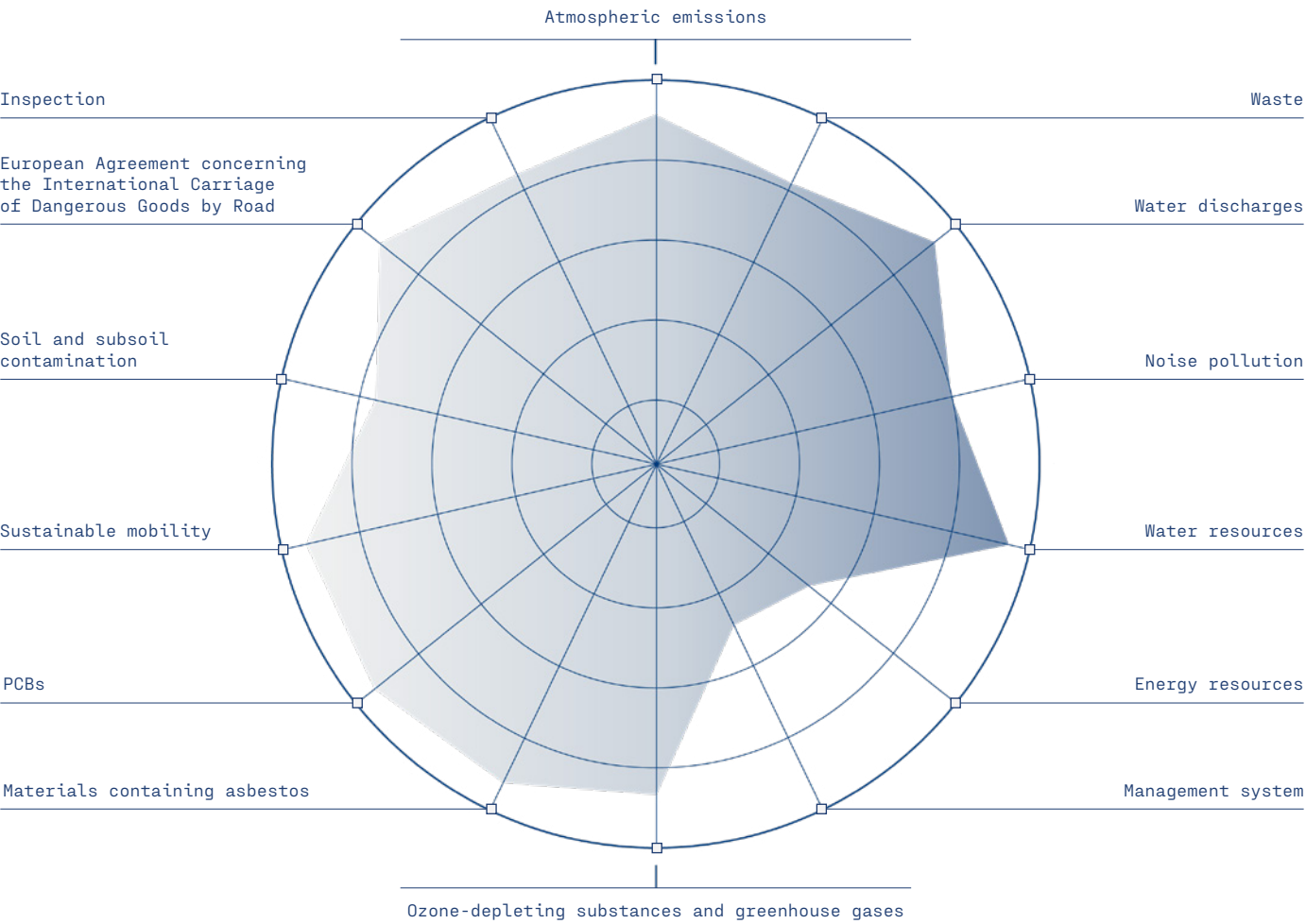


Audit results - health, safety and human rights



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 the 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. Furthermore, a comprehensive review of the management of sustainability audits was initiated in the second half of the year. This review, with the support of external companies with proven experience in the field, led to **37 additional audits**. Finally, the remaining **12 audits** relate to supplier qualification and monitoring activities.

Audit results - environment



In addition to the audits organized by the Parent Company, the subsidiaries, in view of the specific nature of their business, conduct additional visits to their suppliers. In VARD, audit activities are carried out through the shipyard health, safety, environment and quality (HSEQ) managers accompanied by the central procurement department and are focused on compliance with the contractual requirements agreed for the jobs. In 2023, 39 audits based on social and environmental criteria were carried out, 23 of which were carried out by Vard Vung Tau, which holds SA 8000 certification. No audits showed a negative assessment. No specific sustainability audits are carried out in the US, but site visits are organized to verify the quality and production capacity of suppliers that are critical to the business. In 2023, 30 such audits took place.



3. Supplier engagement

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 engagement with suppliers continued in 2023, resulting in several events dedicated to them, on strategic topics such as sustainability.



Sustainability Plan Objective achieved in 2023



Raising suppliers' awareness of ESG issues

Target	Timing	Perimeter	Description
Organization of at least one engagement session on ESG issues per year with strategic suppliers	2023-2027	Group (excluding US subsidiaries)	The 'Let's turn Collaboration into Innovation – Fincantieri's Supplier Summit' was held on 17 October 2023 at the Acquario di Genova, attended by the top management of over 200 companies. Other initiatives were also developed as described below.



Fincantieri Supplier Summit  
Scan the QR code and watch the video



PartnerSHIP

In particular, the **Let's turn Collaboration into Innovation – Fincantieri's Supplier Summit** was held on 17<sup>th</sup>, October at the Acquario di Genova and saw the involvement of the top management of the Group's main strategic suppliers. The event involved over 200 partner companies and was an opportunity to recognize the value of 'Made in Italy' and SMEs as well as the digital and sustainable evolution undertaken by the Company and its supply chain. The evolution of the Suppliers Engagement path into a new supply chain program, called 'PartnerSHIP' by those present, was announced on this occasion.

PartnerSHIP aims to:

- steer the ESG and Digital transition;
- ensure the alignment of strategic objectives between supply chain leaders and partners;
- manage a common growth path based on a new type of relationship.

The Genoa convention was also an opportunity to recognize and adhere to the common guiding principles contained in the 'Suppliers Identity'. With Suppliers Identity, the Group also aims to go beyond the boundaries of the organization and extend its Diversity, Equity and Inclusion model to all partners in order to create a distinctive identity for the supply chain. The Summit allowed us to reaffirm one of our core values: **people**. We expect those who work with us to treat everyone with fairness, respect and dignity and to ensure equal opportunities. This commitment not only helps define a distinctive identity for the entire supply chain, but also reflects Fincantieri Group's inclusive and people-focused vision, which sees diversity as an essential value for collective success.

PartnerSHIP marks the beginning of a sustainable development path for the supply chain, aided by practical tools and initiatives such as, for example, the training webinars and dialogue workshops with suppliers that Fincantieri undertakes to implement.

The first initiative stemming from PartnerSHIP was launched in December, namely the **program of thematic webinars** for the supply chain that will focus on finance, ESG and cyber security.

The first **Fincantieri Supply Chain Finance** webinar focused on the credit support tools available to suppliers. The event was realized with the cooperation of major national financial institutions such as CDP, Simest, SACE and SACE FCP and was attended by about 140 suppliers.

Numerous solutions were proposed, including ESG-linked solutions, such as reverse factoring agreements that are linked to the ESG scores obtained from the Group's assessment program on its e-NGAGE portal and can enable suppliers to obtain favourable economic terms.

Also as part of supply chain sustainability, **Carbon Tracker**, an innovative project that estimates the carbon footprint of suppliers, was launched. This is a model that is validated in line with the requirements of ISO14064-1 and the GHG Protocol, which can be found in a specific module of the SupplHi platform on the e-NAGE portal. The activity involved several information exchanges and the organization of a workshop dedicated to an initial pilot group of 20 strategic suppliers selected according to product category.

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. On this subject, a **position paper** on ESG due diligence was drafted at the beginning of the year, the result of the ESG governance Lab sponsored by ET.Group.

We were also an active participant in the working tables on **Sustainable Procurement** organized by the **Global Compact Network Italy**, which involved major Italian companies exchanging experiences and best practices. This was organized over 3 vertical meetings dedicated to each of the ESG aspects and there was a concluding event in which the final summary report on the activities carried out was presented.

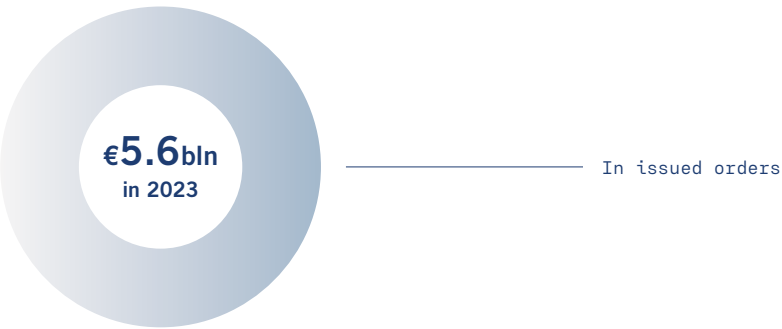
Within the organization, specific training activities are also carried out by the Group Procurement & Supply Chain Department for subsidiaries to offer group guidelines and operational support for sustainability reporting as well as updates on the objectives of the Sustainability Plan.

Finally, Fincantieri 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 targets for supplier ESG assessment.

Supply chain numbers

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.

As regards shipbuilding, 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.



As regards the Italian activities, Fincantieri acts as leader and group cluster 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 is a network of Italian SMEs 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.

Throughout the Group, a high percentage value of orders are issued to **local suppliers**, whose activities are mainly restricted to the same geographic areas as the companies for which they operate. In Italy, 74% of the total value of orders issued is distributed to local suppliers, while for VARD in Norway, 50% of expenditure is on Norwegian companies, in Romania 72% on Romanian companies and in Vietnam 66% on Vietnamese companies, while Fincantieri Marine Group's activities channel 96% 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 geographic area and product category:

Value of orders issued by geographic area - 2023

(euro/000)	
	2023
Italy	3,757,562.3
Norway	670,890.6
Romania	886,700.9
Rest of Europe	1,029,814.2
North America	589,223.4
Asia	60,354.5
Vietnam	163,043.4
Oceania	920.6
South America	71,484.9
Africa	166.5
<b>Total</b>	<b>7,230,161.3</b>
of which intercompany value	1,606,881.3
<b>Total net of intercompany</b>	<b>5,623,280.0</b>

Value of orders issued by product category - 2023

(euro/000)	
	2023
Turnkey	2,053,137.0
Supply	2,998,046.6
Contracts	822,422.7
Services	1,091,285.3
Investments	131,833.4
Engineering	133,436.3
<b>Total</b>	<b>7,230,161.3</b>
of which intercompany value	1,606,881.3
<b>Total net of intercompany</b>	<b>5,623,280.0</b>

The data refer to the entire Fincantieri Group.

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 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 can 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 2023, the Company continued its investments 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 supply 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.

With regard to the monitoring of the supplier pool in terms of turnover of companies in the shipyards of Fincantieri S.p.A., 2,393 companies were involved in the various production processes from January to December 2023.

In the same period, the number of workers employed by contracting firms who worked at the company sites (even for short periods) was 45,832. The average daily attendance of workers from satellite businesses was also confirmed for the year 2023 at around 27,000.

Employees of contractor companies were predominantly Italian (42.1%). Among those of other nationalities, 17.5% were EU workers, while 40.4% were non-EU employees.

The most prevalent nationalities (excluding Italians) were Bengalis (26.1%) and Romanians (13.3%).

In the field of employment relationships, permanent contracts accounted for 45% of the total, while fixed-term contracts accounted for 33.2%. Agency contracts accounted for 11.7% and other types of contracts for 10.1%.





<b>Social Sustainability</b>	<b>147</b>
<b>People</b>	<b>148</b>
Development and safeguarding of human resources	152
Diversity and equal opportunity	164
Health and safety in the workplace	170
Wellbeing for people	177
Industrial relations	180
Engagement with people	186
<b>Customers and Products</b>	<b>188</b>
Main customers	189
Safe ships	194
Product quality	200
Customer satisfaction	200
Engagement with customers	204
<b>Communities and Local Territory</b>	<b>206</b>
Lines of action	207
Engagement with communities and institutions	213



# People

We continuously invest in the development and enhancement of our people, who are the beating heart of Fincantieri, the builders of the Group’s success

Fincantieri invests constantly in improving the **Group's People Strategy**, in order to make it in step with the times and able to evolve from ‘traditional’ human resources management to a culture focused on active involvement, employee wellbeing and growth, core elements for a distinctive employee experience. Placing people at the centre of the organization remains an essential value for our Group. We believe firmly that our employees’ job satisfaction is linked to their performance and therefore to the achievement of corporate objectives and the organization’s overall success. This is why our People Strategy aims to align HR objectives with business objectives and to promote a collaborative working environment that is open to continuous dialogue and feedback, inclusive and capable of recognizing and valuing diversity, thus ensuring a climate in which employees feel motivated to give their best and ready to face the challenges of a market that is in constant flux. 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 2024**.

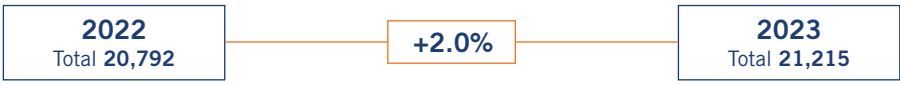
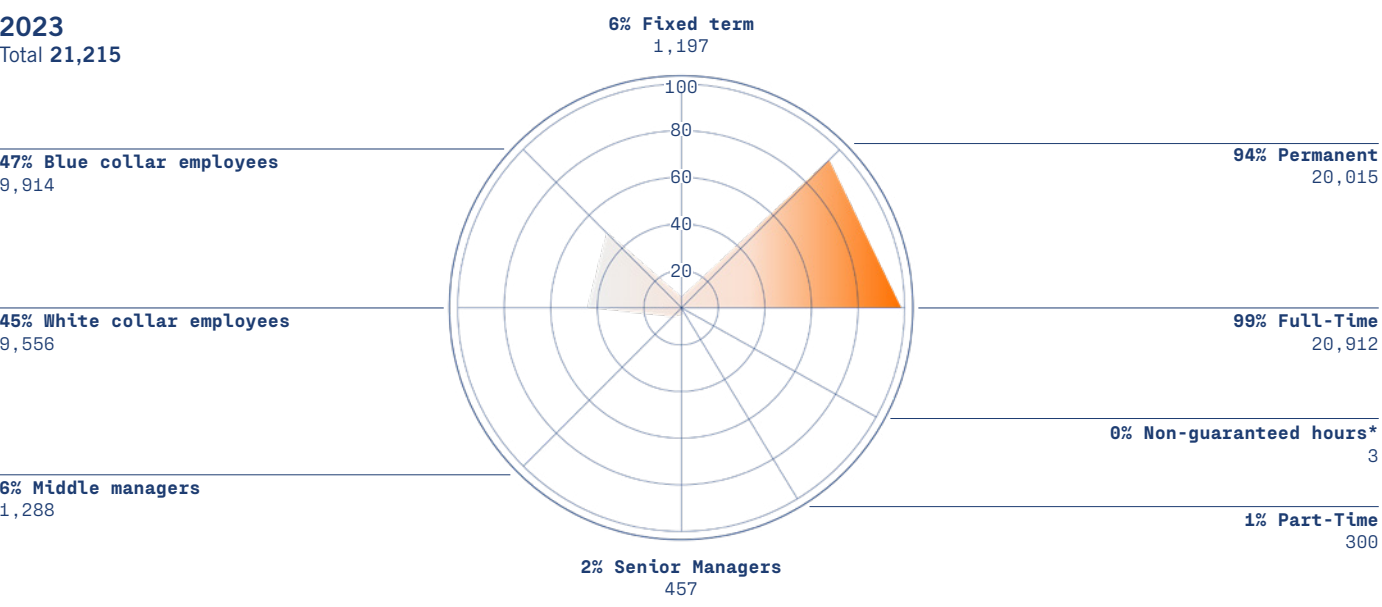
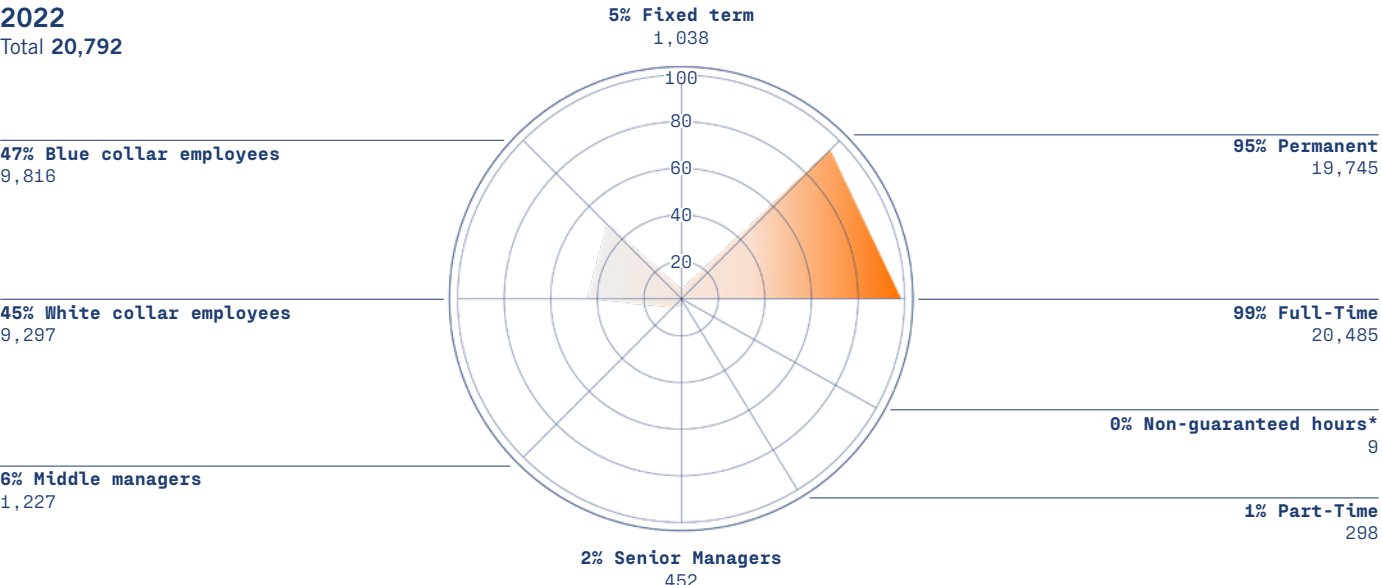
## Employees by gender and geographic area

	2022				% of total	2023				% of total	Var. 2023/2022
	Men	Women	Other	Total		Man	Women	Other	Total		
Italy	9,561	1,344	0	10,905	52%	9,699	1,413	0	11,112	52%	1.9%
Norway	1,035	209	0	1,244	6%	1,034	228	0	1,262	6%	1.4%
Romania	3,536	865	0	4,401	21%	3,542	834	0	4,376	21%	-0.6%
Rest of Europe	188	37	0	225	1%	188	41	0	229	1%	1.8%
North America	1,900	474	3	2,377	12%	1,964	508	3	2,475	12%	4.1%
South America	500	34	0	534	3%	537	29	0	566	3%	6.0%
Asia, Africa and Oceania*	1,042	64	0	1,106	5%	1,116	79	0	1,195	5%	8.0%
<b>Total</b>	<b>17,762</b>	<b>3,027</b>	<b>3</b>	<b>20,792</b>	<b>100%</b>	<b>18,080</b>	<b>3,132</b>	<b>3</b>	<b>21,215</b>	<b>100%</b>	<b>2.0%</b>
Incidence %	85.4%	14.6%	0%	100%		85.2%	14.8%	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<sup>st</sup> December 2023 consisted of 21,215 people, in line with 2022 levels. The increase in the workforce recorded in 2022 in Vietnam, Italy and the US, linked to the development of new projects, was confirmed and offset the reduction following the reorganization of production processes in Romania. In addition, the increase in resources in South America is due to the order of the subsidiary FINSO to build a hospital in Chile.

## Employees by type of contract



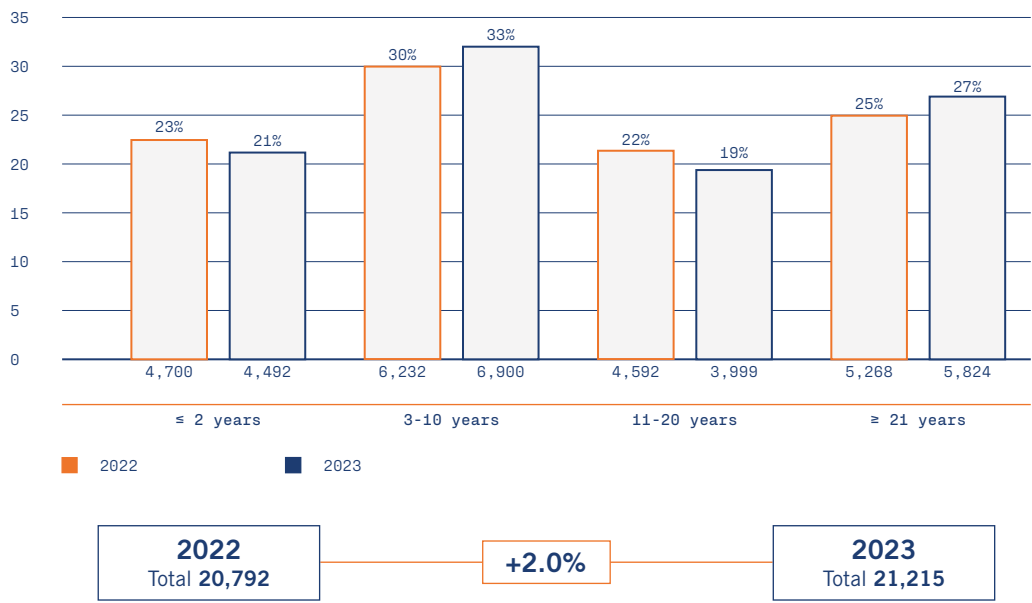
The data refer to the entire Fincantieri Group.  
\*Employees with non-guaranteed hours are those who are not guaranteed a minimum or fixed number of working hours per day, week or month but who may have to make themselves available for work as needed.

As can be seen from the above figures, most of the employees are employed with permanent contracts. The increase in employees with fixed-term contracts was most pronounced in Romania (+78%) mainly due to local labour shortages forcing the hiring of foreign employees, and in Vietnam (+14%) due to the intensification of the production process.





Seniority of service



The data refer to the entire Fincantieri Group.

Number of employees by age group

	≤30		31-49		≥50		Total		Var. 2023/2022
	2022	2023	2022	2023	2022	2023	2022	2023	
Senior Managers	0	0	176	177	276	280	452	457	1.1%
Middle managers	17	20	692	719	518	549	1,227	1,288	5.0%
White collar employees	1,525	1,579	5,101	5,072	2,671	2,905	9,297	9,556	2.8%
Blue collar employees	1,177	1,279	5,176	5,026	3,463	3,609	9,816	9,914	1.0%
Total	2,719	2,878	11,145	10,994	6,928	7,343	20,792	21,215	2.0%
Incidence %	13%	14%	54%	52%	33%	34%	100%	100%	

The data refer to the entire Fincantieri Group.





## Development and safeguarding of human resources

In line with our **Employee Value Proposition** (EVP), 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. In 2023, in line with the new corporate brand positioning, Fincantieri's EVP was updated to **Fincantieri, People On Board**.

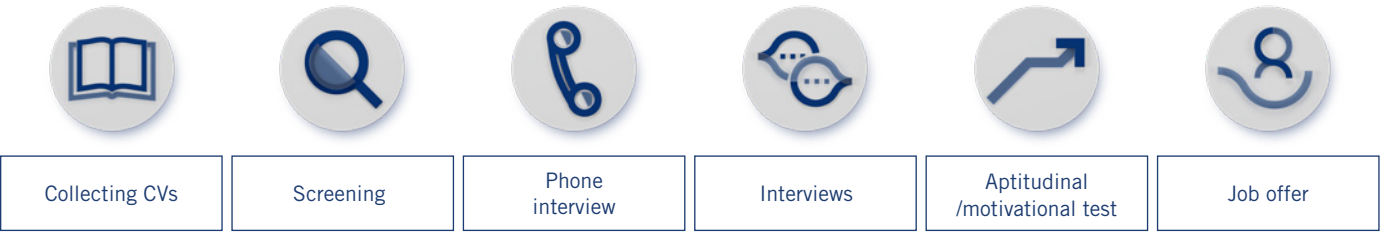
### People On Board - The six key points



### Talent Acquisition & Employer Branding

In a global 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 **2023 Universum award**, awarded to Fincantieri 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 2023 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 and the various HR initiatives.



The interviews are available on the website [www.fincantieri.com/en/careers/beyond-the-sea/](http://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.

The Masters of the Sea project was unveiled in 2023. It is a major active labour policy initiative that aims to seek out, train and directly employ specialist workers and is based on the concept of 'craftsmanship' evolving into 'intellectual craftsmanship'. The Fincantieri Group is committed to investing in the professional future of young people through a free and paid training course, dedicated to graduates and non-graduates, which supports them in acquiring technical and specialist skills they need for immediate job placement in the shipbuilding segment. This training includes both experienced-based transversal modules for developing organizational and relational skills and purely technical modules with a focus on digital skills, automation and robotics, alternating theoretical learning and hands-on activities in the laboratory. At the end of 2023, the recruitment and selection phase began for candidates who will be involved in the training courses already planned for early 2024.

### Masters of the Sea

The Fincantieri Group intends to invest technical knowledge, strategic vision of the market and civic awareness in an ambitious project for the benefit of the country's economic system: building a learning path for value-creating professions. The Company has designed a path for skilled workers which offers candidates:

- professional training;
- technical training;
- training allowance;
- relocation allowances;
- direct employment in Fincantieri.





In order to attract and recruit young people with potential into the company, we relaunched the national and international **job rotation project** dedicated to the Administration, Finance and Control area, extending it to the Procurement & Supply Chain area. The project includes an online selection process, a gamification activity and an in-person assessment. It is aimed at selecting the best undergraduates and recent graduates, offering them an accelerated growth path related to a professional family in order to develop comprehensive expertise, explore different business functions in the different Group sites and accompany their professional growth. 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. Resources 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, facilitating the creation of a community among young resources.

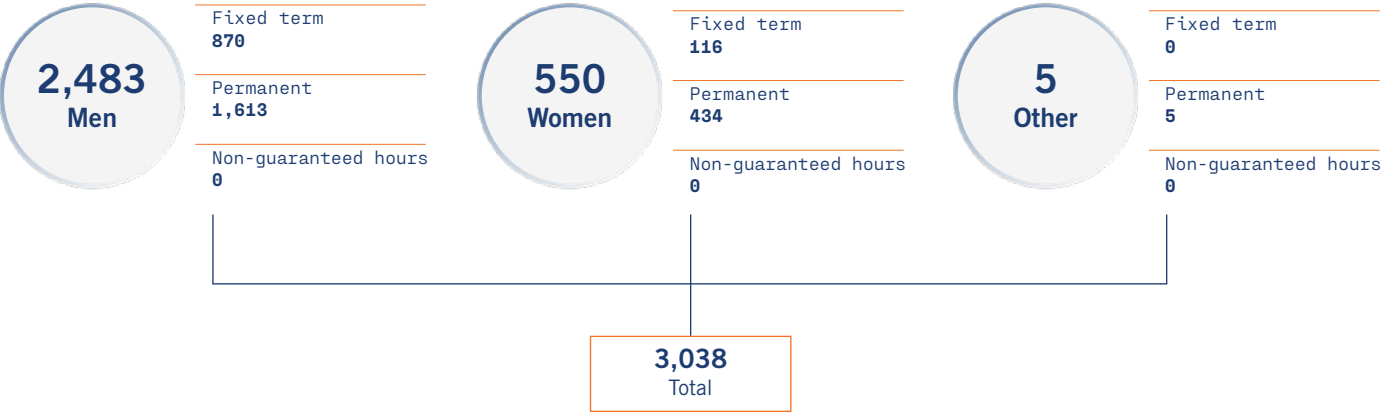
Recruitment by age group and gender

		≤30		31-49		≥50		Total	Var.
		2022	2023	2022	2023	2022	2023	2022	2023/2022
Men		911	997	1,123	1,074	409	412	2,443	2,483
Women		223	225	229	250	61	75	513	550
Other		1	4	2	1	0	0	3	5
Total		1,135	1,226	1,354	1,325	470	487	2,959	3,038
Incidence %		38%	40%	46%	44%	16%	16%	100%	100%

The data refer to the entire Fincantieri Group.

At Group level, a total of 3,038 resources were recruited in 2023, of which 1,226 (40%) were under 30 years of age and 550 (18%) 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. 32.3% of open positions were filled by internal candidates (internal recruitment).

New hires by type of contract - 2023



The data refer to the entire Fincantieri Group.

New hires by job level

	2022	%	2023	%	Var. 2023/2022
Senior managers	27	0.9%	27	0.9%	0%
of whom are women	2	0.1%	4	0.1%	100%
Middle managers	151	5.1%	124	4.1%	-17.9%
of whom are women	38	1.3%	21	0.7%	-44.7%
White collar employees	1,067	36.1%	1,088	35.8%	2.0%
of whom are women	319	10.8%	341	11.2%	6.9%
Blue collar employees	1,714	57.9%	1,799	59.2%	5.0%
of whom are women	154	5.2%	184	6.1%	19.5%
Total	2,959	100%	3,038	100%	2.7%
of whom are women	513	17.3%	550	18.1%	7.2%

The data refer to the entire Fincantieri Group.

The decrease in recruitment of middle managers is mainly due to their responsibilities being covered internally with white collar employees transitioning into middle management. As regards the recruitment policies for senior managers, all those recruited during the year are from local (national) profiles and candidates.

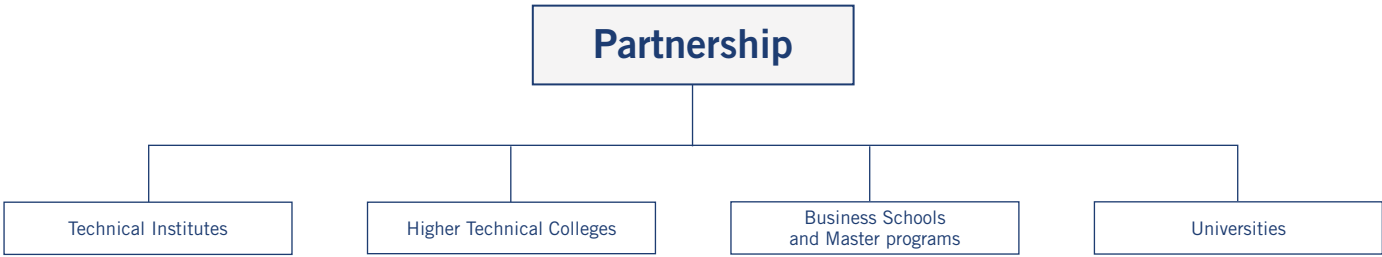
Partnerships with  
Technical Institutes,  
ITS Foundations  
and universities

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:



- **Technical Institutes**, with whom we carry out orientation activities, tours to the company sites, lectures on specific topics, group and individual interview simulations, with the additional possibility of hosting students in the workplace while they are still at school. Furthermore, in some high schools in the territories where we are present, we participate in the management boards, with the aim of contributing to training for specialized technical roles in the shipbuilding segment.
- **Higher Technical Colleges (ITS)**, with which we respond to the need of companies to recruit professional technical profiles thanks to a targeted training path that offers students the opportunity to acquire skills that can be used in the job market. Fincantieri, in line with the Protocol signed in 2018 with the Ministry of Education, Universities and Research (MIUR), and with the aim of promoting and disseminating ITS courses on a national scale, has 7 courses active to train specialized technical figures for the naval shipbuilding segment and is present in the governing bodies, such as Steering Councils and Technical-Scientific Committees (CTS), of the Foundations based in Friuli-Venezia Giulia, Liguria, Marche and Puglia.
- **Universities**, with which we collaborate through seminars and presentations, workshops on technical/technological topics and business testimonials. We also promote curricular internships and apprenticeships, take part in university career day events, including those dedicated to people with disabilities, and fund scholarships for university students in engineering courses.
- **Business Schools and Master programs**, in which we have boosted our presence using initiatives aimed at supporting the development of teaching, scientific research and higher education.

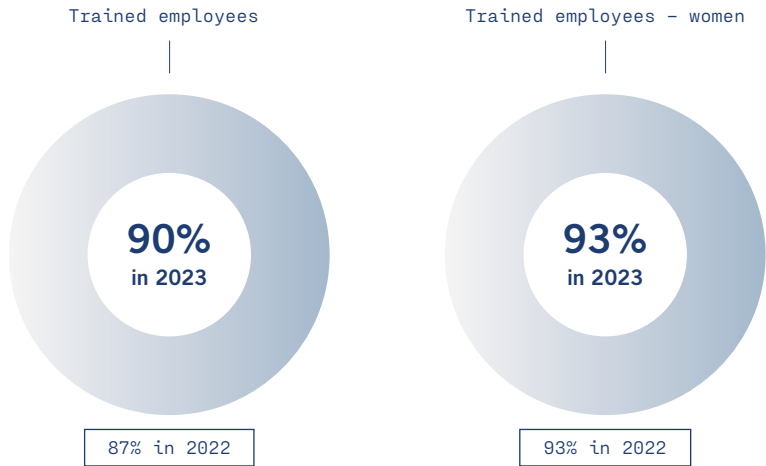
Talent Management

Fincantieri Group's Skills Model, called the **Excellence Map**, forms the foundations of the entire Talent Management process and guides the processes that enable human resource development through the identification, development, engagement and retention of talent within the organization. The development of a talent management process integrated with the needs of the business, which enables Fincantieri to strengthen skills, enhance experience, accelerate growth with global mobility actions and realize the aspirations of our people, contributes to the organization's long-term success, ensuring the availability of talent and professionals ready to tackle new challenges and accompany the Group's transformation.

Training

Training is guaranteed to all Group employees on the basis of equal opportunities without distinction of contract, job level, grading or organizational position.

In 2023, Fincantieri invested **euro 8.3 million** in **training, coaching and mentoring** programs with the aim of enhancing technical, professional and managerial skills and supporting people throughout their career in the Company, stimulating continuous training, and activating upskilling and reskilling processes that enable employees to acquire new skills or keeping those they have already acquired in step with the times in a work environment that is constantly changing.



Training provided

	2022	2023	Var. 2023/2022
Number of employees trained	18,040	19,077	5.7%
Number of employees trained – women	2,812	2,904	3.3%
Total hours of training provided	514,207	789,598	53.6%
Average hours of training per capita	24.7	37.2	50.5%
Average hours of training per capita – men	23.7	37.3	57.2%
Average hours of training per capita – women	30.5	36.4	19.4%
Average hours of training per capita – senior managers	33.2	38.6	16.3%
Average hours of training per capita – middle managers	38.5	28.8	-25.4%
Average hours of training per capita – white collar employees	24.4	38.5	58.0%
Average hours of training per capita – blue collar employees	23.0	37.0	61.2%

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.



The reduction seen in the training provided for middle managers mainly concerns some American subsidiaries and the VARD group where priority was given to the training of blue collar workers.

Number of employees trained by age



The data refer to the entire Fincantieri Group.

Training hours by type

	2022	%	2023	%	Var. 2023/2022
Managerial/relational	84,485	17%	97,196	12%	15.0%
Operational/technical	304,151	59%	529,187	67%	74.0%
Health, safety and environment	125,571	24%	163,214	21%	30.0%
Total	514,207	100%	789,598	100%	53.6%

The data refer to the entire Fincantieri Group.

Over 789,000 hours of training were provided in 2023, an overall increase of 53.6% compared to the previous year. A significant driver of this increase was the corporate training plan dedicated to **Ecological and Digital Transition – TED**, which made it possible to address issues of great strategic importance for the Company, as they are closely connected to the development of the pillars of the 2023-2027 Business and Sustainability Plans. The training plan consisted of more than 120 training courses involving more than 5,200 people for a total of more than 280,000 training hours delivered. Training involved both direct personnel in design and production as well as indirect personnel and staff with the aim of having an impact, at all levels, on the core processes that enable green and digital transition. This path is an opportunity not only for employees' personal growth, but also to develop the skills necessary for Fincantieri to evolve, thus creating, shaping and leading the green and digital future of the global shipbuilding industry.

To ensure the skills needed to achieve the corporate 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 powers, 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 **163,200 hours of training** have been provided globally through the **Fincantieri Safety Academy**, 30% more than in 2022.

**Training initiatives on diversity, inclusion and human rights management** policies or procedures also continued in 2023, involving approximately 23% of the Group's employees.

The Group also provides continuous training and updates on **legislative compliance** and company procedures, and does not merely comply with legal obligations. In particular, in 2023, we have been committed to developing and updating employee skills in the areas of Legislative Decree 231/2001, anticorruption, cyber security, personal data protection 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. Training is given by leading business schools and Group managers and consists of technical-managerial training courses aimed at increasing employees' skills at various stages of their career development path, as well as presenting management with the most current scenarios and orientations in business management. Part of the **Corporate University**, the **International Academy** is an excellent training path for the Fincantieri Group's young resources across the world. The aim of this academy is to boost integration, develop knowledge and skills and encourage cultural and professional exchange. Furthermore, as part of the collaboration with the CDP Group and companies in the CDP Academy network (of which Fincantieri is a member), our employees participate in a **Higher Education Program** which is focused on issues of strategy, finance, sustainability, innovation, digitalization and leadership, and a 24-month corporate MBA, with the aim of strengthening skills and promoting networking among the industrial leaders of the CDP Group and its investees, as part of a system-wide approach. In 2023, more than 35,000 hours of training were provided and nearly 450 employees were involved.

The main thematic pillars of the 2023 training were:



- 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 technologies such as Internet of Things (IoT), artificial intelligence and virtual reality are now an integral part of most corporate processes, from design to production. This digital transformation process required a major investment in upskilling and reskilling training programs, also with the aim of developing a culture that interprets technology as an 'enabler' of change and is capable of enhancing the company's operations and competitiveness.
- Ecological transition:** for several years, Fincantieri has been committed to increasing the level of sustainability of its contracts and reducing their carbon footprint, throughout the product life cycle. These objectives have required considerable investment by the Company to develop training activities that aim, on the one hand, to build a culture that is more conscious of environmental sustainability, raising employees' awareness and making them key players on this path, and, on the other, to support and accelerate the process of ecological transition, investing in specialist skills that can guide the Company in limiting its environmental impact and promoting energy efficiency, a responsible use of resources, decarbonization and the transition to green fuels.
- Leadership:** the Group continuously invests in the development of an effective, inclusive and 'generative' leadership model for employees already in management positions and for those who have the potential to become the leaders of the future. Leaders at all levels must be able to inspire, engage and motivate people in order to convey the corporate vision and guide them along the Group's evolution. Workshops were organized for Business Leaders during the year precisely with this objective in mind. These workshops included an in-depth study of the issue of intergenerationality. Leaders were guided through understanding the trends and characteristics of the new generations in the workplace in order to link corporate expectations with objectives and convey a coherent vision. Moreover, Fincantieri supplements its leadership training courses with coaching and mentoring activities, dedicated to Executives and young talent in the Company, with the aim of amplifying the disseminating this culture.

Evaluation processes

During the year, we organized offsite **team-building** initiatives, a skill that is of great strategic value for the Group, aimed at promoting a climate of cooperation, encouraging communication and teamwork, creating a shared team identity, enhancing individual characteristics and developing an inclusive work environment. First and foremost, we should mention the program dedicated to the Fincantieri Group's **management team**, activated with the aim of creating a group that is ever stronger and more cohesive and strengthening cross-functional communication and widespread responsibility, which are fundamental elements to enable a rapid implementation of the Strategic Plan.

A pivotal element in the development and growth of our people is feedback, a key tool for making the working environment more open to listening and dialogue. In 2'023, an awareness course on the potential of this tool was launched in the Company, precisely with the aim of strengthening **the culture of continuous feedback**. Effective, constructive and objective feedback is a powerful tool for personal and professional growth: it ensures continuous communication that goes beyond the structured evaluation processes that are already in place, fosters the development of authentic relationships, increases mutual trust and thus contributes to encouraging a collaborative culture. The project will continue in 2024 with further initiatives.

- **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 (assessors, assessors and HR executives) 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, elements that support the creation of a dynamic and motivating work environment, ensuring an alignment between individual goals and the Company's strategic objectives.

Percentage of employees evaluated

	2022	%	2023	%	Var. 2023/2022
Senior managers	321	71%	375	82%	16.8%
of whom are women	25	71%	36	86%	44.0%
Middle managers	1,021	83%	1,149	89%	12.5%
of whom are women	151	77%	184	88%	21.9%
White collar employees	7,882	85%	8,381	88%	6.3%
of whom are women	1,716	80%	1,908	85%	11.2%
Blue collar employees	8,206	84%	8,042	81%	-2.0%
of whom are women	573	88%	566	89%	-1.2%
<b>TOTAL</b>	<b>17,430</b>	<b>84%</b>	<b>17,947</b>	<b>85%</b>	<b>3.0%</b>
<b>of whom are women</b>	<b>2,465</b>	<b>81%</b>	<b>2,694</b>	<b>86%</b>	<b>9.3%</b>

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 reduction in blue collar evaluations is attributable to fewer hires than terminations for this category during 2023.

The percentage of evaluated employees exceeds 90% considering only those employees eligible for the evaluation process at the end of the period, thus excluding maternity leave, new hires (less than 6 months' service), long-term illnesses and resignations.

- **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 2023, 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 business continuity, competitiveness and sustainability in the long term and to identify any new talent to be brought in 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 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.





Sustainability Plan Objective achieved in 2023

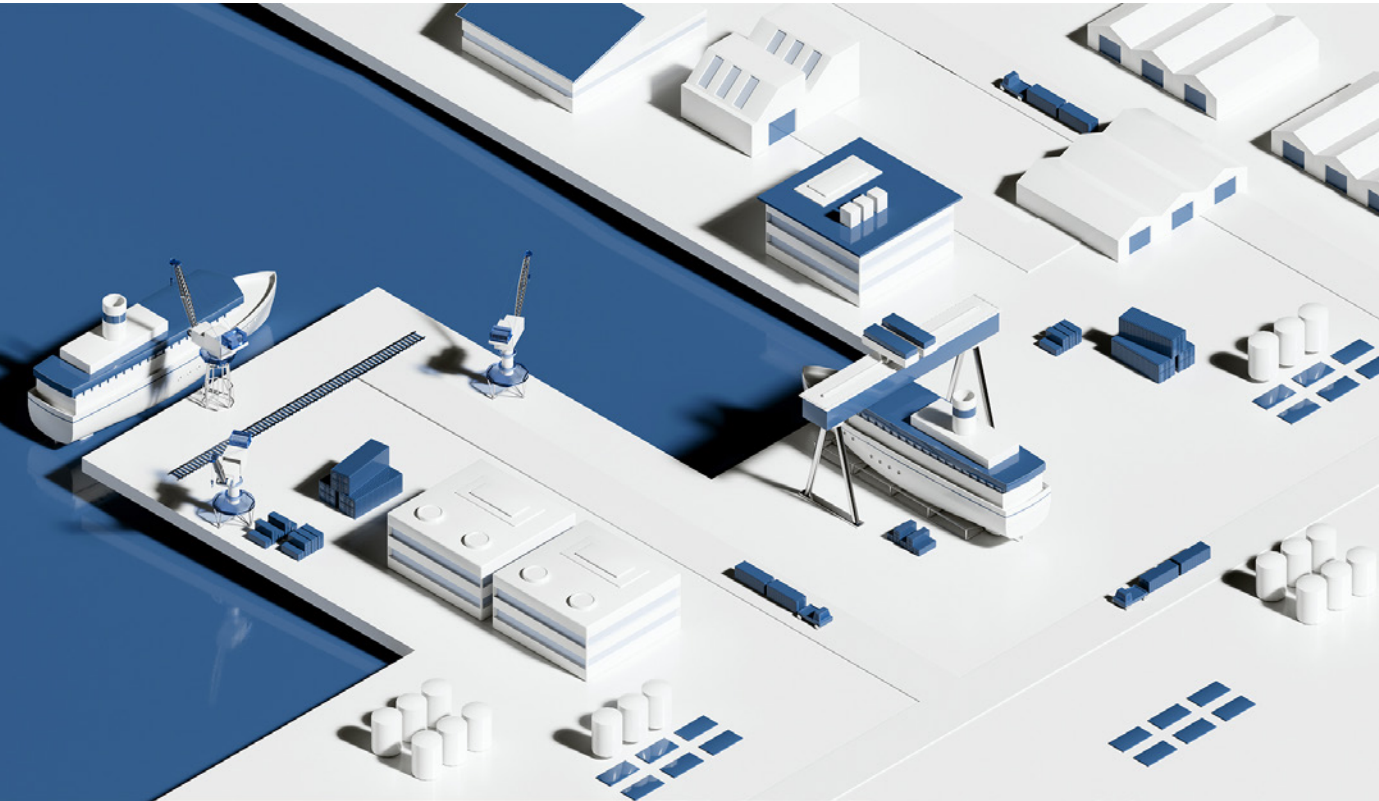


Investing in the career development of resources and enhancing their value so that they can contribute to the achievement of the Group's strategic objectives

Target	Timing	Perimeter	Description
As part of the meritocratic policy, reward at least 60% of the resources assessed as high performers* using the new performance appraisal model adopted globally. The bonus refers to salary increases, one-off measures, and level or qualification upgrades	2023	Group	<p>With a view to enhancing high-performing resources, in 2023 the Group awarded 91% of the resources assessed as exceeding expectations with economic measures expressed either through salary increases or level/qualification advancements or one-off bonuses.</p> <p>The scope includes all Group companies based in Italy, the US and Vietnam that have activated the annual performance appraisal in the years 2021 and 2022. The VARD group companies based in Norway and Romania were not included in the scope because their current evaluation system does not report an overall result and currently, apart from the annual salary negotiation for all employees, there are no meritocratic policies.</p>

\*High performers refers to employees, white collar employees and middle managers rated Above Expectations or Excellent.

Young resources with high potential are included in the **Talent Project** with the aim of fuelling the pipeline of talent from which the Group's future leadership will be drawn. Participants are selected by pooling their annual performance appraisal, potential appraisal and experience gained in the Company in order to enhance the value of young people and foster their growth within the company. A career development path is defined 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 management skills, a leadership path and involvement in cross-functional projects related to the Business Plan. For the entire duration of the project (24 months), resources are supervised by a mentor, i.e. a fellow executive with significant technical and management experience, who supports them on their growth path.



Sustainability Plan Objective achieved in 2023



Developing future leadership by strengthening the pipeline of young talent included on accelerated growth paths, reducing the gender gap, avoiding anti-selection phenomena

Target	Timing	Perimeter	Description
+30% of new resources included in the 'Talent' acceleration program for young high-potential resources embarking on a career development path, of which 25% women, compared to 2020-2022	2023	Italy	<p>May saw the start of a new edition of the 'Talent' project, an initiative aimed at developing and nurturing young people with high potential within the Company.</p> <p>The 2023 edition involved 61 participants (+53% compared to 2020-2022), of whom 34% were women. From the first edition to date, the 'Talent' project has reached a total of 175 people. 100% of participants in the completed editions have made at least one horizontal or vertical growth step and 33% are middle managers.</p>

In order to further encourage **mobility**, both national and international, structured **job rotation** programs were developed to which all the Group's 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. With a view to continually improving the employee experience of those involved in international mobility, in 2023 the **International Secondment Survey** was administered to all personnel of Fincantieri S.p.A. (with the aim of extending it to the whole Group) on secondment or whose secondment was concluded during the year, in order to ensure monitoring for the protection, support and development of expatriate staff and measurement of their level of satisfaction. Further initiatives dedicated to the Group's expatriate personnel are being developed, such as cross cultural training tools.







## 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 and promote diversity, equity and 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](http://www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-umane/diversita-e-pari-opportunita/fincantieri_policy_on_human_rights2.pdf)

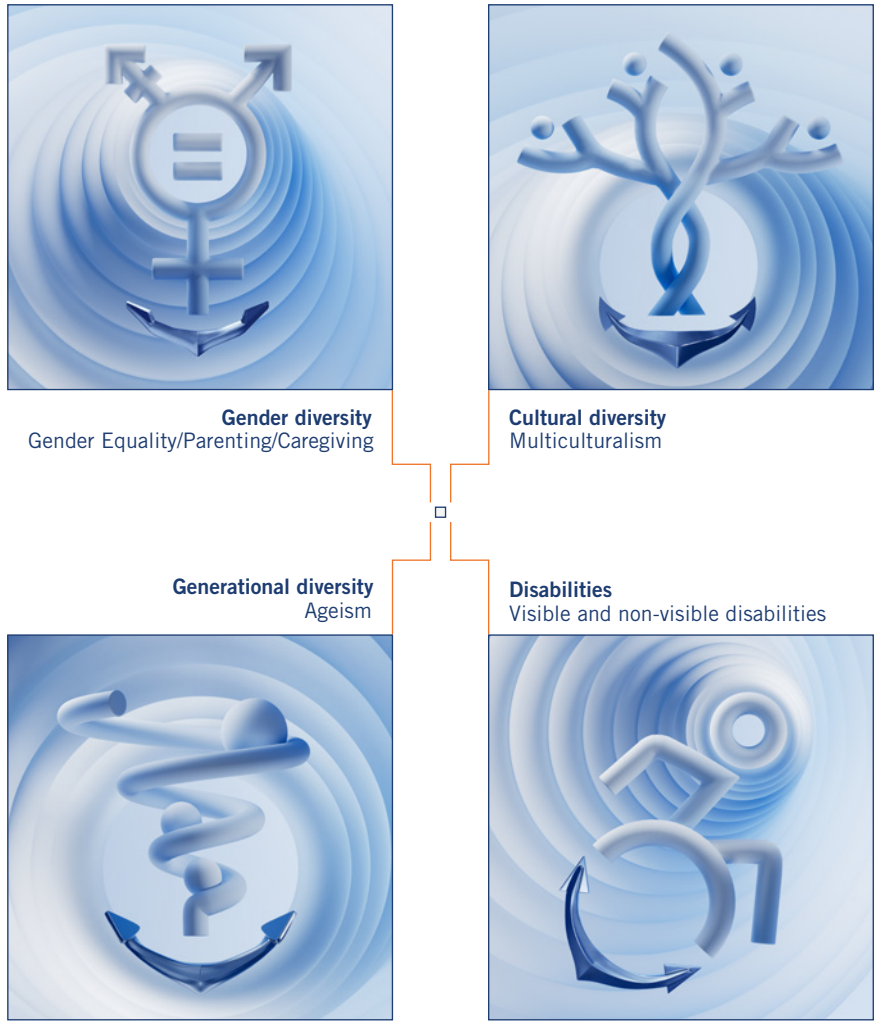
Over the last few years we have started a process to develop a **Corporate, Diversity, Inclusion model (DEI)** with the aim of enhancing every element of diversity as a source of enrichment and growth for the organization, starting from people, with their experiences, characteristics, backgrounds and 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 DEI model to the processes of continuous improvement of the organization.

To mark another step towards the adoption of the most effective tools for managing, planning and measuring

objectives, **Fincantieri everyDEI**, which is now the Group's emblem, was promoted in 2023 to demonstrate its commitment through awareness and training projects and events created to encourage a culture of respect, support disability, foster intergenerationality, promote gender equality, multiculturalism, spread the use of a more inclusive language, and counter stereotypes and bias.

The implementation of the DEI action plan continued in 2023, with the aim to foster the development of a corporate culture on diversity, equity and inclusion issues, providing both actions common to all Group companies and local actions that leverage the specific characteristics of the countries in which we operate. The plan is structured along the following lines:



During the year, the Group developed several initiatives in addition to those already envisaged in the Sustainability Plan which are detailed below:

### Gender diversity

During the year, the Group signed up to the **Women's Empowerment Principles**, seven principles promoted by Global Compact and UN Women dedicated to companies and aimed at activating practical actions and promoting equal conditions for women in the world of work and developed a series of actions to promote gender equality.





## Sustainability Plan Objective achieved in 2023



Strengthening gender equality and women's empowerment by promoting projects aimed at ensuring a level playing field for women in the world of work

Target	Timing	Perimeter	Description
Obtaining UNI PdR125 Gender Equality Certification for Fincantieri S.p.A.	2023	Fincantieri S.p.A.	Fincantieri is committed to implementing a management system, including a Gender Equality procedure, aimed at promoting equal opportunities, valuing diversity and supporting women's empowerment. Evidence of this commitment was the achievement, in November 2023, of the UNI PdR125:2022 Gender Equality Certification for the Parent Company and all the Italian subsidiaries.
Extend the gender pay gap analysis to Group level.		Group	During the year, a gender pay gap analysis was carried out at Group level by a third party company, which did not identify any substantial critical issues, as described in detail in the section on 'Remuneration'.

In 2023, the subsidiary VARD signed up to **Wista 40by30**, an initiative promoted by the Women's International Shipping & Trading Association (WISTA), pledging to promote diversity in the maritime industry and to increase the proportion of women in senior positions to 40% by 2030. The association aims to be an important player in attracting more women to this sector and supporting them in their career development.

## Respect for Future

Working in concert with labour unions and other companies in the engineering sector, as a member of the National Commission for Equal Opportunities, Fincantieri joined Federmeccanica's **GENERiamo Cultura** initiative, aimed at engaging member companies in presenting initiatives to mark the International Day for the Elimination of Violence Against Women on November 25<sup>th</sup>. Our contribution materialized through the launch of **Respect for Future**, the aim of which was to actively involve the male population which, historically and culturally, represents the majority of workers in our industry. For the first time, an innovative project has been created in an industrial Group to shift the perspective and deal with the prevention of violence through education on respect and relationships, taking a pioneering role in shaping a project to raise awareness on the elimination of violence against women, focusing on the figure of the 'abuser'. The launch of **Respect for Future** was an engaging event, reaching almost 4,000 Fincantieri employees in Italy both in-person, via streaming and on-demand.

Through this project, the Group is resolutely committed to recognizing, preventing and eliminating all forms of violence, promoting equality, mutual respect and individual freedom, and condemning all forms of oppression.



## Respect for Future

Scan the QR code and watch the video

In order to implement these commitments correctly, training interventions, listening initiatives, support networks and tools offering an alternative way of life free from all forms of constraint were designed during the year. In particular, Fincantieri has developed **three training pills**, delivered to the entire operational population in Italy, with the aim of investigating the issue of gender-based violence and, above all, of offering awareness-raising tools that can help women and men overcome their difficulties.

In addition, cooperation was initiated with the organisation responsible for the **national public service number 1522**, activated in 2006 by the Department for Equal Opportunities of the Presidency of the Council of Ministers. The aim is to combat gender-based violence by finding effective solutions to intervene and overcome the difficulties women face, involving and further expanding our network of Facilitators, with female colleagues playing the role of '**Antennae**' to support those who may be facing problematic situations.

In order to promote equal conditions for women in the world of work and to **strengthen gender equality and women's empowerment**, total reward actions against the gender pay gap were introduced, the pipeline of female talent was further developed, and the orientation and promotion of STEM disciplines among secondary school pupils continued, with Fincantieri's female executives acting as role models.



## Sustainability Plan Objective achieved in 2023



Ensuring maximum integration and full involvement of the company population by developing training and awareness-raising initiatives on diversity and inclusion

Target	Timing	Perimeter	Description
2 projects, one to support parenting or caregivers and one to raise awareness of disability	2023	Italy	In 2023, Fincantieri continued with programs to support parenting, to help its employees deal with motherhood and fatherhood as a shared path of growth and awareness. In particular, this year the webinar 'Understanding Cyberbullying' was realised in concert with E-PHORS and the Postal Police, with the intention of providing support and guidance to parents, raising their awareness of the issue of cyberbullying and providing them with information and resources to prevent and deal with this problem. With regard to disability awareness, we implemented the project 'Disability and work: learning to listen and get to know each other. A valuable opportunity for inclusion' that involved various initiatives described in detail in the section on 'Disability'.

We have implemented programs dedicated to supporting **parenting**, through a **series of webinars**, offering support in approaching motherhood and fatherhood as a shared journey of growth and awareness, covering the entire span of a child's development, from birth to adolescence.

In addition, individual **coaching courses** for mothers-to-be/new mothers to accompany them through the delicate period of motherhood and the return to work continue to be successful, as well as actions to support the work-life balance including the possibility of greater use of smart working for parents.

## Pact for working mothers

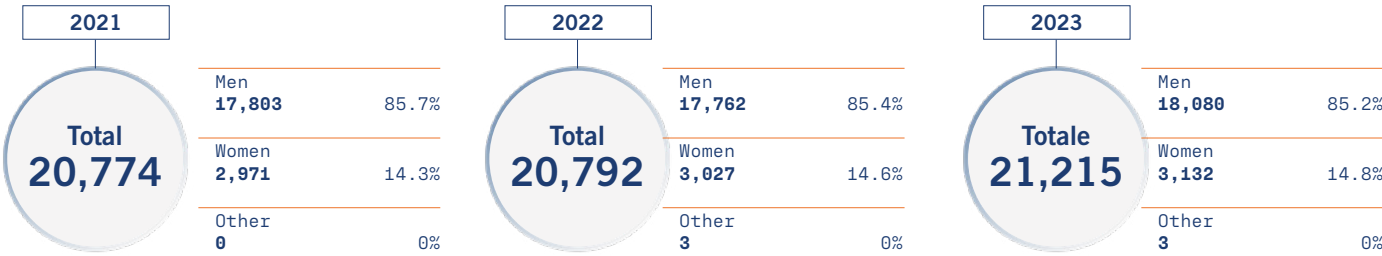
Fincantieri was among the 100 companies that signed the Code of conduct for responsible enterprises supporting motherhood. The Code goes hand in hand with the Certification of Gender Equality for Enterprises, supporting women's empowerment in the world of work, guaranteeing career continuity for mothers, prevention and care initiatives for health needs, adaptation of working hours and modes, and support for childcare and education expenses.





Below are the figures on the presence of women, which show how some of the above initiatives have contributed to the increase of women in the Company.

Percentage of employees by gender



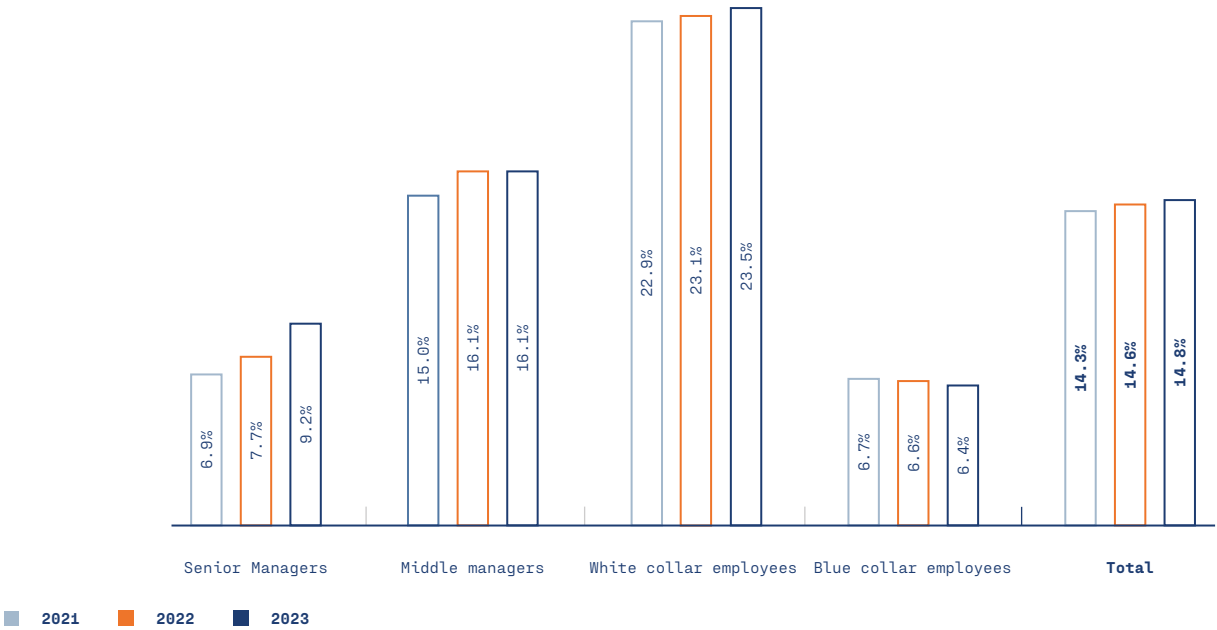
The data refer to the entire Fincantieri Group.

Women employees by category

	2021	2022	2023	Var. 2023/2022
Senior Managers	30	35	42	20.0%
Middle managers	171	197	208	5.6%
White collar employees	2,095	2,146	2,247	4.7%
Blue collar employees	675	649	635	-2.2%
Total	2,971	3,027	3,132	3.5%

The data refer to the entire Fincantieri Group.  
The reduction in the number of women blue collar workers is attributable to fewer hires than terminations in this category during 2023, as well as to the transition to the 'white collar employee' category during the year.

Percentage of women by category of the category total



2021 2022 2023

The data refer to the entire Fincantieri Group.

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.

Cultural diversity

Training initiatives were launched 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.

A **Cultural Mediation Desk** was also set up at the Muggiano site in February 2023 with the aim of supporting and guiding foreign workers in the paperwork for the issue and renewal of residence permits, income tax returns, citizenship applications, obtaining tax codes and health cards, as well as language and cultural support to facilitate access to public offices and public health and the drafting, reading and translation of documents.

Inclusive language and writing

Training activities aimed at increasing awareness of the role language and writing play in shaping thoughts and behaviour.

Bias 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 fundamental elements that underpin inclusive and effective leadership, to enable our people to express their full potential, addressed both to those who are already part of the Group's leadership and to the talent that the company is investing in to build the leadership of the future. Leadership also participated in workshops on the topic of intergenerationality, in order to better understand the motivational levers of people and thus convey a coherent vision.

Disabilities

Fincantieri's focus on people with disabilities begins even before they are hired by the company, through participation in ad hoc recruitment events.

In order to raise awareness of disability issues, webinars were launched in 2023 to examine these issues, in relation to the workplace context, with the aim of understanding their nature and finding ways to break down stereotypes and prejudices associated with diversity by adopting new perspectives. Following the training activities, it was considered essential to give a voice to people living with a disability, whether congenital or acquired, visible or invisible, through the launch of a narrative research project entitled '**Disability and work: learning to listen and get to know each other. A valuable opportunity for inclusion**'. The purpose of this research, carried out in collaboration with a company that provides strategic consultancy in the field of Human Sustainability and Plural Management, was to listen to everyone's experiences and direct future actions, in order to create an organizational culture in which personal characteristics and frailties are welcomed and fully valued. The research involved 136 employees, colleagues and family members, who chose to share their stories, proving to be a valuable source of information for improving the company context

In 2023, as part of **4W4I**, a series of webinars and digital events dedicated to enhancing diversity, equity and inclusion in the corporate world, with the participation of over 350 companies, Fincantieri developed a docufilm in which two colleagues with disabilities shared their personal and professional experiences. In this docufilm, sensitivities, visions and interpretations are interconnected, exploring the concept of inclusion not only in the workplace, but also in everyday life.



4 Weeks 4 Inclusion - Silvia e Davide / Fincantieri

Scan the QR code and watch the video

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. 555 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

Safety at work, the health of workers, the maintenance and improvement of work environments have always been our main drivers and the foundation of our policies which consider safety a strategic and development factor for the company.

We carry out every single action with the health and safety of all workers in mind, whether they are employed by the Group or by subcontractors. The wellbeing of the individual lies at the centre of each company dynamic, in the awareness that safety is the right of all and the duty of everyone, and it cannot be done without dialogue and collaboration.

To ensure the health and safety of workers, we have drawn up the **Health and Safety Policy, integrated with the environment and energy**. The Policy is binding for all Fincantieri employees, is approved by the Chief Executive Officer of Fincantieri S.p.A. and is addressed to all suppliers. It is shared, in particular, through the coordination activities carried out continuously in the various production sites. The Health and Safety at Work, Environment and Energy Policy defined by Fincantieri S.p.A. dictates the guidelines that the individual units must follow by adopting specific site policies, consistent with and aligned to the specific characteristics of the situation. Italian and foreign subsidiaries may adhere to the principles and inalienable commitments declared by Fincantieri S.p.A., by adopting their own policies that are in line with those aspects that for years have represented the cornerstones of action in Fincantieri sites.



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](http://www.fincantieri.com/globalassets/sostenibilita2/fincantieri_health-and-safety-at-work-environment-and-energy-policy-eng_02.pdf)

We continued the implementation and consolidation of management systems in the field of health and safety at work in our operating units, with the aim of supporting the implementation of the Policy. Health and safety at work certification, in compliance with the **ISO 45001** standard, covers **100% of Italian production sites and 89% at Group level**. The adoption of a Management System according to the highest international reference standards, entails analysing the risks with respect to all those involved in the production process, whose involvement is also pursued through joint inspections in the different areas of the site.



For more information on the certified sites and companies, see the website [www.fincantieri.com/en/sustainability/certifications/](http://www.fincantieri.com/en/sustainability/certifications/)

### Safety Improvement Plan

Over the years, the **Towards Zero Accidents** project – fiercely and continuously supported by the various company structures – has involved both direct employees and those of subcontracted companies in numerous planned initiatives.

The **Safety Improvement Plan** was launched in early 2023 with the aim of maintaining continuity and consolidating the actions taken over recent years. This plan saw the proactive involvement, through the development of numerous initiatives, of all corporate bodies and reference figures, HSE Executives and Workers' Safety Representatives (RLS), as well as suppliers operating at Group sites.

The Improvement Plan is founded on three pillars that dictated the guidelines for identifying the initiatives implemented during the year. The pillars are: **Raising Awareness, Reporting and Continuous Improvement**.

The **Zero Accidents Future On Board #SAFETYONBOARD** institutional communication campaign was launched on 28 April, the World Day for Safety and Health at Work. This project, organized in three phases, involved the development of videos and social media posts (LinkedIn and IG Carousel) and launched at sites by displaying posters. This initiative is the company-wide debut of the Safety Improvement Plan.



#### Safety on Board

Scan the QR code and watch the video

With a view to constant sharing between the parties and a participatory approach, the **Perceptions Alignment** initiative was started immediately by setting up a monthly meeting for the key functions of the shipyards (director, HR Business Partner and HSE Executive) on Health & Safety topics in which perceptions on climate, collaboration, performance, action plan are aligned. Further awareness-raising sessions, as part of the **Safety on the Job** activity, include the Safety and Environment Meetings, inspections carried out in the workplace aimed at detecting and recording anomalies as well as compliant situations, and the **Accident Committees**, meetings set up following an accident in order to carry out an in-depth analysis of the incident with the injured party and the supervisor. It was in this climate that the **Safety Walk Arounds** were developed. These started at the Monfalcone shipyard and were subsequently extended to all Italian shipyards and involved inspections carried out in areas carrying out the same type of activity, enabling field training on risk perception and the exercising of the role of supervisor. This training is carried out by the first levels of the operational areas, with the support of the Prevention and Protection Services, and involves supervisors, both in the Fincantieri Group and subcontractors, in the illustration of risks, anomalies to be reported or best practices in the field of Safety-related behaviours (in particular, near misses, unsafe conditions, unsafe behaviour and positive feedback).

As part of the same improvement process, the **First in class Shipyard** initiative was also launched. It involves the monthly sharing of Safety-related indicators developed with reference to the performance of each shipyard, indicating to everyone who is 'first in class' while generating healthy competition between the Group's shipyards. Again with a view to making Safety issues central and a priority, the **Shipyard Safety First** initiative was also developed. This initiative envisages the sharing of safety information on a monthly basis at the beginning of each meeting/session with shipyard personnel; starting from management meetings, through production meetings to the more capillary meetings held by the Workshop Managers in the presence of the Supervisors. The agendas of individual meetings are restructured, with the first topic being the sharing of performance indicators and communications on health and safety at work, such as Safety Bulletins.

To support the initiatives illustrated above, the **Management of Accidents, Near Misses, Unsafe Conditions/Behaviour and Positive Feedback** procedure was revised and published, detailing the methods for carrying out the surveys, which demonstrate the continuity of the entire organizational structure, and more specifically by the figure of the Supervisor, in overseeing and supervising compliance with legal obligations and company provisions on health and safety at work. The release of the procedure was accompanied by the creation of a suitable IT tool that allows the Supervisor to complete a digital form for recording and managing **Unsafe Observations** during the performance of daily activities directly in the field, also accompanying these observations with photographic evidence, and indicating which corrective actions were immediately put in place, in accordance with company procedures and instructions, for the purposes of collective and individual protection.

The Safety Improvement Plan did not focus solely on direct personnel. With a view to encouraging a proactive and collaborative partnership with all our contractors, **Stream Pressing for Contractors** was launched in June. The aim of this project is to stimulate effective collaboration between identified suppliers and the shipyard Health, Safety & Environment (HSE) bodies in order to pursue continuous improvement through the implementation of corrective measures. The stream started by meeting seven suppliers indicated by the Group's Italian shipyards, during which they were asked to draw up a specific Improvement Plan containing those initiatives identified by them to align with the required performance standards. At the end of the first implementation phase, which was developed with the support of the local HSE teams, a new meeting was held in December, during which the results obtained were analysed and further lines of action were identified where necessary. 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 2023, the Shipbuilders Council of America (SCA) awarded the **Excellence in Safety Award to Fincantieri Marinette Marine** for promoting safety and accident prevention. To be eligible for the annual SCA safety awards, member organizations must submit an SCA Injury & Illness survey for all four quarters. They must have also recorded zero fatal accidents and have a Total Recordable Incident Rate (TRIR) below the SCA average or reduce the TRIR by 10% or more compared to the previous year.

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

- using the Safety Observation tool to report any anomalies found;
- reporting health and safety indicators at the monthly management meetings;
- electing an internal commission for the prevention of accidents;
- setting targets for continuous improvement, on an annual basis, by individual Business Units (BUs) based on the previous year's performance

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 injury, 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.



Sustainability Plan Objective achieved in 2023



Improvement of health and safety at work performance with a view to zero injuries to protect workers' health and the working environment

Target	Timing	Perimeter	Description
Contain the frequency rate for work-related injuries* below 7.5 for the next 5 years	2023-2027	Group	Thanks to the many initiatives developed during 2023 as part of the Safety Improvement Plan, the injury rate/frequency rate recorded was < 7.5 and the severity index was ≤ 0.2. In particular, the following were recorded:  <b>Injury rate/Frequency rate:</b> 2021: 7.41 2022: 8.14 2023: 6.56  <b>Severity index:</b> 2021: 0.23 2022: 0.28 2023: 0.18
Contain the severity index** within 0.2 for the next 5 years			

\* Frequency rate (injury rate) (no. of work-related injuries/hours worked \* 1,000,000).  
\*\* Severity index (no. of days lost due to injury/hours worked \* 1,000).





Main health and safety indicators

	2022	2023	Var. 2023/2022
Rate of absenteeism	5.51	4.66	-15.5%
Frequency rate (injury rate) (LTIFR)	8.14	6.56	-19.4%
Rate of high-consequence work-related injuries	0.58	0.19	-67.6%
Rate of fatalities as a result of work-related injury	0	0	-
Severity index (LTSR)	0.28	0.18	-33.5%
Number of total accidents (occupational and commuting accidents due to travel organized by the Company)	298	245	-17.8%
Number of recordable work-related injuries	296	245	-17.2%
<div><div></div>of which high-consequence work-related</div> <div><div></div>of which work-related fatalities</div>	<div>21</div> <div>0</div>	<div>7</div> <div>0</div>	<div>-66.7%</div> <div>-</div>
Number of commuting injuries due to journeys organized by the Company	2	0	-100%
Number of recordable work-related injuries - women	5	12	+140.0%*
Number of training hours in health and safety	125,571	163,214	30.0%
Number of employees trained in health and safety	12,958	13,522	4.4%
Number of medical examinations	17,372	18,061	4.0%
Number of diagnostic tests	22,942	24,645	7.4%
Health and safety costs (euro)	10,239,902	7,649,923	-25.3%

The data refer to the entire Fincantieri Group.  
The rate of absenteeism was calculated as: (number of days of absence due to injury and/or illness/workable days) \* 100.  
The frequency rate (injury rate) was calculated as: (no. of work-related injuries/hours worked) \* 1,000,000 and was evaluated as the Lost Time Index Frequency Rate (LTIFR), i.e. considering the sum of injuries at work with at least one lost working day.  
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. and was evaluated as the Lost Time Severity Rate (LTSR), i.e. taking into account the number of days of absence due to injury, starting from the first day after the injury.  
\* The injuries at work involving women occurred mainly in Italy and Romania and involved white collar and blue collar employees, and were all minor, due to slipping, tripping or falling objects.  
The health and safety costs refer to the costs incurred for health supervision and the provisioning of Personal Protective Equipment. These costs have decreased compared to previous years since the precautionary measures taken during the COVID-19 pandemic are no longer mandatory.

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 and as anticipated, a number of actions and communication and technological aids have been prepared and will be carried out to make employees and the Supervisor in particular 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.

In the past, **company coordination meetings**, involving the HSE managers and the heads of the prevention and protection services of each production site and the main Italian subsidiaries, were convened on a quarterly basis but are now convened monthly and chaired by the Group HSE manager.  
During 2023, the agenda of coordination meetings was further expanded with the addition of monthly meetings involving, in addition to the HSE managers and heads of the prevention and protection services of each production site, also the Directors and HR Business Partners of the individual shipyards.  
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 clusters 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 clusters 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.

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.

Other initiatives



Sustainability Plan Objective achieved in 2023



Supporting inspection activities through robotized systems

Target	Timing	Perimeter	Description
Carry out a feasibility study for the adoption of autonomous inspection and monitoring systems for shipyard areas and on board ship. These tools will be used to perform their tasks in high-risk or difficult-to-access areas for personnel or to automate low added value tasks	2023	Group	<div>One of the strands of research launched in 2023 relates to the adoption of AMR (Autonomous Mobile Robot) systems for inspection and monitoring in the shipyard and on board ship. The feasibility study on the adoption of new robotic technologies to support production focused on assembly/construction activities, activities in hazardous or difficult-to-access areas, and activities with low added value for operators. The study was carried out in 4 main areas:</div> <div><div><div></div>Supply chain<ul style="list-style-type: none"><li>control of stored material;</li><li>transport of material;</li><li>collection of materials;</li><li>sorting of materials.</li></ul></div><div><div></div>Environmental control<ul style="list-style-type: none"><li>monitoring air quality;</li><li>presence of ferrous materials in the ground.</li></ul></div><div><div></div>Inspections in critical areas<ul style="list-style-type: none"><li>inspection from above;</li><li>access control in confined spaces.</li></ul></div><div><div></div>CO-BOT<ul style="list-style-type: none"><li>robotic actuators with collision control.</li></ul></div></div>

As part of the feasibility study, the reference architecture was defined and two pilot scenarios were identified:

- quality control of welds carried out by drone in critical areas;
- fully automated assembly material transport by rover, in planned and on-demand mode.

The development of robotic systems is part of the application of state-of-the-art technologies in complex environments and is a research and development activity.

Security

The protection of our resources, starting with human capital as well as tangible and intangible assets, is of vital importance for the entire Company.

Based on this conviction, we are committed to developing, applying and disseminating within the Group the best practices for the identification, management and mitigation of security risks in respect for human rights and in the belief that effective prevention and protection strategies are an ethical as well as an economic value in management and business activities.

With this in mind, we ensure there is a process of constant security risk management aimed at guaranteeing the highest level of protection for our employees and the tangible and intangible assets we have at our disposal in order to achieve our social development and business goals.

As also stated in our **Corporate Security Policy**, we protect people, information, physical assets and business integrity.

People are our main success factor in the definition and achievement of the Group's objectives. We undertake to protect their safety and security, in Italy and abroad, by supporting Top Management in fulfilling their Duty of Care provided for by Italian, EU and, where applicable, destination country regulations.

As part of our commitment to continuous improvement, we have signed a Protocol with the Ministry of Foreign Affairs to fully integrate the guidelines contained in the international standard **ISO 31030:2021 Travel Risk Management**, which, following a rigorous Risk Management approach, allows us to identify and assess the risks present at destinations, inform and train those people concerned, and activate prevention and/or mitigation measures. For this reason, we drafted the **Travel Risk Management Policy** in 2023.

The company constantly monitors the emergence of possible threats (Early Warning) and coordinates the response to critical situations through Crisis Committees chaired by the Employers and composed of those functions considered necessary.



The Corporate Security and Travel Risk Management Policies are available on the website [www.fincantieri.com/en/sustainability/governance/our-security-system2/](http://www.fincantieri.com/en/sustainability/governance/our-security-system2/)

Initiatives to handle travel safety



In 2023, 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. Maritime security regulations, which are mandatory in some shipyards (Arsenale Triestino San Marco, Muggiano, Palermo, Monfalcone and Marghera), continue to be taken as reference standards to ensure an effective corporate governance and risk management system, including in the other shipyards and company offices where such regulations are not mandatory.

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 all employees of Fincantieri S.p.A. and 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 in **welfare services** and any unused bonus amounts are automatically allocated to the individual employee's supplementary pension fund, thus encouraging adhesion to the social security system. 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 2023, 31% 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.

In the context of the tax-free threshold of **fringe benefits**, the Company has always promptly updated this value, which, limited to the year 2023, has been raised to euro 3,000 for employees with children only, recognizing, for these categories, the possibility of using fringe benefits also for reimbursing household utilities for the integrated water service, electricity and natural gas. The Company has always kept the portal up-to-date, thus guaranteeing services for its people.

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. Adhesion to the contractual Fund is supplemented by additional coverage specifically provided for by Fincantieri with the same provider as the National Fund, guaranteeing additional health care services. 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 of October 27<sup>th</sup>, 2022, Fincantieri signed an agreement with the Labour Unions at national level on June 20<sup>th</sup>, 2023 to establish special insurance coverage, with costs to be borne by the Company, 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 in order to protect workers from serious and dramatic impacts on their personal lives. In addition, employees were given the option of supplementing their Long-Term Care insurance coverage, at their own expense, with the option to extend it to family members.

The Company changed broker for employee insurance policies during the year. This resulted in significant savings, which were used to improve certain services dedicated to Fincantieri employees, such as, for example, supplementary health care and travel, thus continuing the Company's efforts to look after its people.

With a view to increasing the overall wellbeing of employees and improving their work-life balance, a new **smart working** agreement was signed with the Labour Unions at national level on July 18, 2023 **as part of the new Work FOR Future organizational model**. This reaffirms the importance of always putting people at the centre, guaranteeing adequate tools to support the balancing work, family and personal commitments while safeguarding the collective wellbeing of the company population. The new model aims to improve the corporate climate with a view to enhancing the autonomy and empowerment of individuals while also promoting the alignment of individual objectives with the Group's common and strategic objectives.

The new smart working agreement was widely adopted, involving about 65% of the eligible population. This agreement also consolidated the means supporting work-life balance as well as protecting parents and workers with health needs of their own and/or their family members. More specifically, it provides that 8 days per month can be worked remotely and recognizes additional days for workers with proven serious health needs of their own and/or their first-degree relatives and for workers who are parents in the period prior to childbirth and up to the child's first birthday.





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 2023, around 8,950 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**, which is part of the broader range of welfare measures aimed at boosting the birth rate.

The first company crèche, which offers 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. In 2023, the crèche was attended by 38 children.

Implementation of the program continued with the construction of a facility for the children of employees of the Monfalcone shipyard at the former Albergo Operai, and the first school year started in October 2023. The crèche is attended by 34 children, who are children of both Fincantieri employees and local workers.

Fincantieri Marine Group provides benefits to all employees on permanent contracts. Benefits include health, dental and ophthalmic cover, the costs of which are borne partly by the company and partly by the employee, life insurance for accidental death & dismemberment, the retirement plan and the employee assistance program.

In Norway, Romania and Vietnam, VARD provides all permanent employees with medical care, in-house catering services and life insurance.



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 Labour Unions at a national level on October 27<sup>th</sup>, 2022.

The 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** is envisaged, consisting of the national trade union coordinators and three representatives chosen from among the employees, to whom the Company will illustrate, after the Shareholders' Meeting held to approve the Annual Report, the economic and financial results and the contents of the Sustainability Report.

The supplementary agreement also provides 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 agreement also reconfirms 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 professional 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** are also 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 National Joint Commission for training 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** are present at each operating unit. 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 Labour 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** objective was included in the Performance 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).

As part of always putting people at the centre and supporting work-life balance, the supplementary agreement recognizes, in addition to those in the metalworkers' National Collective Bargaining Agreement (CCNL), paid leave for the placement of children in the first year of creches 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.

Fincantieri is particularly committed to the topics of **diversity and inclusion** for the enhancement of the intrinsic characteristics of each individual as an enriching factor for the Company, and has launched a series of training, communication and awareness-raising initiatives in this area.

The supplementary agreement 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, the supplementary agreement establishes a **joint initiative**, 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 Security department and Prevention and Protection Service Manager (RSPP) and Workers' Safety Representatives (RLS).

Lastly, some of the main trade union agreements signed previously have been incorporated in the supplementary agreement.

These include the agreement establishing **Solidarity Leave** signed on March 26<sup>th</sup>, 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 26<sup>th</sup>, 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.

On the subject of training, on December 7<sup>th</sup>, 2022 Fincantieri signed an agreement with the Labour Unions at national level for the rescheduling of working hours for access to the **New Skills Fund**, with the aim of developing workers' skills in the macro areas of digital and green transition in order to meet emerging needs within the Company, the training for which was delivered in 2023.

In the light of the difficulties in finding specialist professional figures in the shipbuilding industry, and aware of the importance of the topic of employment for our organization, the Company has established the **Masters of the Sea - Pilot Project for Specialist Workers** with which it intends to invest in selection and training paths with the aim of attracting and hiring people in highly specialized activities. After a period of theoretical and practical training at the training organizations, those who pass the exam will be hired directly by Fincantieri S.p.A. On November 6<sup>th</sup>, 2023, minutes of a meeting were also signed with the National Unions FIM, FIOM, UILM together with the National Union Coordination Executive, with which this project was shared.

Employees are guaranteed **freedom of association** throughout the Group. In 2023, 48% of employees are registered with Labour 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 labour 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, Norway and Romania, 35% for the Rest of Europe, 46% in North America, 43% in South America, and 95% 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 labour 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, business restructuring/reorganization processes or solidarity contracts. Recourse to these social security schemes also entails compliance with a procedure for informing and consulting with trade unions, as provided for by applicable regulations;
- 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 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 shipyard has been downsizing, due to the Brazilian shipbuilding crisis, and an evaluation of possible activities to be allocated is underway. 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 trade union representatives.

At the start of 2024, the companies Vard Tulcea and Vard Braila were merged by incorporation into Vard Shipyards Romania; this operation did not affect personnel, who did not undergo any contractual changes or transfers.

 The Guidelines for the management of company reorganizations and restructuring is available on the website [www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-uma-ne/riorganizzazioni-e-ristrutturazioni-aziendali/processi\\_di\\_riorganizzazione\\_e\\_ristrutturazione\\_azienale\\_en.pdf](http://www.fincantieri.com/globalassets/sostenibilita2/responsabilita-risorse-uma-ne/riorganizzazioni-e-ristrutturazioni-aziendali/processi_di_riorganizzazione_e_ristrutturazione_azienale_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 supplementary labour agreements 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 work 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.







Sustainability Plan Objective achieved in 2023



Assignment of sustainability objectives in the corporate variable remuneration system

Target	Timing	Perimeter	Description
Application of an increase to the Result Bonus and Management Objective Plan related to five annual sustainability objectives to the target population (white and blue collar employees)	2023	Fincantieri S.p.A.	On October 27 <sup>th</sup> , 2022, as part of the renewal of the Supplementary Agreement, the Sustainability Bonus was introduced. The Bonus, linked to five sustainability indicators, referring to energy consumption, water withdrawal, waste produced and emissions of volatile organic compounds, is aimed at all white and blue collar employees of Fincantieri S.p.A., Cetena, Isotta Fraschini Motori and Orizzonte Sistemi Navali.
Attribution of sustainability objectives to at least 25% of staff (middle managers and senior managers) who have access to the variable remuneration system			100% of Fincantieri resources receiving MBOs were assigned a sustainability objective, structured around social, environmental and governance targets. With a weight ranging from 15% up to a maximum of 20%. In addition, 100% of the resources of companies belonging to the Clusters (Electronics Cluster, Infrastructure Cluster, Accommodation Cluster), Isotta Fraschini Motori and Fincantieri SI recipients of the MBO were assigned a sustainability objective.
Attribution of sustainability objectives to the top management of foreign subsidiaries		Group	The Top Management of foreign subsidiaries was assigned a sustainability objective (Environmental – Climate change, Social – People, Governance – Sustainable supply chain).

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.

In 2023, in continuity with the survey (carried out in 2021) aimed at verifying and examining the possible presence of the so-called gender pay gap in Fincantieri S.p.A., the Company extended the analysis to the entire Group.

The results of the analysis showed that, despite the strong numerical disparity between the two genders, the gender pay gap is not a critical phenomenon within the Fincantieri Group.

Specifically, when analysing Italian subsidiaries, for which the analysis covered blue collar workers (where the presence of women in the individual company was statistically relevant), white collar employees and middle management, it was not extended to senior management, since the sample of women was not statistically relevant. The analysis considered grading and the age clusters 'under 35', '35-49', '50 and over' as drivers. On the whole, the remuneration situation that emerged is balanced.

Also with reference to VARD group companies, despite the strong numerical disparity between genders, the so-called gender pay gap does not appear to be a critical phenomenon overall.

In particular, for Norwegian companies, the analysis of the sample at the aggregate level with respect to the variables considered (age group and qualification) did not reveal statistically significant pay gaps, except in three cases.

The absence of the phenomenon as a whole was also confirmed in Vard Vung Tau (Vietnam), where, except in one case, no statistically significant pay gaps emerged.

Even in the companies based in Romania, the phenomenon is not critical overall, however, in some of the companies studied, pay gaps in favour of men emerged.

The survey also involved the US Fincantieri Marine Group, a company subject to annual Affirmative Law Reporting. The study revealed no statistically significant gaps in favour of men for the 'white collar', 'middle manager' and 'executive' clusters. With reference to the 'blue collar' cluster, where women are strongly outnumbered, a gap in favour of men emerged. However, using the 'professional families' cluster as a further driver, the situation is balanced with an incidence in one single area.

In 2024, the Group will carry out even more detailed analyses in order to verify the presence of pay gaps and, should any emerge, it will implement the necessary actions to close any gaps.

Ratio between women's basic salary and men's average salary

	2022				2023			
	Senior Managers	Middle Managers	White Collar Employees	Blue Collar Employees	Senior Managers	Middle Managers	White Collar Employees	Blue Collar Employees
Fincantieri Group	0.93	1.01	0.89	0.82	0.98	0.95	0.87	0.90

Ratio between women's global remuneration and average remuneration of men

	2022				2023			
	Senior Managers	Middle Managers	White Collar Employees	Blue Collar Employees	Senior Managers	Middle Managers	White Collar Employees	Blue Collar Employees
Fincantieri Group	0.99	0.98	0.86	0.83	0.97	0.99	0.96	0.90

\* The data refer to the Fincantieri Group as a whole, except for the smaller foreign companies and the US subsidiary FMSNA.

A reading of the above data confirms that the ratio between the average remuneration of women to men is balanced within the Fincantieri Group.

The fluctuation between the 2022 and 2023 for the basic remuneration of the middle manager category is mainly attributable to the phenomenon of significant turnover in Fincantieri Marine Group with the consequent entry of resources with less seniority in the company.





## Engagement with people

Also this year, we continued the **change management process** aimed at focusing on our people, 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. Since **Fincantieri for the Future** was launched in 2016, which saw the active engagement of and listening to workers of the Group's Italian sites, through questionnaires aimed at assessing the organizational climate and defining an improvement plan, in recent years the path has been extended in a structured way to the entire Group through the systematization of an Employee Engagement Survey.



### Sustainability Plan Objective achieved in 2023



Develop a working environment where employees feel increasingly more engaged, motivated and willing to build their professional future, through the use of annual surveys to measure employee engagement

Target	Timing	Perimeter	Description
Improve by 2 pp the Employee Engagement rate* recorded in the 2022 survey	2023	Group	The overall Group engagement rate increased by 3 percentage points from 72% in 2022 to 75% in 2023.

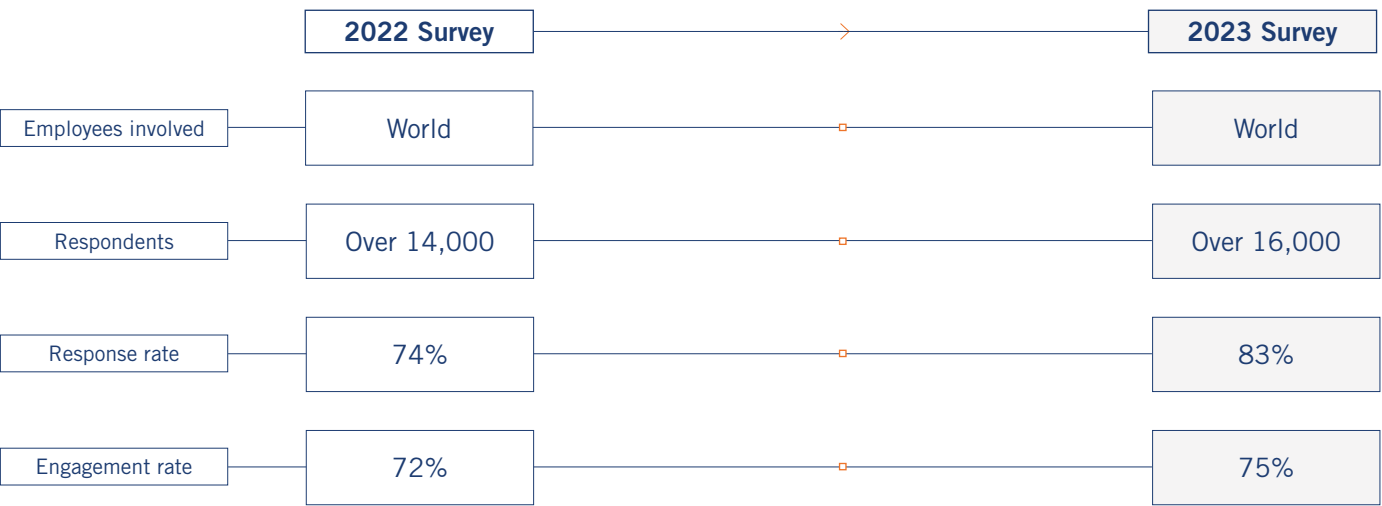
\*Calculated on the basis of favourable responses to 11 questions in the survey

The first **Employee Engagement Survey** addressed to all Group employees (without distinction of contractual level and work location) was conducted in 2022. It aimed to assess people's **engagement** and **motivation**, listening to their opinions, measuring the quality of the **organizational climate** and initiating a process to improve employee experience and, consequently, company performance. In particular, the survey explores different key aspects of the organization, such as engagement, management effectiveness, employee experience and confidence in the future.

This survey recorded significant participation, reaching over **14,000 respondents**, with a **response rate** of **74%** and an **engagement** rate of **72%**. After the results were analysed, an action plan was developed to provide a response to employees' suggestions at different levels (Group, country, individual organizational unit). One year later, the second Employee Engagement Survey was conducted, through which over **16,000 employees** gave their opinion, achieving an **overall response rate** of **83%**. There was a net improvement in all aspects, with an increase in the overall **engagement** rate of 3 percentage points (**75%**). In particular, the aspects of Safety, Confidence in the Future and Engagement were confirmed as strengths in 2023, increasing further. The most significant growth was recorded in aspects identified as opportunities for improvement in 2022: the development of a culture of continuous feedback at all levels, leadership that is more open to dialogue and discussion, and the introduction of further work-life balance measures to increase people's wellbeing and work flexibility. The positive results reflect an ongoing commitment to improving employee satisfaction and the overall employee experience, with a focus on cultural change, placing people at the centre also through greater responsibility and their consequent empowerment, as also defined in the new hybrid, flexible organizational model **Work FOR Future**, based on work by objectives and introduced in 2023. We are also committed to conducting Employee Surveys at least once every two years.

In this improvement process, a strategic role was played by the **network of internal facilitators**, created in 2018 and expanded in 2022 with the aim of ensuring widespread and effective communication at all levels.

### Employee Engagement Survey







# Customers and Products

We are committed to producing complex products that require high levels of engineering and technological expertise to ensure the safety of people and respect for 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 is synonymous with 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



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 megayachts. A key lever of our success and strength is the high diversification of our activities by end markets, geographic areas and customer portfolio.

The customers who purchase cruise ships produced by the Merchant Ships Division of Fincantieri S.p.A. and VARD are the leading cruise operators in the world who are eager to maximize the value of their investments though ships with excellent economic and environmental performance. The customer portfolio has expanded considerably over the few years, attracting most of the new brands that have entered the sector, including those from major hotel groups. This was possible thanks to the ability to design and build very different cruise ships, with strong customization to the customer's requirements, geographic area and target market segment.

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.

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; the vessels offered meet the most demanding requirements in this sector in terms of innovation, technology, low environmental impact (LNG and hybrid), energy saving and diversification.

The mega yachts designed by Fincantieri are intended for private individuals and meet the most sophisticated design, comfort, performance and equipment requirements.

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 services include the customers of each of the other civilian, naval and offshore business sectors.

In light of the strong growth in the renewable energy sector, the Group has expanded its customer portfolio, which historically consisted of companies active in the oil & gas industry that provide logistical support and services for the construction and operation of offshore plants, by developing innovative products for operators involved in the offshore wind supply chain. VARD's product range also meets the needs of companies requiring specialized equipment suitable for the construction and maintenance of offshore wind farms, undersea cable installation and state-of-the-art offshore vessels with remote control and green propulsion.





Customers by main business area

Cruise



Naval



Offshore & Specialized Vessels



Ships delivered in 2023: 26      Scheduled deliveries until 2029: 85

Source: Company internal information at 31.12.2023  
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)



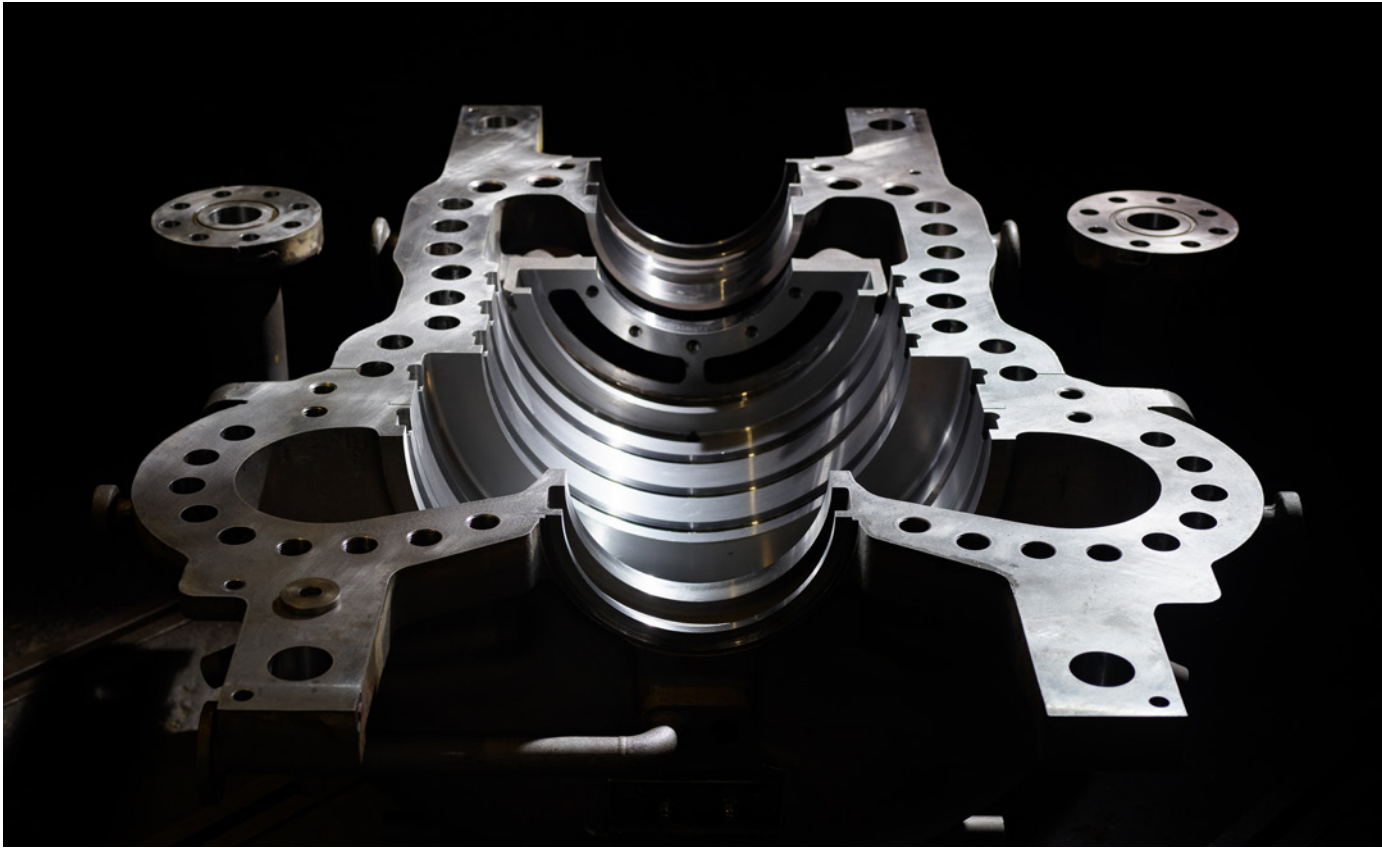
Safe ships

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.

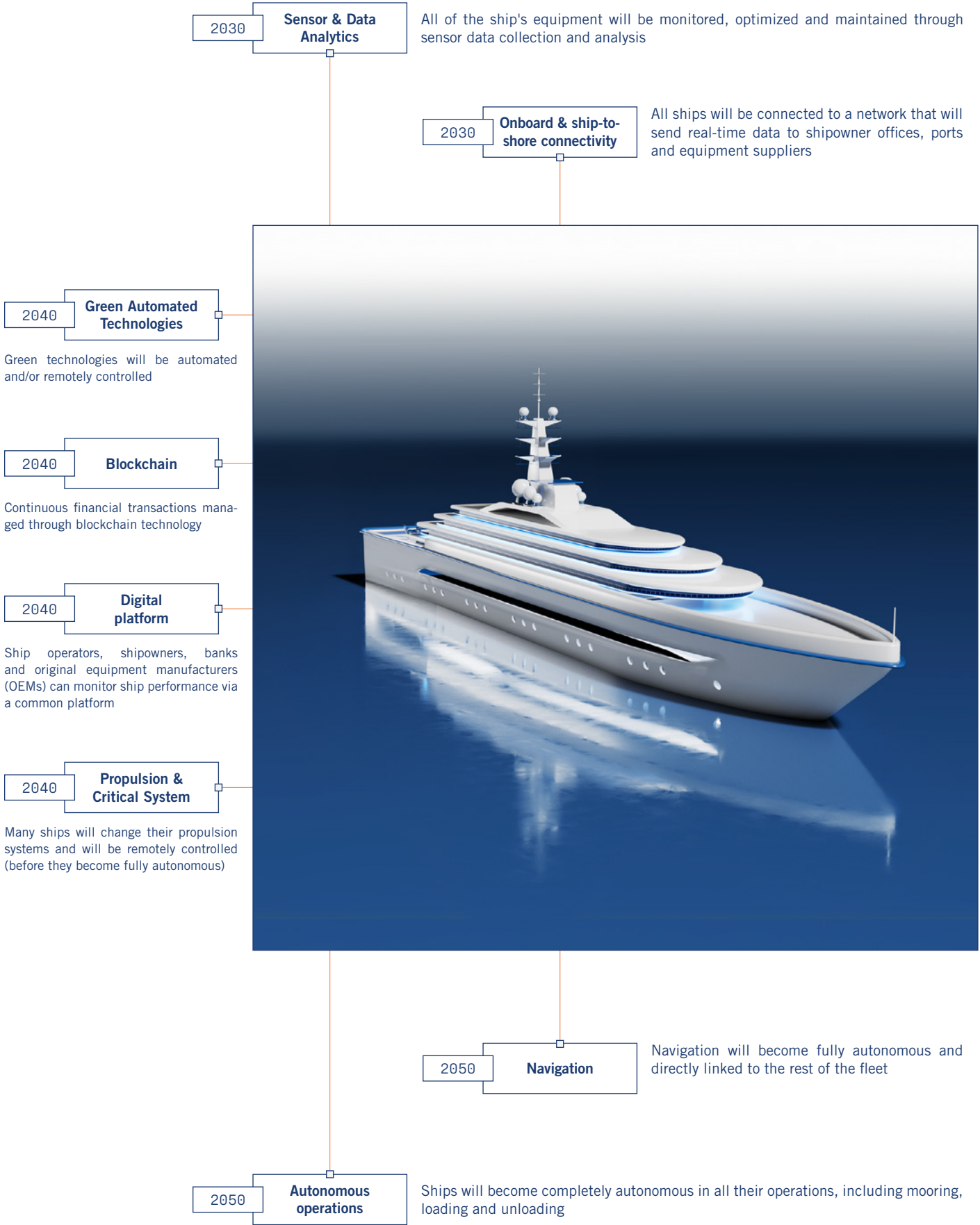
A cruise ship is an ideal and self-sufficient floating city in constant communication with land. It is designed, built and managed to respect the ecosystems of the areas in which it must operate and to safeguard the health and life of those temporarily living there for work or fun, thousands of people 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





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, shipowners 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 addition, chemicals on ships are tracked through the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) documentation according to Regulation (EC) No. 1907/2006, and are accompanied by the **Safety Data Sheet** (SDS) with all important information regarding hazards, protective measures, the procedure to be followed in the event of an accident and other operational instructions relating to the product itself.



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 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 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 - Main projects' and 'Technology for the climate - Eco-sustainable ships'.**





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, corporate processes and every activity.

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 corporate processes at the various levels:



The 7 points of Fincantieri's Quality Policy

Clarity of objectives

All resources, whatever level and organization they belong to, must know what quality, cost and time objective they have to achieve.

Effective planning

Attention to correct planning, control and compliance with plans is essential for quality operations.

Quality as the source of prevention

Product quality is built step by step into every single phase of the process: every actor, whether internal or a supplier, must know the rules, regulations, standards, practices and conditions.

Right first time

Every standard, every process and every activity must be designed to work well the first time.

Quality of people and responsibility

Training, developing and motivating resources that can reach the optimal level of competence and skills.

Quality of information

The quality of processes, and consequently of products and services, also depends on the timeliness, completeness and accuracy of information.

Continuous improvement

Market challenges and complexity are increasingly driving continuous improvement and innovation: projects, activities and methods must be continuously improved, looking for solutions that make development and construction processes simpler, faster and more reliable, defining sustainable, fail-safe standards that are respected by all.



The Quality Policy is available on the website [www.fincantieri.com/globalassets/sostenibilita2/responsabilita-prodotto/quality\\_policy.pdf](http://www.fincantieri.com/globalassets/sostenibilita2/responsabilita-prodotto/quality_policy.pdf)



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.

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 2023 on the Quality Management Systems of Fincantieri's Italian organizations, certified according to the ISO 9001 standard, resulted in satisfactory outcomes. In 2023, within the Merchant Ships Division (DMC), three shipyards (Ancona, Marghera and Arsenale Triestino) and the Division Headquarters were visited during the second year of maintenance of the certification with the multi-site certification model, according to a rolling program that will audit all the plants within the perimeter over the three-year surveillance period: Monfalcone, Marghera, Sestri Ponente, Ancona, Castellammare di Stabia, Palermo, Arsenale Triestino.

Moreover, in line with its responsibilities, the Central Quality body has carried out 12 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, two macro organizational areas have been examined:

- the Quality bodies of the Merchant Ships, Naval Vessels and Mechanical Systems and Components Divisions;
- the Quality bodies of the subsidiaries based in Italy (Issel Nord, Cetena, Isotta Fraschini Motori, Marine Interiors Cabins, Fincantieri SI, Fincantieri Infrastructure, NexTech, Power4Future, Naviris).

The formalized findings were all class C, i.e. minor and/or similar to a recommendation/suggestion.

The quality functions of the Merchant Ships Division (DMC), the Naval Vessels Division (DMM) and the shipyards also proceeded with their **audit activities**, broken down as follows:

- system audits (51 DMC, 48 DMM)
- process audits (12 DMC);
- product audits (67 DMC);
- supplier audits (70 DMC, 33 DMM).

With regard to the management of naval orders, 2 audits were carried out by the Italian Government Quality Assurance (AQG) during 2023, which concerned the Logistic Support Ship (LSS) Program on two separate occasions, recording a total of 9 minor non-conformities, all of which were resolved.



**For more information on the certified sites and companies, see the website [www.fincantieri.com/globalassets/sostenibilita2/responsabilita-prodotto/quality\\_policy.pdf](http://www.fincantieri.com/globalassets/sostenibilita2/responsabilita-prodotto/quality_policy.pdf)**

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 segments (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 systems and components segment (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. In recent years, a Group methodology has been developed to calculate customer satisfaction, through 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 Head of Quality 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 2020, we set ourselves a satisfaction target of 80/100 corresponding to a high level of satisfaction. In 2023, the CSI assessment was carried out on 10 ships (8 cruise ships and 2 naval vessels) with an average indicator result of 80, in line with the objective.

### Customer Satisfaction Index (CSI) 2020-2023

2020	2021	2022	2023
80	81	81	80

Between 2020 to 2023, 29 Fincantieri ships were delivered and evaluated using the CSI methodology with an average satisfaction result of 81/100.



### Sustainability Plan Objective achieved in 2023



Expanding the customer satisfaction measurement model – Customer Satisfaction Index (CSI) – to include ESG issues

Target	Timing	Perimeter	Description
Expansion of the CSI questionnaire to ESG issues to understand customer satisfaction in terms of sustainable product and process	2023	Group	In 2023, the new CSI questionnaire was drafted, updating it with questions relevant to product and process ESG issues.
Application of the CSI questionnaire, including the ESG section	2024		The updated questionnaire has already been delivered on the first ships delivered at the end of 2023, in advance of the timeframe set out in the Sustainability Plan.

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:

- **shipowners** that have begun to make ambitious commitments to meet the requirements for decarbonization. As a shipbuilder, we are committed to constantly accompanying and 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 (shipowners, 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 core markets.

In 2023, 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.

2023 Exhibitions

	Where	When
January		
Sna	Washington D.C.	10 January – 12 January
February		
Idex/Navdex	Abu Dhabi	20 February – 24 February
March		
Mee	Dubai	7 March – 9 March
New Key	Rimini	22 March – 24 March
Seatrade	Fort Lauderdale	27 March – 30 March
Eucap	Florence	26 March – 31 March
Mecspe	Bologna	29 March – 31 March
April		
Sas	Washington D.C.	3 April – 5 April
Aeromart	Montreal	4 April – 6 April
Laad	Rio De Janeiro	11 April – 14 April
Salone Del Mobile	Milan	18 April – 23 April
Pilotage	Rome	27 April – 28 April
May		
Mari Tech	Vancouver	1 May – 4 May
Imdex	Singapore	3 May – 5 May
Defea	Athens	9 May – 11 May
Railtex	Birmingham	9 May – 11 May

Transport Logistic	Munich	9 May – 12 May
Airpower Conference La Nuvola	Rome	12 May – 13 May
Mipim	Cannes	14 May – 17 May
Hydrogen Expo	Piacenza	17 May – 19 May
Lima	Langkawi	23 May – 27 May
Wto Med Energy	Ravenna	23 May – 25 May
Icci	Istanbul	24 May – 26 May
Cansec	Ottawa	31 May - 1 June
Venice Boat Show	Venice	31 May - 4 June
June		
Seafuture & Maritime Technologies	La Spezia	5 June – 8 June
Ilcad	Warsaw	6 June – 7 June
Cruise Ship Interiors	Miami	6 June – 7 June
Nor-Shipping	Oslo	6 June – 9 June
Madex	Busan	7 June – 9 June
Air Force Centenary	Rome	16 June – 18 June
Electric & Hybrid	Amsterdam	20 June – 22 June
July		
August		
Navalshore	Rio De Janeiro	22 August
September		
Bluefish	Aalesund	5 September – 7 September
Marine Interiors – Cruise & Ferry Global Expo	Hamburg	6 September – 8 September
Rwm	Birmingham	13 September – 14 September
Cset	Genoa	19 September – 20 September
Sname Maritime Convention	San Diego	27 September – 29 September
Mys	Munich	27 September – 30 September
October		
Adipec	Abu Dhabi	2 October – 5 October
Railway Expo	Milan	3 October – 5 October
DanFish	Aalborg	10 October – 12 October
Pollutec	Lyon	10 October – 13 October
Snim	Brindisi	11 October – 15 October
Kormarine	Busan	24 October – 27 October
November		
Enlit	Paris	28 November – 30 November
December		
Exponaval	Valparaiso	1 December – 4 December
Work Boat Show	New Orleans	1 December – 4 December
Edex	New Cairo	4 December – 7 December



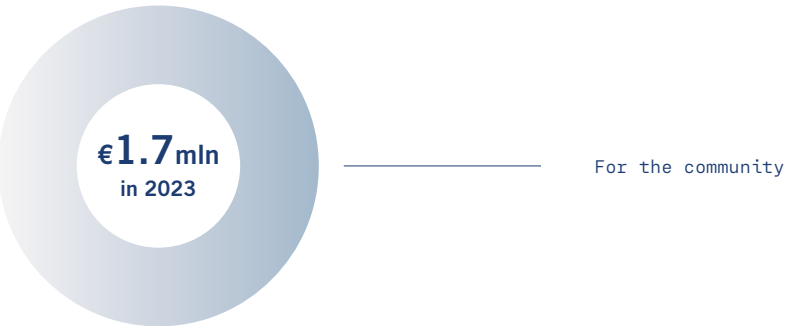


# Communities and Local Territory

We have always played an active role in the territories where we are present, but we want to become the company that makes the focus on people and communities systematic, day-to-day and proactive, starting with those who are the most vulnerable and who need to feel included

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](http://www.fincantieri.com/globalassets/sostenibilita2/responsibilita-sociale/le-nostre-iniziativa/fincantieri_fincantieri_group_initiatives_for_the_community_and_territory2.pdf)



In 2023, as a Group we allocated approximately €1.7 million to initiatives in favour of the community.



## Lines of action





Fostering employment and integration, also by promoting 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 are members of the **ELIS Consortium** and an active participant in the 'Distretto Italia' project, set up to help young people in their study and work choices, train them and place them in companies, with the aim of responding to the NEET (Not engaged in Education, Employment or Training) emergency and to the skills shortage, in parallel with and in support of what is envisaged in the Institutions' programs. 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.

I.S.I.S. nautico "Tomaso di Savoia Duca di Genova - L. Galvani" in Trieste	Residenza Universitaria delle Peschiere - Fondazione RUI	University of Pisa - Department of Information Engineering	LIMES School of geopolitics
Fincantieri supported the organization of the Third Edition of the National Competition between Shipbuilding Technical Institutes.	Support for deserving but needy Naval Engineering students who benefit from the comprehensive services offered by the Residence.	As part of the sector's development, Fincantieri is supporting the second-level university Master's program in 'Underwater Electroacoustics and Its Applications' for the academic year 2023-2024.	Sponsorship of the training project, in the Third Academic Year of the School of Geopolitics, aimed at outstanding young people and executives of public and private entities, in an international context.



For more information on educational 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

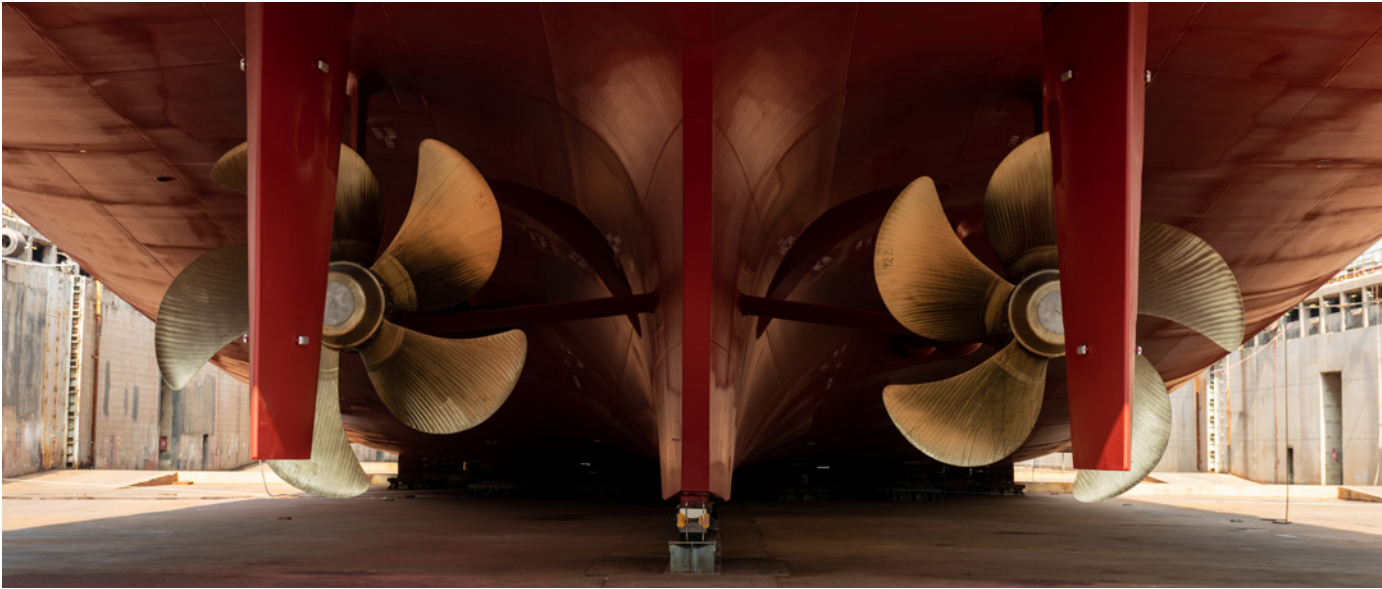
Events	Numerous corporate events were organized during the year aimed at promoting and strengthening the Group's image among its various stakeholders, whether employees or others such as, for example, customers and/or suppliers or the community at large. This is an excellent opportunity to make the company, its values and culture known, create relationships and consolidate our reputation.
Workers Visit and Bimbi on Board	On these occasions, employees and suppliers were able to visit the soon-to-be-delivered ship together with their children and/or family members. In addition to these events, there are ceremonies related to the production milestones of the ships, which are attended by Top Management, governmental and local institutions and the media.
Family Day	On September 23/24, 2023, our Italian plants opened their doors to over 10,000 employees and their families for 'Family Day'. Families were able to explore workshops and spaces during the event, an opportunity to learn more about our industry and career prospects in the sector.
Corporate convention	Sharing and alignment meeting with management and middle management throughout Italy on the corporate objectives outlined in the 2023-2027 Business Plan.
Respect for Future	Event organized as part of the GeneriAmo Cultura initiative promoted by Federmeccanica on the occasion of the 'International Day for the Elimination of Violence against Women'. A commitment to recognise, prevent and eliminate all forms of violence, promoting equality, mutual respect, individual freedom and the condemnation of all forms of oppression. Held in Trieste, with the involvement of Top Management and numerous experts and associations, the event saw the direct participation of around 1,000 employees based in Trieste, while their Italian colleagues from the other locations were able to watch the live event via streaming.
Fincantieri's Supplier Summit	Convention established to discuss the new networking program dedicated to our suppliers. Bringing together over 200 of the 5,000 companies that work with us every day.
Capital Markets Day	Presentation of the new strategy linked to the 2023-2027 Business Plan to the financial community by the Leadership Team.

Company Clubs	Mellen Township Fire Dept.	Promoting sport
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 2023, there were about 17,200 members, including more than 8,950 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.	Donation to the local section of the Fire Brigade at the annual fundraising event.	<ul style="list-style-type: none"><li>ASD Tennis Padel &amp; Baseball Events FVG – Sponsorship of the fourth edition of the Trieste City international tournament, ATP Challenger Tour.</li><li>Unione Fincantieri Calcio Monfalcone – Sponsorship and support for the youth team.</li><li>Support for local sports competitions to promote healthy lifestyles.</li><li>Support in the United States for local school sports teams:<ul style="list-style-type: none"><li>Door County Wave Soccer Team;</li><li>United Soccer of Allouez Clippers Soccer;</li><li>Sturgeon Bay Youth Athletic School.</li></ul></li></ul>

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.

Genoa's Teatro Stabile autonomous entity	Municipality of Genoa Ocean Race Direction	Barcolana	Genova Cultura	Fondazione di Comunità San Gennaro - Philanthropic Organization	Door County Maritime Museum
Grant under the Art Bonus to support the 2023 institutional activities of the National Theatre of Genoa, an important centre for cultural promotion with an impact on local communities.	Sponsorship of, 'The Ocean Race, Genoa The Grand Finale 2022-23', the round-the-world regatta, which, in its 14th edition, held its final phase in Genoa. The event promotes sport, inclusion, respect for the environment and sustainability.	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 55 <sup>th</sup> edition.	Sponsorship of the fourth edition of 'Meetings in Blue. Men, women and stories of the sea' held at the Galata Museo del Mare and the Genoa International Boat Show. The event promotes the culture of the sea, a source of social and business life in the Liguria region.	Support for the project to restore and enhance the Fontanelle Cemetery in Naples; it represents the intention to strengthen internal ties and the sense of belonging to the territory and its cultural heritage, with social purposes.	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. We want to contribute to the progress of society by promoting them in the countries where we operate. In order to bring the future on board. We want to be innovation leaders because we bring high added value solutions on board ships, solutions that anticipate and respond to the challenges of the ecological and digital transition. With this objective 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	Cooperation protocols
Fincantieri sponsored two LIMES events: i) Sea Days, at the Royal Palace in Naples, an international event dedicated to maritime Italy. ii) Limes Festival, 10th edition, at Palazzo Ducale in Genoa, an event dedicated to the salient themes of current geopolitical events, with analysts, researchers and leading figures from the worlds of economics and business.	Projects for teaching and research activities, internships and doctorates with: <ul style="list-style-type: none"><li>Universities;</li><li>Business Schools;</li><li>Colleges.</li></ul>
ITALIAN CRUISE DAY 2023 in Taranto, the eleventh edition of the forum on the cruise industry and tourism in Italy. It is an opportunity to explore the sector dynamics, as well as an opportunity for the players informed to keep up to date and network.	



The Fincantieri Foundation ([www.fondazionefincantieri.it](http://www.fondazionefincantieri.it)) supports business culture in an ongoing, organic and authoritative manner, is a point of connection with the social fabric and establishes a socially responsible, balanced and virtuous relationship with the local territories.

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.

Door County Community Child Development Center	The Fuller Center for Housing	Salvation Army	Big Brothers Big Sisters of Northeast Wisconsin
Centre dedicated to the multidisciplinary assessment of children with complex developmental difficulties.	Ecumenical Christian non-profit and non-governmental organization based in Americus, Georgia, that builds and repairs houses for low-income families and individuals. It is active in 60 US cities and 16 countries outside the US.	Donation towards the organization's activities to support those in need by providing shelter, food and support.	As the largest donor- and volunteer-supported mentor network, Big Brothers Big Sisters creates meaningful, monitored encounters between adult volunteers ('Bigs') and children ('Littles'), from age 7 to young adulthood, in communities across the country. They develop positive relationships that have a direct and lasting effect on the lives of young people.



Sustainability Plan Objective achieved in 2023



Development of educational and social inclusion projects especially for disadvantaged groups and those at risk of exclusion

Target	Timing	Perimeter	Description
Activation of at least two initiatives, one of which at Group level	2023	Group	We supported the <b>WOW – Wheels on Waves – Around The World</b> project, promoted by Difesa Servizi and the Ministry of Defence, which involves a round-the-world voyage on board the catamaran 'Lo Spirito di Stella', a unique 18-metre boat, fully accessible to people with motor disabilities, skippered by Andrea Stella, an advocate for the rights of disabled people to accessible navigation and active on issues of inclusion, who himself is disabled. The major initiative started in 2023 and will end in 2025, after visiting more than eighty ports. The project includes concrete activities, one of which already took place in La Spezia in 2023, where some children and young people with disabilities, children of our colleagues from the Integrated Naval Vessel Shipyard, experienced a training day together with Andrea Stella to get closer to sailing, and were able to visit the catamaran and understand how it is possible to overcome challenges and achieve one's goals, regardless of the difficulties encountered. These days are an integral part of the WOW project, as they become not only an opportunity to promote the values of respect, equality and inclusion, but offer a different and hopefully meaningful experience for the children and their parents. Similar moments will also be organized for the families of employees at some of the Group's foreign sites.

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.

Bambino Gesù Foundation Non-profit organization	Maruzza Lefebvre D'Ovidio ETS Foundation	ETS Telethon Foundation
Donation in support of the 'I'll Take Care Of You' project for the development of the Paediatric Palliative Care Centre, following hospitalization at the Bambino Gesù children's hospital. In order to further expand the centre, the traditional fundraising event, in place of part of the company's Christmas gifts, was dedicated to this initiative.	Financial contribution to the Foundation for institutional activities and in particular to support the provision of paediatric palliative care for those with incurable, highly complex illnesses.	Support for the Telethon Foundation, engaged in research into rare genetic diseases, at the fundraising event promoted by the Udinese Telethon Relay Committee in Udine. Twenty-four Fincantieri employees created a mini-team event by actively participating in the relay race organized as part of the celebrated social and cultural initiative.
American Cancer Society		Door Cancer Inc
National non-profit organization dedicated to the elimination of cancer.		A voluntary non-profit organization that helps residents of Door County, Wisconsin, undergoing cancer treatment to pay their non-medical bills or other obligations.





### 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.

One of the conferences dedicated to sustainable energy resources is 'Hydrogen Forum', sponsored by Fincantieri, now in its third edition. Hydrogen Green is considered a key ally of the ecological transition, as a clean, efficient and renewable alternative for a sustainable economic restart in Italy and Europe. The topic is proposed, discussed and explored, along with Fincantieri's related green strategies.

### 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), focuses on five areas: air mobility; sustainable road vehicles; waterborne transport; rail transport; light vehicles and active mobility.

### FVCMS – Venice World Sustainability Capital Foundation

Fincantieri joined the **Venice World Sustainability Capital Foundation (FVCMS)** as a co-founding member, confirming its role as a prime mover in the issues of innovation and green transition in the shipbuilding industry. The Venice Sustainability Foundation was born out of the need to respond to the complex environmental, social and economic challenges that characterize the delicate ecosystem of Venice. Its aim is to promote a sustainable development model that can serve as a global example. Established under the patronage of the Italian government, the Foundation collaborates with local authorities, cultural and academic institutions as well as leading companies in their respective markets. Its activities focus on crucial thematic areas for the sustainable development of the lagoon city, with the intention of stimulating synergies between the various actors involved. With its know-how and specializations and enhancing its consolidated presence in the Venetian territory thanks to the Marghera shipyard, Fincantieri intends to contribute its expertise particularly on the issues of hydrogen (by participating in the development of a hydrogen valley in Porto Marghera) and energy transition and environmental protection. This is to encourage the development of new renewable energy chains and to benefit the entire area and its energy-intensive production districts.



## Engagement with communities and institutions

The Fincantieri Group's position on sustainable growth and the appropriate balance between the needs of the market and the territory places the **Corporate National Institutional Affairs** Department in charge of and promoter of cooperation between the various institutional levels. This combines the Company's industrial mission with the economic-social mission that derives from Fincantieri's significant impact on the productive economy, in particular, that of the artisan companies and SMEs that make up the backbone of our country, from which the Company makes almost 80% of its purchases and for which Fincantieri represents a unique platform both for the development of innovation and for access to new markets that would otherwise be unattainable due to their small size.

Our aim is institutional dialogue through continuous confrontation with central institutions, such as Government, Parliament and Public Administration, and with Local Institutions in order to represent corporate interests and also promote shared socio-economic development projects in the interest of the community. Institutional activity also concerns representing the impacts of the standards in the core market.

The representation of interests is carried out with the intention to create a climate of cooperation in a logic of constructive dialogue and integrated benefit for all parties involved, both national and local. With this in mind, the Fincantieri Group also considers it important to make its operations and industrial excellence known to institutions. Active participation in national and international associations is another element in favour of this effective collaboration in order to create shared value of the joint representation of sector interests, and the opportunities that arise from associative dialogue in terms of proposals and solutions for the area of competence, as well as in the area of sustainability.

**Environmental Sustainability:** we have based our relationship with all institutional stakeholders on a constant and proactive dialogue, supporting governmental activities for the approval of the first National Sea Plan. The aim has been a sustainable development of the marine resource and the environmental transition of maritime transport. Further cooperation with government agencies and Parliament has been developed to promote the growth of a national industrial chain to support the production of renewable energy from floating offshore wind farms, consistent with the Integrated National Energy and Climate Plan (INECP).







Sustainability Plan Objective achieved in 2023



Supporting institutions in defining research and innovation pathways that favour the design of ships with reduced environmental impact

Target	Timing	Perimeter	Description
6 institutional meetings	2024	Fincantieri S.p.A.	Six meetings with institutions were held in 2023, ahead of the timeframe set out in the Sustainability Plan, focusing on achieving mainly long-term objectives. In particular, meetings were held with the Ministry for the Environment and Energy Security (MASE) and the Ministry for Cohesion for offshore wind energy production, with the Ministry for Enterprise and Made in Italy for the introduction of enabling technologies for the use of hydrogen for ship propulsion, with the Ministry of Infrastructure and Transport for projects aimed at the design of new naval concepts that focus on improving environmental quality and reducing consumption, with the Ministry for the Sea for the implementation of the plan and measures for the decarbonization of maritime transport, and with the Parliament – Chamber of Deputies with the public hearing of the Chief Executive Officer of Fincantieri S.p.A. on ‘Measures for the development of the supply chain related to floating wind power plants at sea’.

**Social Responsibility:** we are committed to representing the social interests of the Fincantieri Group by working to ensure that company policies are in tune with the needs of the local and national community. Legislative regulatory oversight allows the Group to monitor governmental and parliamentary acts, to represent its positions and even more to participate in the relevant processes, including through proposals for regulatory developments on the subject.

**Sustainable Innovation:** we are fully available to provide information support to the Government, working with institutions to develop legislative incentives for sustainable technological innovation aimed at continuous improvement in the sector, so that the Fincantieri Group can adopt state-of-the-art solutions that respect environmental standards.

**Access to Sustainable Funds:** we work to identify and secure access to Italian and European funds dedicated to sustainable industrial projects, promoting initiatives that reflect the Fincantieri Group's objectives in terms of social, environmental and governance responsibility.

Group relations at the European level are ensured by the **European Union Office** through the Brussels Office. 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 of the European Union, 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, Fincantieri is 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 directions for development of the Business Plan. These include the decarbonization, sustainability and competitiveness strategies of the European Green Deal and digitalization and innovation, initiatives relating to international trade and the resilience of European industry, the opportunities 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, in October 2023 Fincantieri was confirmed Chairman of the maritime sector of the **Industrial Alliance** launched by the European Commission dedicated to **renewable and low-emission fuel value chains**. The 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 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 sectors.

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 2023, 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 corporate 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.





□	<b>Environmental Sustainability and Climate Change</b>	<b>217</b>
	<b>Fincantieri for the climate: TCFD Report</b>	<b>218</b>
	The challenge of climate change and risk management	220
	Metrics and targets	236
	<b>Sustainable Management of Natural Resources</b>	<b>240</b>
	Environmental aspects	242
	Biodiversity	252
	Sustainable investments	253
	<b>Technology for the climate</b>	<b>256</b>
	Eco-sustainable ships	257
	Eco-design	270
	Agreements and initiatives to be eco-sustainable	271



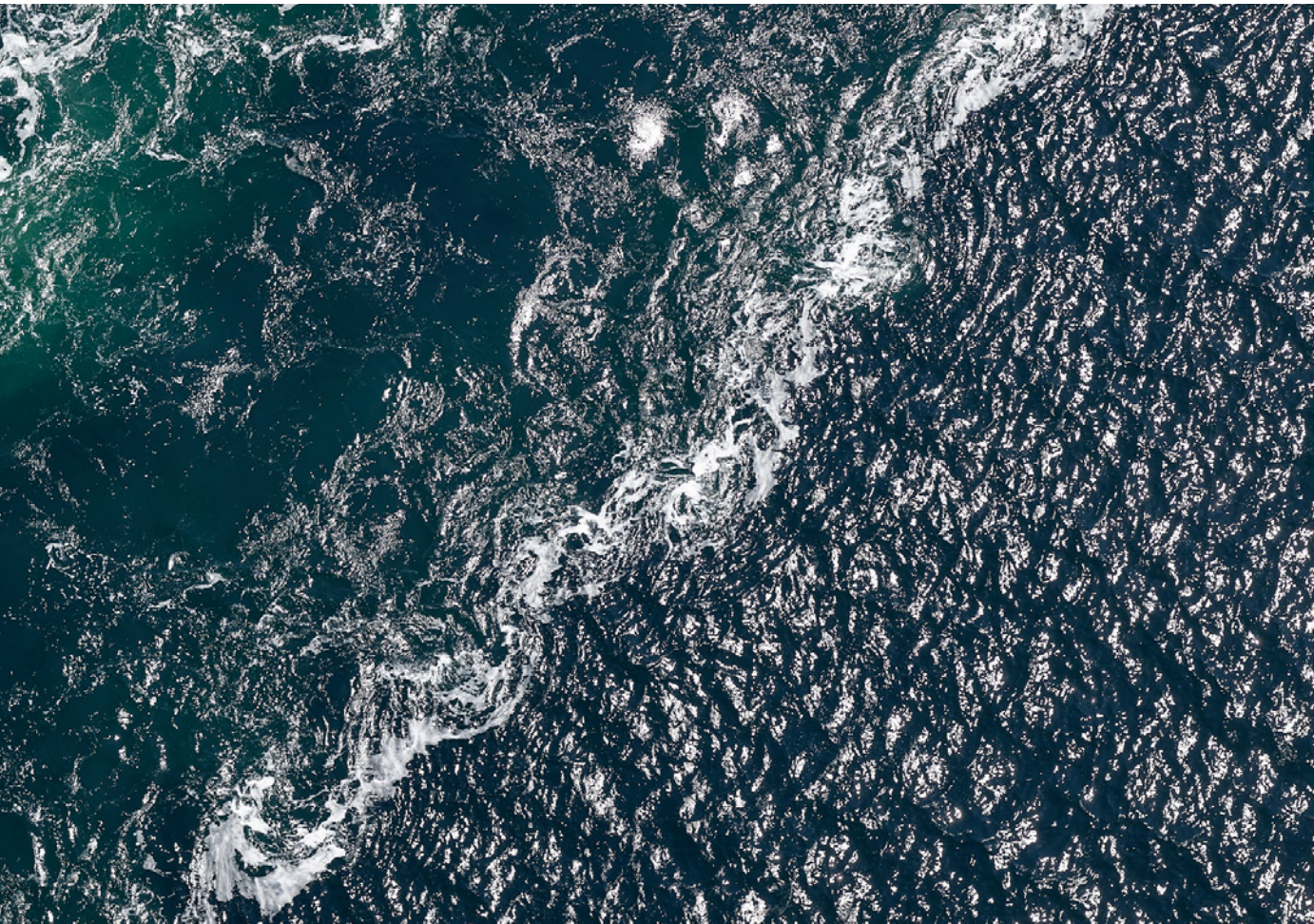


# Fincantieri for the Climate: TCFD Report

We want to play an active role in moving towards a more sustainable economy and society. We are actively engaged in the energy and digital transition of the entire shipping industry, monitoring and reducing our direct impacts and developing ships with ever more advanced technology, including through a responsible supply chain and cooperation with institutions and business partners

One of the greatest challenges facing humanity today is climate change and combating it requires an ecological transformation of technology, economy and society. Europe confirms its priority stated in previous years to become the first climate neutral continent by 2050, and it is currently comfortably on course to meet its intermediate target of reducing greenhouse gas emissions by 55% compared to 1990 levels by 2030 (a commitment it increased to 57% during COP27 and subsequently reconfirmed at COP28). In support of this ambitious plan, the European Union is pursuing all the various proposals contained in the 'Fit for 55' package, which are transforming the regulatory environment, with significant repercussions for businesses. The Group's commitment in this area takes the form of a series of mitigation and adaptation actions. As a key player, the intention is to contribute to the fight against climate change through a strong commitment on three main areas:

- reducing the impacts directly generated by 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 a sustainable economy



To reduce direct impacts



To reduce indirect impacts



To work in partnership with institutions and other market players

- Reduction of carbon dioxide (CO<sub>2</sub>) 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.
- Development of eco-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.
- Support for research to improve the analysis and management of risks associated with climate change.

### Objectives

- 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.
- Reduction of the average CO<sub>2</sub> intensity tonne/mile by 30% by 2025 and 40% by 2030 compared to 2008.
- Net Zero cruise vessels by 2050 target.
- Identify tools to implement the logics of circular economy 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.
- 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.

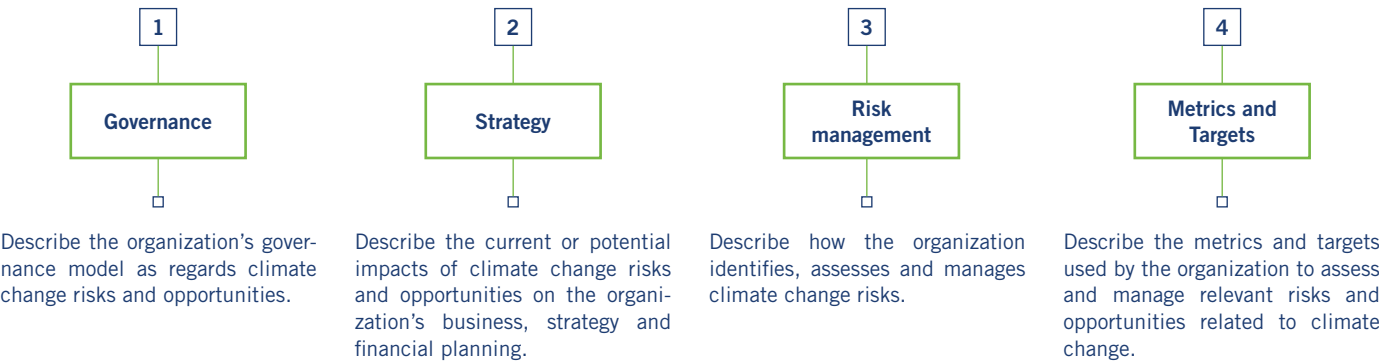


The challenge of climate change and risk management

During 2023, we completed the alignment with the Task Force on Climate-related Financial Disclosures (TCFD), which had involved 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 21<sup>st</sup> 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 the 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.



Board



Management



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. With regard to the Plan objectives, from 2023 onwards, the Sustainability unit monitors their progress on a quarterly basis and reports on monitoring to the Sustainability Committee every six months. Periodically, the Committee meets with the functions/departments directly to discuss activities and progress on climate and environmental targets. 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, all of the Italian employees covered by the short-term variable remuneration system (MBO), have been assigned specific sustainability objectives, including one related to the reduction of pollutant emissions, with a weight ranging from 15% up to a maximum of 20%.



Strategy

In 2023, the Group conducted a Climate Change Scenario Analysis in accordance with the principles defined by the TCFD, focusing on physical and transition risks related to climate change. Scenario analysis 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 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 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 TCFD recommendations, we developed analyses on different reference climate scenarios, corresponding to the projections of the IPCC (Intergovernmental Panel on Climate Change) and IEA (International Energy Agency, IEA-Net Zero by 2050 A Roadmap for the Global Energy Sector). Specifically, scenarios are developed based on different temperature rises and their physical and transitional consequences on the planet. In our analysis, **three scenarios** were selected that represent the 'best case', an intermediate projection and the 'worst case' in temperature trends until 2100, as detailed below.

Climate change scenarios

Scenario 1 (best case): Net Zero Scenario

Selected as a 'best case' scenario, it maps out projections for which there is a high degree of commitment from all governments to increase their ambitions and commitments towards Net Zero, and therefore in line with a 1.5°C temperature increase by 2100, as stated in the Paris Agreement.

Scenario 2 (intermediate projection): Announced Pledges Scenario (APS)

This intermediate scenario, also known as the 'pledges and targets scenario', represents a pathway that takes into account the official commitments announced by governments and international organizations to reduce greenhouse gas emissions. APS is based on stated promises and targets, without necessarily considering the full implementation of these commitments.

Scenario 3 (worst case): Stated Policies Scenario

The STEPS Scenario, or 'Stated Policies Scenario', represents a pathway that takes into account policies and measures currently in place or already established by governments and organizations. This scenario reflects the expected impact of existing policies on greenhouse gas emissions and climate change trends over time without taking into account future policy changes or new measures that may be adopted in response to evolving scientific knowledge or changing socio-economic conditions. This 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 with consequent significant effects on climate and repercussions on business.

Various Representative Concentration Pathway (RCP) scenarios adopted by the IPCC for databases with future projections were considered for the physical risk assessment. Specifically, RCP 2.6 was associated with the most stringent regulatory scenario, RCP 4.5 with the intermediate scenario and, finally, RCP 8.5 with the STEPS scenario.

RCP2.6  
Strong Climate Action

The RCP 2.6 scenario is the one in line with the Paris Agreement and Kyoto Protocol (**less than 1.5°C by 2100**) and envisages strong action to reduce emissions by all countries in the world. Cumulative greenhouse gas emissions from 2010 to 2100 must be **reduced by 70%**, requiring substantial changes in energy use and non-CO<sub>2</sub> emissions.

RCP4.5  
Business as Usual

The RCP 4.5 scenario is the one considered most likely given the current commitments made by countries. It predicts a temperature increase of between **2 and 3°C by 2100**, well beyond the limits of the 2015 Paris Agreement and the Kyoto Protocol. Considering the current commitments of countries, it is considered likely that 2.5°C will be reached by 2100.

RCP8.5  
Worst case scenario

The RCP 8.5 scenario is the most extreme of the RCP scenarios. It predicts an increase of **more than 4°C by 2100** and may be reached if no mitigation policy is adopted. **High economic and population growth rates** (SSP5) favour this scenario, triggering most of the so-called **climate 'tipping points'** with consequences that are difficult to model.

In light of these climate scenarios, the functions most involved in climate change aspects were involved to understand the effect on the following macrocategories:

- 1. Physical impacts - acute and chronic.
- 2. Market trends - commodities (steel and energy).
- 3. Impact of the development of new technologies and products.
- 4. Regulation - carbon pricing, emission trading and emission reduction requirements.

The Group assessed how the impacts on the three selected categories varied for the different scenarios and what the implications were for 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 5 years, a period encompassing the timeframe covered by Fincantieri's R&I plan and 2023-2027 Business Plan, which outlines the Group's commitment to decarbonization;
- **medium-term:** within 10 years, a period corresponding to the timeframe encompassing the first milestone of the European targets of the 2030 Agenda;
- **long-term:** beyond 10 years, i.e. the entire future timeframe considering the key milestones of the European climate neutrality plan, the deadlines defined by the IMO 2050 strategic guidelines and the results of the Net Zero targets outlined by all major institutions.

As far as physical risks are concerned, based on indications from the TCFD recommendations and also from EU Taxonomy Regulation 2020/852, in order to identify appropriate measures to adapt to climate change, an analysis of the physical climate risks that may affect Fincantieri's activities was carried out.

In particular, an analysis was carried out to identify the main acute and chronic physical risks relating to temperature, winds, water and solid mass (e.g. landslides). By studying possible **climate scenarios** (from RCP2.6, which is in line with a temperature increase of less than 2°C by 2100 to RCP 8.5, which corresponds to an increase of more than 4°C), the acute and chronic risk exposures of the main assets of interest (e.g. production sites) and of our main suppliers were assessed. The analysis was carried out taking into account the coordinates of these strategic points and assessing the extent of the risks in the various time horizons (**short, medium and long term**). Risk projections were based on recognized global climate databases (e.g. IPCC, Copernicus). The significance of the impacts of acute physical risks was assessed by taking into account the interruption of activities at Group sites and/or the slowing down of the supply chain due to extreme events such as **storms, floods or fires**.

Using a quantitative assessment model with reference to risks with a prevalent economic-financial impact and greenhouse gas (GHG) emissions defined within the framework of the integrated Enterprise Risk Management (ERM) – Project Risk Management (PRM) Model, the degree of significance of these risks was defined in relation to the days of business interruption, taking into account any risk mitigation actions already in place and evaluating possible measures to be considered for residual risks.

As far as **transition risks** are concerned, the Group is aware of the numerous of areas they impact, and has therefore conducted an in-depth analysis through the ERM function, in which all risks in the Risk Universe were considered in order to highlight the most significant risks requiring detailed analysis, based on a qualitative assessment of inherent and residual risk. In this regard, interviews were conducted with risk owners to analyse in detail the controls and mitigations already in place for the risk in question.

Despite the understanding that physical and transition risks may occur simultaneously, it was assumed that the **best case scenario** may 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/long-term are not concretely implemented, 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 the Group's strategy to changes in the reference scenario.

1. Physical impacts  
- acute and chronic

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.). For example, according to NASA's global projections, it is estimated that in the Net Zero scenario, sea levels could rise by 38 cm by 2100, compared to the 56 cm expected in an intermediate scenario and 77 cm in the worst case scenario. The physical effects, particularly in the **worst case scenario**, would affect two areas in particular: **shipyards and ship design**. Shipyards, which are located close to the coast, could suffer damage to infrastructure due to flooding and intensity of weather events, such as storms and strong winds. 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. In order to understand the risks to which we are most exposed and to adopt an appropriate mitigation strategy, we conducted a Climate Change Risk Assessment (CCRA), which takes into account the acute and chronic risks to which each site is most susceptible under various climate scenarios and evolutions over various time horizons.

2. Market trends  
- commodities  
(steel and energy)

Climate-related impacts on the market include **fluctuations in commodity prices**, resulting from both changes in the regulatory environment and an increasing focus on environmental issues by stakeholders. In order to limit the impact of possible market trends, 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 most sustainable 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 Terna, the price of electricity itself will also increase by a factor of 14-20% by 2040 compared to current prices. Consequently, the Group is evaluating whether to sign Power Purchase Agreements (PPAs) for part of our consumption, which would mitigate two phenomena: the volatility of the raw materials 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 the Group's dependence on the growing electricity and GO market, we are also implementing projects for internal energy generation through photovoltaic systems that have already been installed and will cover part of the consumption of some shipyards in Italy (Monfalcone, Marghera, Sestri, Riva Trigoso and the Modugno shipyard of the subsidiary 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). **Steel** is the pre-eminent raw materials 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 CO<sub>2</sub> emissions, we research and favour raw materials that can be classified as 'green'. Particularly in a Net Zero 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 a worst case scenario, however, the price of raw materials 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.

3. Impact of the  
development of new  
technologies and products

According to analysis of maritime transport by the IEA, the shipping sector was responsible for around 700 Mt of CO<sub>2</sub> emissions worldwide in 2022, or around 2.4% of the total emissions. Innovation is of utmost importance, especially now that the IMO's greenhouse gas (GHG) emission targets have been made more ambitious, and the adoption of low-emission gases and zero-emission fuels and technologies for ocean-going vessels must be encouraged. In fact, 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, hydrogen and biofuels such as biodiesel 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, which is also supported by the structural changes planned for ship refuelling in the main ports. The share of low-emission fuels predicted in 2030 by the IEA under a Net Zero scenario is 12%, much higher than the 1% observed in 2022. 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 CO<sub>2</sub>, have also been taken into account. In a Net Zero scenario, 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. Moreover, in 2023, VARD delivered the first five of eight remote controlled vessels in production, 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.







4. Regulation - carbon pricing, emission trading and emission reduction requirements

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 emissions by 2030 and climate neutrality by 2050. In support of this ambitious plan, the European Union has drawn up a series of proposals, such as 'Fit for 55', which alter the regulatory environment, with significant repercussions for businesses.

The most relevant for the segment in which Fincantieri operates are:

- **EU Emission Trading System (ETS):** system for calculating carbon prices and trading emission quotas 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 1<sup>st</sup>, 2024. Ships with a gross tonnage of 5,000 tonnes or more will have to gradually give up CO<sub>2</sub> 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 offshore ships, again with a gross tonnage of 5,000 tonnes or more, comes into force from 2027, while for smaller ships it has not yet been defined when they will be subject to ETS;
- **Carbon Border Adjustment Mechanism (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 sectors subject to CBAM in the first phase are cement, aluminium, iron and steel, electricity, fertilizers and hydrogen. Since October 2023, importers in the sectors covered by the mechanism have started collecting data to meet their monitoring, reporting and verification (MRV) obligations and to submit their first CBAM report by 31<sup>st</sup> January 2024;
- **EU Taxonomy (Regulation 852/2020):** taxonomy of assets, i.e. a classification system that clarifies which investments are environmentally sustainable.
- **Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS):** CSRD is a European directive that sets out the guidelines that need to be followed for the proper practice of disclosing information about corporate social responsibility activities and initiatives. It is an important tool to promote transparency and corporate responsibility towards society and the environment. In addition, ESRS are community standards to be used for reporting by all companies and involve analysing the impacts that company activities may have on the environment, local communities, human rights and other social factors, covering all three ESG areas.

The measures described above, especially in a Net Zero 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 maritime sector, has also set emission reduction targets, and the MEPC80 2023 (Marine Environment Protection Committee) has obtained approval for the following strategy:

- reduction of the carbon intensity of ships by further improving the energy efficiency of new ships;
- reduction of the average CO<sub>2</sub> emission intensity per tonne/mile in international maritime transport by at least 40% by 2030, compared to 2008;
- increase the adoption of technologies with zero or near-zero greenhouse gas emissions, fuels and/or energy sources, aiming to reach 10% of the energy used by international maritime transport by 2030;
- reach peak greenhouse gas emissions from international maritime transport as soon as possible and achieve net zero greenhouse gas emissions by or around 2050.

The checkpoints that have been reported as indicative for achieving zero GHG emissions from international maritime transport consist in reducing total annual GHG emissions from international maritime transport by at least 20% (aiming for 30%) by 2030, and by at least 70% (aiming for 80%) by 2040 compared to 2008.

Climate Change Conference - COP28

COP28, held this year, is the 28th annual meeting that has brought together the signatory countries of the UN Framework Convention on Climate Change since 1995. This year's conference marked a significant moment in the global effort against climate change. In fact, a commitment to phase out fossil fuels has been introduced for the first time, even though this had long been demanded by the scientific community. In addition, the Global StockTake, an agreement to regularly assess member states' climate commitments, was approved. It does, however, show that the world is currently not doing enough to be in line with a 1.5°C increase compared to the pre-industrial era. The commitment made by member states remains cautious and non-binding regarding the elimination of fossil fuels. Significant investments were announced to increase renewable energy capacity and improve energy efficiency, including an increase in the Green Climate Fund and a new climate investment fund in the United Arab Emirates. However, these initiatives do not yet meet the challenges. Greenhouse gas emissions remain high. There are concerns about the role of liquefied natural gas (LNG) as a 'transition fuel' and there are concerns about the presence of 'tipping points', critical points that could lead to irreversible changes in the Earth system. It is acknowledged that politics must lead a momentous change, but so far it has proven insufficient to tackle the climate crisis. This requires not only individual actions, but systemic change on a global scale. The COP28 assessment indicates that a lot of work remains to be done to adequately address the climate challenge.

Risk management - Climate Change Risk Assessment Analysis (CCRA)

Physical and transition climate risks

For the purpose of identifying, assessing and monitoring the main business risks ('Risk Universe'), we have adopted Enterprise Risk Management (ERM) processes and systems, into which specific sustainability risks have been integrated. Starting from these, seven risks have been selected which are linked to climate issues, exploring with the various responsible functions the Group's total exposure to these risks and the actions specifically implemented to mitigate them. The seven climate-related risks to which the Group is exposed fall within the six risk macrocategories of the Task Force on Climate-Related Financial Disclosures (TCFD), as outlined below.

Fincantieri climate risks	TCFD risk macrocategories:
1. Impact on business for acute climate risks	Physical risks – Acute
2. Impact on business for chronic climate risks	Physical risks – Chronic
3. Technological risk of the production process and products	Transition risks – Technological
4. Market risk for raw materials and commodities	Transition risks – Market
5. Market risk due to changing customer needs and/or increased competition	Transition risks – Market
6. Risk of evolutions of laws and regulations	Transition risks – Policies and Laws
7. Reputational risk	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 CO<sub>2</sub> pricing framework and regulatory restrictions.

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.

Impact of physical risks

The physical risk analysis was carried out on the Fincantieri Group's 18 shipyards.

1. Impact on business for acute climate risks

TCFD risk category: **Physical Risks – Acute**

Description of risk

Impact on business due to acute extreme weather events. Among the expected consequences of climate change are more frequent **acute extreme weather events** (storms, floods, fires or heat waves) that may directly affect company activities or the supply of both goods and services and energy from the supply chain. Acute events can impact company activities by delaying or halting the production cycle, damaging assets and changing the distribution of production among the Group's shipyards. These phenomena can compromise business operations by causing interruptions to activities and damage to strategic assets, affecting ship delivery dates and resulting in possible penalties for the Group and increasing repair and/or replacement costs, as well as possible increases in supply chain costs. Finally, given the increase in the frequency and magnitude of extreme weather events, further risks to consider could be the increase in insurance premiums on structural assets and the increase in transport costs across the entire value chain. Looking ahead, the Group will increase its mitigation actions for those risks to which it is most exposed in order to withstand acute weather events and assess the extent of the risk. If these mitigating actions are not sufficient to cope with the impacts on the Group, measures will be required to remedy the damage suffered in order to limit the loss of profits and to resume operations.

Management approach

Shipyards are located on the coast and in adjacent areas; therefore, they can be very exposed to the risk of damage to assets and structures caused by acute weather events such as storms, resulting in power outages. Huge financial losses could be caused by shipyard closures and production delays. In addition, damage to equipment may result in costs for replacement and repair. Finally, should a ship under construction be lost or damaged due to a major natural disaster, there is a risk of substantial costs and penalties due to late delivery. The Group has conducted a detailed analysis of acute physical risks that considers various future climate scenarios in the short, medium and long term. From the results of the analysis, we find that the exposure to the risk of damage from storms, floods and fires is very high for the Marghera, Sestri Levante and Muggiano shipyards, especially in the most severe climate scenario (RCP 8.5), which corresponds to a temperature increase of more than 4°C by 2100 compared to the pre-industrial era. The two most exposed shipyards were Ancona and Monfalcone, particularly with regard to the risk of storm damage. In order to mitigate these risks, the Group has equipped the external areas of the shipyard with cranes with **storm brake** systems, which are periodically tested by the relevant company. 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 containing the impact of winds and potential storms. As far as the risk of flooding is concerned, all water discharges at the Marghera shipyard are equipped with **clapet** (non-return) **valves** that do not allow high water from the lagoon to enter. This system is checked every six months. In addition, the Group has a **lightning risk assessment** system, updated in 2021, the results of which showed that all structures are protected against lightning strikes (according to CEI EN 62305-2): all earthing and lightning protection systems are subject to regular checks and inspections. Moreover, regular meetings are held on quality and safety, as laid down in the 'Shipyard Management Review' procedure. Lastly, with the aim of mitigating the exposure to the risks under examination, the Fincantieri 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. The Group also has clauses in its contracts that protect it against incurring costs due to possible production delays and has taken out specific insurance policies to protect its shipyards from damage resulting from catastrophic events. As far as the **supply chain** is concerned, climate risks were analysed for the Group's main suppliers, who are located across the world and predominantly in Europe. Of the more than 3800 suppliers analysed, those most exposed to slowdown and/or interruption of operations due to acute climatic events were identified in order to assess and identify potential new suppliers in less exposed geographic areas. These activities to identify and analyse potential and alternative new suppliers are already taking place through periodic direct (internet, exhibition, etc.) and indirect (e-procurement, promoters) **scouting activities** focused on the more critical areas. Critical areas are also 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, visits to suppliers are organized in order to check the suitability of the quality, health, safety and environmental management systems.

Opportunities

In addition to ensuring the proper functioning of all the described mitigation measures that are already in place, keeping track of all acute weather events that occur over time will have an advantage in the prior identification of further possible improvements to be implemented, in order to avoid days of business interruption due to extreme events. Furthermore, continuous research into and analysis of new suppliers allows the identification of new commercial partners who are better able to respond promptly and resiliently to Fincantieri's requests, even in adverse situations, guaranteeing operational continuity.

2. Impact on business for chronic climate risks

TCFD risk category: **Physical Risks – Chronic**

Description of risk

Impact on business due to chronic extreme weather events. Among the expected consequences of climate change are chronic weather events, i.e. long-term climate changes (temperature changes, rising sea levels, reduced water availability, etc.). Chronic physical events can cause company activities to be slowed down or interrupted, and production strategy may have to be changed, affecting the production cycle, assets and the distribution of production among the Group's shipyards. If not managed, these phenomena can compromise business operations by causing interruptions to activities and damage to strategic assets, affecting ship delivery dates and resulting in possible penalties for the Group. Looking ahead, the Group will increase investments to prevent the risks to which it is most exposed and respond to chronic weather events by adapting and upgrading the structure of offices, production sites and facilities (construction of dams, parapets, water collection and disposal) or systems for the environmental and energy management of production facilities.

Management approach

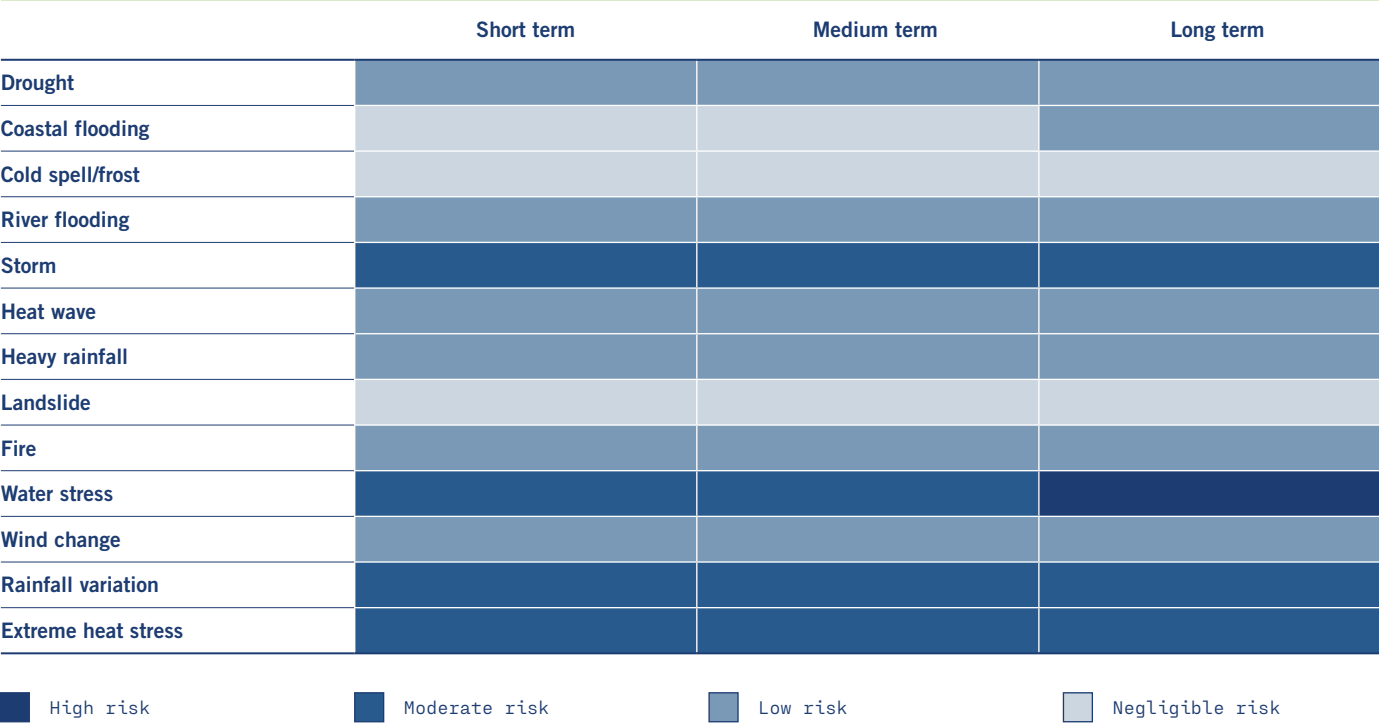
Production sites are particularly exposed to various climate risks, including **abnormal temperatures**. Employees working in outdoor workplaces may be exposed to abnormally high temperatures for a long time. In this case, there may be consequences for the health of employees and a decrease in productivity may be observed. This would also lead to higher energy costs due to the increased use of air conditioners in workplaces and production facilities. On the other hand, with regard to welding work in the shipbuilding process, in abnormally low temperatures, welding temperatures cannot be met, which can lead to delays in welding work and the risk of quality defects. Furthermore, as in the previous case of high temperatures, there may be increases in energy costs in order to heat workplaces and facilities. Changing wind and rainfall directions can also lead to impacts, e.g. on outdoor shipyard structures such as cranes and ships under construction on the quays. The Group has conducted a detailed analysis of chronic physical risks that takes into account various future climate scenarios in the short, medium and long term. From this analysis, the shipyards that were found to be most at risk overall were Vung Tau (Vietnam) and Palermo (Italy). Specifically, at the Vung Tau shipyard, the highest exposure relates to the risk of thermal stress due to high temperatures, intense rainfall and strong winds; at the Palermo shipyard, on the other hand, there is also a high risk of water stress, which is also present at the Ancona and Castellammare di Stabia shipyards. 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 shipyards** (determined through a preliminary study by the subsidiary Cetena) of a sensor inserted in an anemometric station. This system provides specific weather data for the shipyards that are 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, such as cranes fitted with storm brake systems to mitigate the effects of strong winds. 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 winds. Lastly, the Fincantieri Group is subjected to internal and third-party audits to ensure the correct application and precise monitoring of shipyard operating instructions. 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 shipyards 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 summarized in an evaluation 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 2023.

Opportunities

Continuous investment in adapting facilities will result in a strengthened ability to respond to chronic climatic events, minimizing the effects and impacts on production processes and on the health of Group employees. The results of the analysis of the acute and chronic physical risks analysed above are given below. They show that the greatest risks to which Fincantieri Group shipyards are exposed are water stress (as the ratio of the amount of water used over the amount of water available in a given area), followed by the risk of storms, rainfall variation and extreme heat stress.



Map of physical risks in the RCP 4.5 Scenario



Source: reworked from IPCC ATLAS database, CORDEX-Copernicus project and published literature from recognized sources such as Nature or MDPI.



Impact of transition risks

3. Technological risk of the production process and products

TCFD risk category: **Transition Risks – Technological**

Description of risk

Delays and/or inability to **develop technologies** related to energy transition and the application of circular economy practices, with the consequent reduction of air, soil, water and noise pollution, for the production process and product manufacturing may cause a loss of competitiveness and profitability for the Group. This risk may arise due to insufficient research, innovation and eco-design or inadequate use of new green technologies in both the structuring of the production process and the product. Consequently, there is a risk of increased investments related to the ecological transition driven by the need to develop integrated solutions to reduce environmental impact and pollutant emissions (substitution of fuels, more efficient machinery, etc.).

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. Furthermore, Fincantieri participates in initiatives and collaborations with leading innovation centres such as universities and research centres. 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. Indeed Fincantieri 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, a dedicated team was set up for the introduction of technologies other than LNG for cruise ships. The latter already drastically reduces emissions of nitrogen and sulphur oxides compared to traditional fuels and will certainly be a key player in the ecological transition of the world of shipping. 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. 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 Group's strategic guidelines, and, in particular, with the targets related to environmental protection. 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. Following the delivery in 2020 of VARD's first self-driving electric container ship, capable of reducing pollutant emissions in highly populated urban areas, Fincantieri is building a series of multipurpose robotic vessels with a significantly reduced carbon footprint for the operator Ocean Infinity. The ships 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.

Opportunities

A further opportunity to be explored will be methanol-fuelled ships, which are able to almost completely reduce emissions of sulphur oxides (SOx), nitrogen oxides (NOx) and some greenhouse gas emissions compared to conventional marine fuels, in line with MARPOL regulations to reduce these hazardous gases. Methanol, which can be stored and transported as a liquid at room temperature and decomposes naturally without causing marine pollution, also has the advantage of being easy to handle.

4. Market risk for raw materials and commodities

TCFD risk category: **Transition risks – Market**

Description of risk

Cost increases due to **changes in the prices of raw materials and commodities** may limit the development of certain products, which may be impacted by new regulations and customs policies, e.g. on carbon intensive products (CBAM/EU ETS), or increase as a result of catastrophic events affecting the entire supply chain by decreasing the availability of raw materials. The competitiveness of these products will also depend on the trend of carbon prices, which, in an inflationary environment, will in turn drive up the price of raw materials, resulting in higher costs for the Group and increasing difficulty in managing market supply in terms of reduced competitiveness/marginality. By adapting to low-emission policies and reduced availability of resources, the costs of fuels and electricity, both conventional and renewable, may also increase due to changing climate models (e.g. changing rainfall patterns, changing wind patterns) with additional costs for production processes and operations.

Management approach

Based on increasingly stringent environmental regulations, the demand for environmentally friendly ships is rapidly increasing in the shipping world. Aware of the impacts of climate change, the Fincantieri Group continuously **monitors commodity price trends**, the evolution of technologies and products, as well as the regulatory and environmental impact on stakeholders, through collaboration with sector specialists (e.g. collaboration agreement with T-commodity companies) and participation of the Procurement Department in periodic webinars dedicated to the subject. 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 every two weeks with the estimated final impacts, depending on the market situation, specific business needs, geographic factors or changing regulatory and geopolitical environment (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. To manage fluctuating commodity prices, Fincantieri implements preventive measures through in-depth analyses of the prices of key commodities such as energy and steel. Specific projections are developed to mitigate the risk associated with volatile energy prices (both conventional and renewable), by forecasting significant increases in Guarantees of Origin for energy, especially in a more restrictive Net Zero scenario. 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). Furthermore, the Group has established a ‘Market Working Group’ consisting of the sales representatives of Fincantieri’s divisions in order to identify priority projects to be included in the Innovation Plan. As an example of this commitment, with the TecBIA project Fincantieri built a 25.6 m laboratory ship (ZEUS) to study environmentally sustainable technologies for on-board energy production, delivered in October 2022 and certified by the Italian Naval Register. Fincantieri is also implementing in-house power generation projects through photovoltaic plants to reduce dependence on the electricity market, diversify the costs of raw materials and GOs. The company explores energy efficiency and electrification initiatives for equipment currently powered by fuels. In the context of steel procurement, the constant monitoring of trade dynamics and protectionist international policies is accompanied by a continuous search for new suppliers. The selection of partners is guided by the quality and certifications required in the shipping industry. The commitment to reducing CO<sub>2</sub> emissions is reflected in the active search for raw materials that can be classified as ‘green’. Fincantieri is aware of the evolving environmental regulations, in particular the EU ETS and CBAM, and also recognizes the potential impact of adverse weather conditions due to climate change such as hurricanes, storms and floods, which could lead to additional costs on transport and on insurance premiums for policies for damage and accidents.

Opportunities

Continuous scouting for innovative solutions and monitoring developments in green technologies on the market offer the opportunity to develop products with innovative technologies with an ever lower environmental impact. In addition, continually analysing the changing regulatory environment ensures the Group has strategic planning to reduce the impact of commodity upsets.

5. Market risk due to changing customer needs and/or increased competition

TCFD risk category: **Transition risks – Market**

Description of risk

Inability to meet **new customer** demands in a highly competitive market, due to inadequate monitoring of their needs and expectations, and insufficient analysis of the **products offered by competitors**, can lead to a loss of market share and customer dissatisfaction. The Group is exposed to the risk of not adequately exploiting technological innovation that can reduce the environmental impact of its products, to offer competitive solutions in the face of stringent regulatory constraints. Competitors can anticipate regulatory scenarios by developing technologically more innovative products in terms of, for example, reduction of CO<sub>2</sub> emissions and energy efficiency, establishing a sustainable competitive advantage that prevents the Group from meeting market demand and achieving its profitability targets.

Management approach

In the current context of continuous regulatory developments and economic and environmental pressures, the market is becoming increasingly competitive and achieving customer satisfaction is more complex and necessary, particularly for companies with significant market shares to defend. In order to avoid low or inadequate supply, compared to direct competitors in the sector, it is becoming more and more essential to carry out adequate **market monitoring** and give due weight to Competitive Intelligence activities. In order to mitigate this risk, the Group is implementing various strategies to address market challenges and ensure its competitiveness. First, it is focusing on cost control, using a dedicated team that provides continuous feedback in order to use real time data in business proposals. It also ensures that the equipment for steel structures is always up-to-date, thus maintaining a high standard in the supply of products. With regard to investments, the Group plans capital costs well in advance and promotes training programs for employees, ensuring cutting-edge expertise. In monitoring the market and competition, market and technology trends are closely analysed, actively participating in major initiatives and collaborating with key innovation players such as universities and research centres. There is also a focus on developing a medium/long-term innovation plan, which is implemented in the short term and updated annually. This plan guides the Group’s actions and exploits European funding opportunities for solutions that are consistent with the maritime sector’s priorities.

Opportunities

Diversification of the Group’s activities, which include steel supply, maritime, healthcare and facility management, offers the possibility of increasing orders and balancing the company’s portfolio, therefore mitigating the risks associated with a single business area. Furthermore, the Group’s vision is focused on continuous investment in the digital transition and therefore ensures greater competitiveness in the market.





6. Risk of evolutions of laws and regulations

TCFD risk category: **Transition risks – Policies and Laws**

**Description of risk**

Changes in and tightening of the national and international legal and regulatory environment (changes in laws, regulations and company by-laws, primary or secondary regulations of emerging countries, as well as sector-specific regulations including those concerning climate change adaptation and mitigation) may generate negative impacts in terms of profitability, jeopardize the achievement of strategic objectives, compromise the operations of corporate bodies and/or corporate continuity. This risk may arise due to a failure to or inadequate monitoring of developments in regulations concerning the shipping industry (IMO, EU ETS), production processes (CBAM) and sustainability reporting (Decree 254 of 2016, Regulation (EU) 2020/852 (Taxonomy) and CSRD), their misinterpretation and/or inadequate application, or incorrect or untimely transposition of the regulations into corporate processes.

**Management approach**

The Group is obliged to comply with the applicable regulations in the countries where it operates, including those protecting the environment and health and safety at work. Fincantieri bases its product development assessments on the decarbonization strategy and the directives defined by the regulatory bodies. Violations of these rules and regulations could result in civil, tax, administrative or criminal penalties, and have a negative impact on the Group's business and management. Therefore, a system is in place within the Group to monitor and update the regulatory framework (EU ETS and CBAM) every six months. The Group makes use of this information for the design of ship equipment and systems that comply with current and emerging environmental regulations. In addition, analyses of the national regulatory framework of the country of interest are undertaken by the commercial function during the tender and contract management phase to ensure alignment with the specific provisions. As a further risk mitigation factor, Fincantieri plays a proactive role in the **development of international safety regulations**, since it is an accredited representative with the IMO, the United Nations Agency for the Protection of Life at Sea and the Environment. 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. Although it does not directly concern Fincantieri, the Group is paying attention to the **Poseidon Principles**, which establish a reference framework for assessing and reporting on the alignment of direct ship financing with environmental targets. They impact the possibility of receiving support from the financial world; therefore, the Group is focusing on aligning future emissions with IMO trajectories, using recognized sources for the calculation and estimation of emissions, and transparently sharing its emissions portfolio. In line with Net Zero targets, Fincantieri is assessing the feasibility of developing a decarbonization strategy and submitting its decarbonization targets to SBTi. The Group also works towards the EU Taxonomy Regulation 2020/852, which establishes criteria for determining whether an economic activity can be considered environmentally sustainable (also according to the Do No Significant Harm (DMSH) criteria, a principle that ensures that an activity supported for its beneficial effects does not produce undesirable damage to other relevant environmental aspects), creating security for investors and protection against greenwashing. In fact, the Group has worked extensively to meet all requirements and publishes information on the alignment of its economic activities and related Revenues, Opex and Capex in its Sustainability Report every year. In order to provide evidence of environmental compliance, the **'Principles of environmentally sustainable design'** procedure has been established at the pre-contractual design stage to ensure and measure the environmental sustainability of the specific vessel, with the subsequent issue of a document on the environmental profile during post-contractual design, summarizing the results obtained. In addition, the procedure for drafting the Sustainability Report was updated, all in accordance with the international standards of the Global Reporting Initiative updated to 2021. The collection of non-financial information (concerning ESG aspects) is done through software, which is also used for the quarterly monitoring of a reduced set of indicators linked to the Sustainability Plan (KPIs). As regards emission reporting, the **GHG Assist software** was developed in-house to support the calculation of indirect Scope 3 emissions related to the ship product. This tool will soon also be able to calculate the carbon footprint of a ship and was also conceived with a view to its possible sale on the market. Throughout the risk management procedure, audits are carried out by the Internal Audit function and the Multifunctional Working Group is updated to ensure the proper handling of ESG information, including by benchmarking against the reports produced by peers.

**Opportunities**

With regard to future regulations in the field of sustainability, the Group is also working to follow all the guidelines required by the CSRD directive approved in November 2022 and which will apply from 2025, ensuring that the next sustainability report will be prepared in accordance with the European Sustainability Reporting Standards (ESRS), together with the recommendations of the TCFD and future ISSB (International Sustainability Standards Board) standards, as described in IFRSs (International Financial Reporting Standards) S1 and S2. In addition, Fincantieri is already working on the new materiality approach described in CSRD, i.e. dual materiality, describing how the Group generates impacts on the environment, economy and society (inside-out perspective).

7. Reputational risk

TCFD risk category: **Transition Risks – Reputational**

**Description of risk**

Inadequate decarbonization strategy and/or inadequate communication on ESG issues can lead to **'stakeholders' expectations not being met**, particularly those of the financial community, which is increasingly sensitive to climate and energy transition issues. Failure to achieve the objectives of reducing pollutant emissions, maintaining environmental certifications, and having a supply chain that is aligned with the Group's sustainability strategy and values, together with inefficient/ineffective management of relations with local, national and international counterparties (authorities, local associations, institutions, SMEs, etc.) can damage the company's image and reputation, diminish its credibility and creditworthiness, and compromise its competitiveness and operations. In particular, financial stakeholders may require the Company to meet certain technical efficiency criteria for products and processes, and to set even more challenging decarbonization targets in order to access green financial instruments.

**Management approach**

Stakeholders are becoming increasingly sensitive to climate and energy transition issues, and increased concern about the company's sustainable performance or negative feedback from stakeholders can damage the Group. Fincantieri's interest in sustainability is very high; in fact, it has developed a 2023-2027 Sustainability Plan and is working on the **development of decarbonization strategies** as well as concrete actions. Part of the company's good reputation is also linked to its commitment to publicizing its sustainable performance, particularly in relation to climate issues, including by continuously updating the section of its website dedicated to sustainability. In 2023, a specific ESG Communication function was also created within the Corporate Group Strategic Communication Department, with the aim of consolidating and disseminating the Group's ESG identity with a dedicated internal and external communication plan. 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 addition, Fincantieri oversees all the activities involved in drawing up the **Sustainability Report**, integrating the additional information required by rating companies in order to ensure transparency and completeness. The Group carries out audits with key suppliers, requiring compliance with environmental and social regulations, as well as ethics, in line with the sustainability principles Fincantieri has adopted, by signing the Suppliers' Code of Ethics through a specific clause in orders and contracts. Sustainability criteria are integrated into Fincantieri's **supplier evaluation system** through the development of a Sustainable Supply Chain project as an objective of the Sustainability Plan and ESG documentation is requested in a dedicated portal (e-NGAGE). Furthermore, 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. A continuous monitoring of the communication strategy in line with management's vision and market trends is carried out, interfacing with all Group functions and subsidiaries to ensure consistency of the initiatives and fulfilment of investors' and ESG rating agencies' expectations, e.g. the Investor Relations and Sustainability functions seek to maintain a positive reputation in relation to climate issues by responding to the requests from the latter. 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 external perceptions of the Group. The **Sustainability Plan** is periodically revised, with the direct contribution of the functions, in order to externalize and formalize Fincantieri's strategic vision of sustainability and to outline the commitments undertaken by the Group. The Group also reports greenhouse gas emissions for all 3 Scopes, in particular from this year it integrates Scope 3 emissions also with the end-of-life treatment of ships (Category 12, End-of-Life Treatment of Sold Products). Fincantieri has implemented specific projects for the TCFD report, in line with the Task Force's recommendations and international best practices, and is evaluating the possibility of setting GHG emission reduction targets that comply with the requirements of the SBTi initiative. 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, an initiative promoted by Borsa Italiana. Finally, Fincantieri supports the principles of the UN Global Compact, thus becoming the largest shipbuilder, and the first in the cruise sector, to adopt the principles of the Global Compact in its strategy.

**Opportunities**

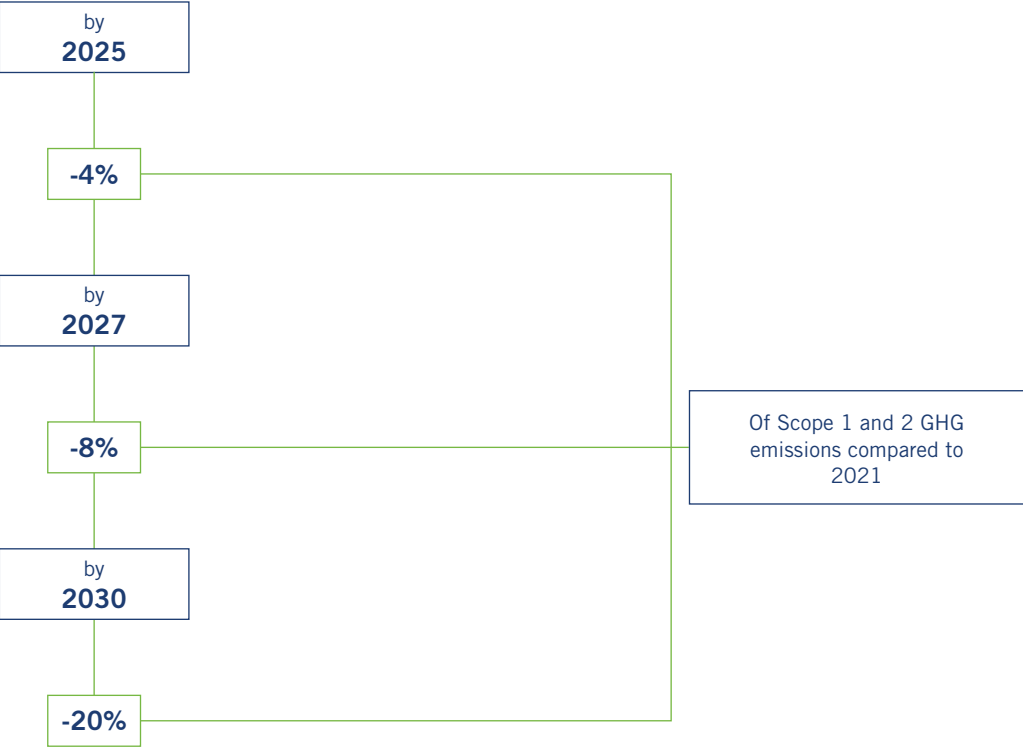
The continuous updating of the Sustainability Plan allows the Group to align itself with the evolution of the international economic, regulatory and social context in which it operates. In addition, Fincantieri, aware of the importance of continuously consolidating relations with its stakeholders, aims to make increasingly complete and exhaustive disclosure, taking the opportunity to strengthen its image by making itself a point of reference on sustainability and climate change issues.

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:

Target



In 2023, 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 (tCO<sub>2</sub>e).

Total GHG emissions (tCO<sub>2</sub>e)

	2021	2022	2022 with Scope 3 on a like-for-like basis*	2023	Var. 2023/2021	Var. 2023/2022
<b>Scope 1</b> Direct emissions from sources owned by or under the control of the Group	122,666	118,461	118,461	118,984	-3.0%	0.4%
<b>Scope 2 - market-based</b> Indirect emissions from electricity consumption	26,258	32,653	32,653	25,975	-1.1%	-20.5%
<b>Total Scope 1 and Scope 2 GHG Emissions</b>	<b>148,924</b>	<b>151,114</b>	<b>151,114</b>	<b>144,959</b>	<b>-2.7%</b>	<b>-4.1%</b>
<b>Scope 3*</b> Other indirect emissions that are generated by the Company's value chain	17,403,264	22,928,859	23,097,367	22,375,935	28.6%	-3.1%
<b>Total GHG emissions</b>	<b>17,552,188</b>	<b>23,079,973</b>	<b>23,248,481</b>	<b>22,520,895</b>	<b>28.3%</b>	<b>-3.1%</b>

The data refer to the entire Fincantieri Group.  
\* The Scope 3 data for 2022 have been presented on a like-for-like basis following the inclusion in Scope 3 of category 12 ('End-of-life treatment of sold products') and the inclusion of the VARD group data in category 1 (Cat. 1 Purchased goods and services); the contribution of transporting electricity from renewable sources was added to category 3. Details are described in the Annex 'GRI Indicators'.

Scope 1 emissions have increased slightly compared to 2022 and relate 92% to fuels, 8% to the company fleet and less than 1% to refrigerant gases (HFC-134a, R407c, R410a, R22, R404a, HFC-32). The increase is mainly attributable to the higher consumption of fuel from vehicles used on shipyards.

The decrease in GHG emissions from Scope 2 recorded in 2023, compared to 2022, is mainly due to the increase in renewable energy certified through Guarantee of Origin (GO) certificates.

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.

The market-based method, on the other hand, involves determining GHG emissions from purchased electricity by considering emission factors expressed in CO<sub>2</sub> 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 1 and Scope 2 GHG emissions over revenue (tCO<sub>2</sub>e/million euro)

	2022	2023	Var. 2023/2022
<b>Total Scope 1-2 over revenue</b>	20.2	18.9	-6.2%

The data refer to the entire Fincantieri Group.





The Group's total Scope 1 and Scope 2 emissions, calculated using the market-based method, on revenues during the financial year amounted to 18.9 tCO<sub>2</sub>e/million euro.

Emissions from **Scope 3** decreased slightly mainly due to the category 'Use of sold products', which includes the estimated emissions for the use of ships delivered in 2023 during their entire life cycle.

The reporting of other indirect Scope 3 emissions refers to the following categories of the GHG Protocol:

- Cat. 1 Purchased goods and services
- Cat. 2 Capital goods
- Cat. 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
- Cat. 4 Upstream transportation and distribution
- Cat. 5 Waste generated in operations
- Cat. 6 Business travel
- Cat. 7 Employee commuting
- Cat.11 Use of sold products
- Cat.12 End-of-life treatment of sold products
- 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 2023 by including the calculation of the end-of-life treatment of sold products.

A specific Scope 3 GHG emission reduction target was included in the 2023-2027 Sustainability Plan. Since Scope 3 category 11 amounts to over 94% of the Group's total emissions, we have set ourselves (considering the 2008 Energy Efficiency Index (EEDI) baseline as defined by IMO) the following target for cruise ships:

- 30% EEDI by 2025
- 40% EEDI and zero emissions in ports by 2030
- net zero emission ships by 2050

In addition to that described for GHG emissions, as envisaged in the 2023-2027 Sustainability Plan we are committing ourselves to using **100% electricity from renewable sources** by 2030.

	2021	2022	2023
Electricity from renewable sources	82%	82%	85%

The data refer to the entire Fincantieri Group.







## Sustainable Management of Natural Resources

### We want to protect the environment, limiting our impacts and promoting initiatives to safeguard biodiversity

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 is binding for all Fincantieri employees, is approved by the Chief Executive Officer of Fincantieri S.p.A. and is addressed to all employees and third parties. It is shared, in particular, through the coordination activities carried out continuously in the various production sites. The Policy dictates the guidelines that the individual units must follow by adopting specific site policies, consistent with their specific characteristics. Italian and foreign subsidiaries may adhere to the principles and inalienable commitments declared by Fincantieri S.p.A., by adopting their own policies that are in line with those aspects that for years have represented the cornerstones of action in Fincantieri sites.



### Health and Safety at Work, Environment and Energy Policy principles

Improving continuously	Continuous improvement of environmental, health and safety at work, and energy performance, promoted through the development of Policies, Guidelines and the adoption of certified Management Systems in accordance with adopted safety standards and regulations.
Meeting stakeholders' expectations	Meeting stakeholder expectations and the formal obligations undertaken by Fincantieri as a fundamental prerequisite for the creation of value and the promotion of sustainable development.
Focus on and pursuit of BAT	Involvement of the necessary resources to ensure the systematic implementation of Best Available Techniques (BAT) and operations to improve energy efficiency.
Promoting awareness of employees and suppliers	Involvement of and awareness-raising among employees and suppliers in the process of safeguarding the Environmental and Occupational Health and Safety and in the process of continually improving energy performance.
Complying with legislative provisions	Compliance with international, national and local legislative provisions in force on this subject.

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](http://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 **89% at Group level**.



For more information on the certified sites, see the website [www.fincantieri.com/en/sustainability/certifications/](http://www.fincantieri.com/en/sustainability/certifications/)

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. In 2023, there were five minor **environmental incidents**, three in the United States and two in Norway, involving hydrocarbon spills into water. They were all promptly managed and all necessary mitigation actions were implemented. No incidents led to sanction actions.





## Environmental aspects

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. To promote 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. The VARD group has defined the **Bigger, Smarter and Greener** strategy in order to conserve and use natural resources sustainably and protect the ecosystem. Greener is the third pillar focusing on sustainable products and production and is divided into three sub-areas: supply of zero- and low-emission ships, green retrofit services and greener production methods.

## Energy

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.

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 2023, the Arsenale Triestino, Ancona, Muggiano and Riva Trigoso shipyards obtained **ISO 50001** certification for their Energy Management System, which requires monitoring of consumption and the continuous improvement of shipyard energy performance, while the Monfalcone, Sestri, Marghera, Palermo and Castellammare di Stabia shipyards maintained the ISO 50001 they had obtained in 2022. In the environmental area, important results were also confirmed in the US, where two plants maintained the **Green Marine** certifications obtained in 2022. In fact, 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, in agreement with the shipyard energy team, produces an energy diagnosis for every site 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;
- **LED lighting:** also prompted by the steep cost increases in 2022, and in contrast to the past, complete relamping initiatives were implemented on a massive scale in the shipyards. In 2023, these initiatives involved the completion of some activities related to previous years at the Ancona and Stabia shipyards, while complete relamping projects were launched at the Muggiano, Palermo, Arsenale Triestino, Marghera, Sestri Ponente and Riva Trigoso shipyards. In addition, limited work was carried out at the Tulcea shipyard in Romania and the project for the complete relamping of the Monfalcone shipyard was started, with completion expected in 2024;
- **energy requalification of the buildings:** start of activities for the requalification of the air-conditioning system in the canteen at the Muggiano shipyard;
- **pneumatic power plant:** inverterization of compressors and consequent optimization of pneumatic power plant management for the Palermo and Arsenale Triestino shipyards and completion of some activities 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. Work has been completed at the Monfalcone shipyard, while the implementation of initiatives at the other shipyards are being considered;
- **converters:** upgrading with more efficient technology the Riva Trigoso shipyard's conversion system with a static converter, resulting in savings of about 335 MWh a year.

## Energy consumption

	Unit of measure	2022	%	2023	%	Var. 2023/2022
Total energy consumption	GJ	3,075,437	100%	3,029,650	100%	-1.5%
of which heating fuels	GJ	1,640,858	53%	1,608,890	53%	-1.9%
of which transportation fuels	GJ	96,172	3%	120,876	4%	25.7%
of which electricity	GJ	1,336,673	44%	1,299,370	43%	-2.8%
of which self-produced thermal energy from renewable sources	GJ	1,733	0%	514	0%	-70.3%

The data refer to the entire Fincantieri Group.



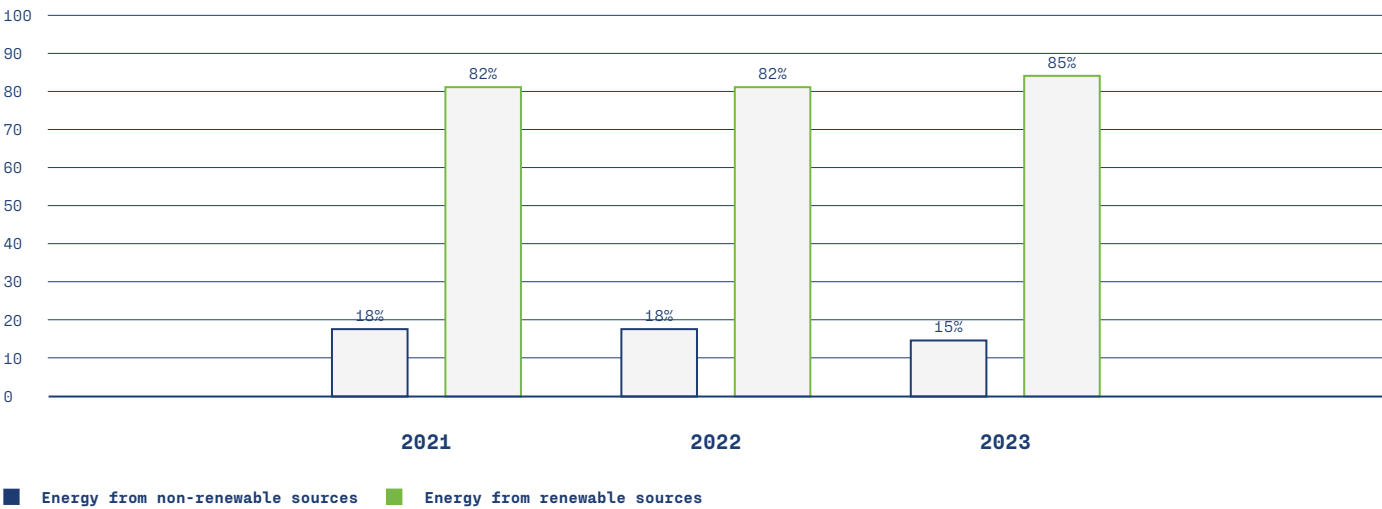
The decrease in self-produced energy from renewable sources recorded in 2023 is due to the outage of the Monfalcone plant, which underwent extraordinary maintenance work. On the other hand, the reduction in thermal fuel consumption can be traced back to lower consumption at US sites due to milder temperatures which resulted in a reduction in natural gas. The increase recorded in consumption for transport fuels is due to the increase in diesel used by the vehicles in the Norwegian shipyards.

Renewable energy: photovoltaic systems

We continue our efforts to steadily increase the use of renewable energy. Fincantieri signed an agreement during the year with the ESCo (Energy Service Company) Renovit for the second phase of the installation of additional photovoltaic systems under an Energy Performance Contract (EPC). They can ensure savings on energy expenditure and contribute to greenhouse gas emissions reduction targets. As a result of the previous first installation phase (contracted in 2022), **18,000 photovoltaic panels** were installed in 2023 out of the 22,000 scheduled in the plan (4,000 panels were postponed to the first half of 2024) at the Marghera, Monfalcone and Sestri Ponente shipyards and the Modugno shipyard of the subsidiary Isotta Fraschini Motori. Studies were also commenced for further expansion of photovoltaic production with feasibility assessments on Solar Belts and/or other initiatives. The panels installed in 2023 have a total capacity of about 8.5 MW. According to the energy produced, self-consumption varies between 75% and 100% and has allowed Fincantieri to achieve energy cost savings, having reduced the annual electricity withdrawal from the national grid by about 3.5 GWh. Actual production is lower than expected (which was 11 GWh), as the plant start-ups were staggered during the year, from March to November 2023. As a result of the additions described above, annual production will lead to a decrease in the withdrawal from the national grid of about 15 GWh.

We are already committed to purchasing electricity from renewable sources certified with Guarantees of Origin (GO) for Italy, Norway, Romania and with RECs for the United States.

Electricity



The data refer to the entire Fincantieri Group.

At Group level, the share of total energy from renewable sources is 37%.

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. Reducing 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 day-to-day virtuous and eco-sustainable behaviour. Following the assessment carried out in 2020 and confirmed in 2023 using the Aqueduct Water Risk Atlas software, the Ancona, Castellammare di Stabia and Palermo shipyards were found to be in **water stress areas**, and that is why their consumption is the subject of particular focus.

Water withdrawal

	Unit of measure	2021		2022		2023		Var. 2023/2021	Var. 2023/2022
		All areas	of which water stress areas*	All areas	of which water stress areas*	All areas	of which water stress areas*		
Total water withdrawal	ML	3,042	319	2,879	278	2,917	256	-4.1%	1.3%
of which from ground-water	ML	909	64	891	59	1,042	72	14.7%	17.0%
of which from third-party water resources (state/municipal water supplies)	ML	2,083	255	1,988	218	1,875	184	-10.0%	-5.7%
of which from the sea	ML	49	0	0	0	0	0	-100.0%	-

The data refer to the entire Fincantieri Group.  
\* 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](http://www.wri.org/our-work/project/aqueduct). The results in the 'water stress' column and those with an 'Extremely high' level were considered for the analysis. The analysis showed that the Ancona, Castellammare di Stabia and Palermo shipyards are at high risk of water stress. The Palermo site uses technical water from groundwater and drinking water supplied through the municipal aqueduct. The shipyard is supplied by the Bernagallo well (province of Palermo), while drinking water is distributed by AMAP, an important source of which is the Scillato springs. The Ancona and Castellammare di Stabia shipyards are supplied solely by the municipal pipeline. For Ancona, the distributor is Viva Servizi, which uses the Gorgovivo spring as one of its main sources, while for Castellammare di Stabia, the distributor is Gori, which uses Santa Maria della Foce, Campo Pozzi Gragnano and the Vesuviana aquifer as sources.

The increase in water withdrawals recorded in 2023, compared to the previous year, is mainly caused by an increase in production at the Vard Vung Tau site (Vietnam) and the Muggiano shipyard, where the higher withdrawal is due to the filling of the on-board tanks for pressing, flushing and cleaning activities. Moreover, an increase in groundwater withdrawal was recorded during 2023 (Monfalcone and Palermo) with a consequent reduction in withdrawals from aqueducts.

64% of the water we use is taken from the municipal/state water supplies and 36% 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 order to conserve water resources, the following Group-wide reduction targets have been included in the 2023-2027 Sustainability Plan, compared to 2021:

- 3% water withdrawal over hours of production by 2025
- 10% water withdrawal over hours of production by 2027
- 12% water withdrawal over hours of production by 2030

Water withdrawal over hours of production

	Unit of measure	2021	2022	2023	Var. 2023/2021	Var. 2023/2022
Water withdrawal over hours of production	ML/hours	0.000097	0.000091	0.000093	-4.0%	+2.2%

The data refer to the entire Fincantieri Group.



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. Specifically, water meters were installed at the Monfalcone, Ancona, Muggiano and Riva Trigoso shipyards. For the Marghera shipyard, remote monitoring instruments of water consumption have been installed so that it can be verified and carefully analysed, while for the Monfalcone shipyard, a review has been initiated for forms of intervention that could be started as early as 2024.



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. 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. In fact, some of the **sheet metal purchased** comes from material with a high percentage of **steel recycled** from scrap. In 2023, we also initiated, through sales contracts between Fincantieri and specialist third-party companies, a virtuous process of **recovering steel** from our shipyards' processing waste. The material is picked up by these companies and sent to the recycling process.

Type of material

	Unit of measure	2022	2023	Var. 2023/2022
Carbon dioxide	t	25,332	23,158	-9%
Argon	m³	1,319,074	1,139,494	-14%
Nitrogen	m³	682,155	795,763	17%*
Ferrous	t	256,292	206,251	-20%
Oxygen	m³	7,116,401	7,134,885	0%
Paints	l	3,265,247	2,890,665	-11%

The data refer to the entire Fincantieri Group.  
\* The increase in nitrogen is due to its increased use at the US shipyard in Sturgeon Bay as an inert gas in ship tanks for LNG bunkering.

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 2023, with regard to the total of the individual shipping requests, the project led to a reduction of 2,095 journeys (corresponding to 720,724 km) and a saving of 481 t of CO<sub>2</sub>, equal to the average CO<sub>2</sub> absorbed in one year by around 80 hectares of forest (Birdsey, R. A., 1992).



Waste

We promote responsible waste management by giving strong emphasis to separate waste collection and waste reduction, particularly hazardous 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

	Unit of measure	2021	%	2022	%	2023	%	Var. 2023/2021	Var. 2023/2022
Total waste	t	148,074	100%	137,944	100%	140,829	100%	-4.8%	2.1%
Non-hazardous	t	121,133	82%	121,148	88%	120,378	85%	-0.6%	-0.6%
Hazardous	t	26,941	18%	16,796	12%	20,452	15%	-24.0%	21.8%

The data refer to the entire Fincantieri Group.

In 2023, total waste at Group level increased by 2.1%, in particular an increase in the share of hazardous waste was recorded for the Marghera shipyard due to the disposal of process water as waste, in particular plant flushing water, which can no longer be managed by public treatment plants.  
In view of the importance of this issue, a specific target to reduce waste produced over hours of production was included in the 2023-2027 Sustainability Plan with targets of -5% in 2025 and -10% in 2027 (compared to 2021).

Waste over hours of production

	Unit of measure	2021	2022	2023	Var. 2023/2021	Var. 2023/2022
Total waste over hours of production	t/hours	0.00472	0.00436	0.00449	-4.8%	3.0%

The data refer to the entire Fincantieri Group.

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.



Sustainability Plan Objective achieved in 2023



Waste reduction

Target	Timing	Perimeter	Description
Maintaining the portion of waste sent for recycling between 80-90% each year	2023-2027	Group	<p>In 2023 at Group level, the share of waste sent for recycling out of the total waste produced remained above 80% thanks to increased sorting at all shipyards. In particular, in Italy the share was 89%. This important result has been achieved by implementing targeted policies, using an extensive recycling collection of processing residues.</p> <p>2021: 87% 2022: 84% 2023: 85%</p>



Waste by disposal method

	Unit of measure	2021	%	2022	%	2023	%	Var. 2023/2021	Var. 2023/2022
Total waste	t	148,074	100%	137,944	100%	140,829	100%	-4.8%	2.1%
Recovery	t	128,490	87%	116,204	84%	119,415	85%	-7.0%	2.8%
Disposal	t	19,584	13%	21,740	16%	21,415	15%	9.4%	-1.5%

The data refer to the entire Fincantieri Group.

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.  
The increase in the share of waste sent for recovery 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.  
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 contract obligations change.  
A **scouting activity** was conducted in 2023 for some initiatives that can be implemented in the Italian shipyards to further **reduce the waste produced**, with a view to the circularity of processing waste.  
The first focus was on **scrap iron** and ferrous material scraps with the intention of making them directly available to steel mills in a 'furnace-ready' cut for reintroduction into production cycles. The operating procedures and management procedures that can be applied in the different operating units concerned are currently being defined.  
Another activity that is being studied is related to scraps of uncontaminated insulation products. We also seek to reintroduce this material into the production cycles of our reference suppliers to ensure that it is reused completely.  
Lastly, with regard to the flushing water for on-board systems, consideration is being given to how suitable closed circuits could be created, which would make it possible to simultaneously reduce the water withdrawal and the disposal of the water used.  
During 2023, in some Italian shipyards, methods have been agreed with the destination facilities to recover waste previously sent for disposal. For example, at the Muggiano shipyard, an analysis of the quantities and types of waste produced and sent for disposal revealed that the largest quantity of waste disposed of was bilge oil. In order to increase the proportion of waste sent for recovery compared to waste sent for disposal, in July 2023, a negotiation was made with the destination facility to manage bilge oils and send them for recovery operations. Similar action was taken at the Riva Trigoso shipyard, with the same result. These practices will be extended to the other Italian shipyards in 2024, after verifying the compatibility of the destination facilities.  
In general, all the shipyards have implemented awareness-raising actions on correct waste disposal and sorting for both Fincantieri and subcontractor personnel, in order to improve separation at source.

The VARD group identifies the optimization of recovery activities as a priority: in 2023, waste sent for recovery amounted to over 80% of the total waste produced, with percentages over 90% in Norway.  
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 share of waste sent for recovery increased from 45% in 2022 to 53%.





Corporate mobility

Our commitment to promoting a model for sustainable mobility management, with the objective of achieving a real reduction of greenhouse gas (GHG) emissions by changing established habits in an environmentally friendly perspective, is constant.

The digital **company car-pooling** service, aimed at the employees of Fincantieri S.p.A. and the Group's Italian subsidiaries, incentivises a sustainable alternative solution for home-work journeys through the responsible use of private cars by several people sharing. The system - which can also be used through a software application for smartphones or tablets - makes it easy for registered 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 commute. 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, giving users the opportunity to certify home/work commute made by bicycle and on foot, and here too access a reward system. To this end, an entire series of computer-based analyses and assessments were completed in 2023 in order to ensure that the rewards were paid out correctly. These activities are essential and preparatory for the reactivation of the platform, expected during 2024, after the temporary suspension of the service due to restrictions to contain the spread of the Coronavirus.

The initiatives implemented in the recent past for the prevention and containment of the COVID virus, which in fact restricted/suspended activities involving the movement of people, made it possible to:

- give priority to tele- or video-conference meetings, thanks in part to the company's significant investments in high-performance technologies;
- regulate the use of smart working;
- give priority to business trips and travel that are strictly necessary and cannot be postponed.

With the pandemic emergency over, the company policy on work-related travel has resumed to encourage the use of **public transport** whenever possible and/or feasible without creating excessive travel difficulties for the employee, thus reducing the use of private cars. This was all possible due to the signing of dedicated agreements with local public transport companies for the activation of additional bus routes/lines.

In this context, it should also be noted that the Company encourages the use of public transport in the area of sustainable mobility, offering employees the opportunity to apply, through the **Welfare Portal**, for full or partial reimbursement of their season ticket for urban public transport or train travel, an opportunity that can be extended to their tax-dependent family members.

Also with a view to sustainable mobility, the various **recharging stations for the batteries** of company electric vehicles located at the various Italian production sites are used constantly and continuously, which benefits the environment, since these electric/hybrid vehicles, as is well known, are less polluting than those equipped exclusively with internal combustion engines.

With regard to the **fleet of company cars** for business and personal use as with the fleet of service vehicles, in Italy the gradual replacement of current vehicles with internal combustion engines only is ongoing, with the aim of having, in the next few years, a vehicle fleet consisting almost entirely of hybrid technology vehicles, including PHEVs (Plug-in Hybrid Electric Vehicles).

As regards subsidiaries, both Fincantieri Marine Group and VARD have a travel policy and adopt multiple measures to reduce travel and thus environmental impacts.

	Unit of measure	2022	%	2023	%	Var. 2023/2022
Total	km	52,661,876	100%	69,531,002	100%	32%
Plane	km	38,861,376	74%	53,087,320	76%	37%
Train	km	3,112,009	6%	5,361,632	8%	72%
Car	km	10,688,490	20%	11,082,050	16%	4%

The data refer to the entire Fincantieri Group.



Business travel increased in 2023 compared to the previous year since all COVID-19 restrictions came to an end, with an upturn in the use of planes and trains, as they are faster and more convenient than travelling by car.

Other emissions of polluting gases

	Unit of measure	2021	2022	2023	Var. 2023/2021	Var. 2023/2022
SOx	t	0.04	0.7	0.9	2036%	22.1%
NOx	t	28.3	32.4	28.7	1.3%	-11.5%
COV	t	787.2	708.4	717.0	-8.9%	1.2%

The data refer to the entire Fincantieri Group.

The increase in **sulphur oxide** (SOx) **emissions** in 2023 is mainly attributable to an increase in fuel consumption (diesel) in Norway and Vietnam, while the decrease in **nitrogen oxide** (NOx) **emissions** is the result of reduced consumption of natural gas in the US, mainly used for heating, due to a milder winter.

A specific objective to reduce Volatile Organic Compounds (VOC) over hours of production was included in the 2023-2027 Sustainability Plan with targets of -3% in 2025 and -5% in 2027 (compared to 2021).

VOC over hours of production

	Unit of measure	2021	2022	2023	Var. 2023/2021	Var. 2023/2022
VOC over hours of production	t/hours	0.0000251	0.0000224	0.0000229	-8.9%	2.1%

The data refer to the entire Fincantieri Group.

Compared to 2021, the baseline of the Plan target, VOC emissions have decreased thanks to initiatives undertaken to replace traditional paint products with low-solvent or water-based solutions. These initiatives involved suppliers, shipyards and shipowners 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.

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**.



## 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.

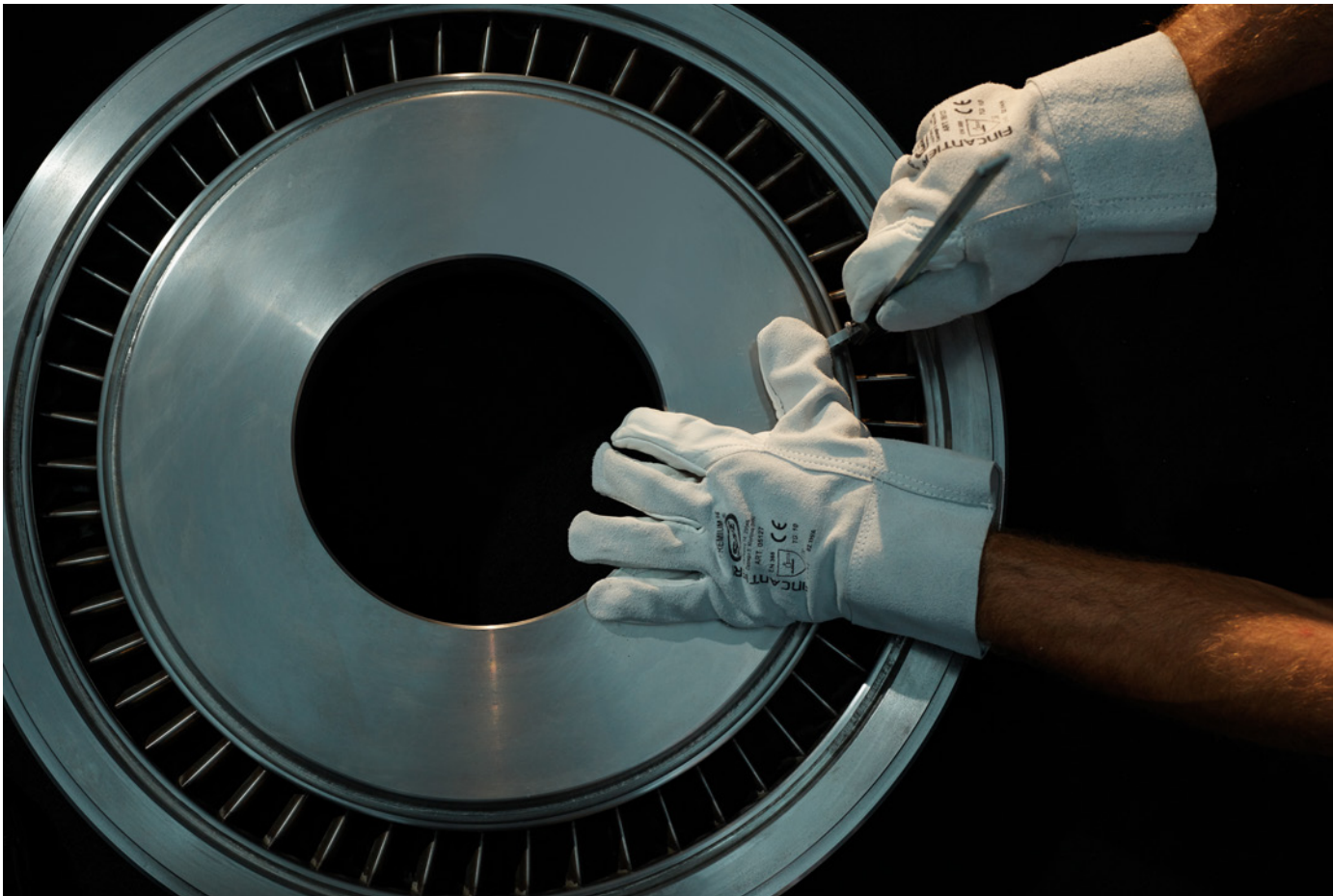
The production sites in Muggiano (surface area of 147,000 m<sup>2</sup>), Riva Trigoso (surface area 173,000 m<sup>2</sup>) and Sestri Ponente (surface area 237,500 m<sup>2</sup>) are inside an International Marine Protected Area – Marine Mammal Sanctuary.

The production site at Marghera (surface area 370,000 m<sup>2</sup>) is located within the UNESCO site - Venice and its Lagoon.

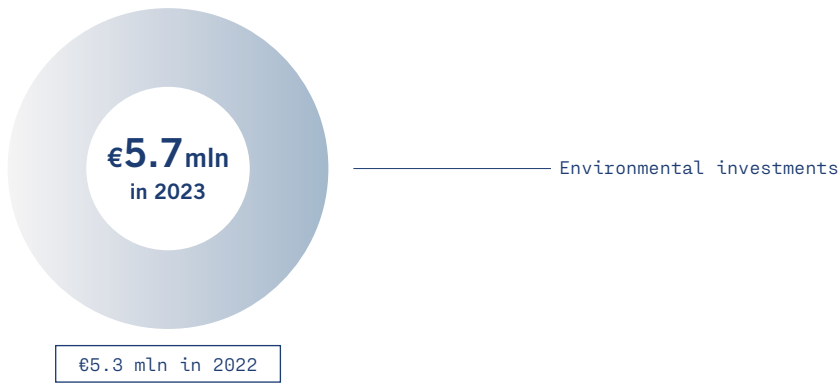
In the United States Fincantieri Marinette Marine is positioned next to the Menomonee, in Wisconsin (for a surface area of 165,500 m<sup>2</sup>), an area that needs to be protected due to the quality of its waters, marshy land and ecosystem of aquatic flora and fauna.

As regards the VARD group, the Tulcea shipyard in Romania (for a surface area of about 750,000 m<sup>2</sup>), 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 m<sup>2</sup> and part of it (250,000 m<sup>2</sup>) 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.



## Sustainable investments



In 2023, Fincantieri consolidated its commitment to implementing actions aimed at continuous improvement in terms of the impacts of its activities on social and environmental aspects. 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 and increased efficiency 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 2023, most of the environmental measures were concentrated on the Muggiano shipyard as regards mainly the following areas:

- continuing the gradual replacement of old generation light fixtures with new, low-consumption LED technology light fixtures;
- 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.

It should also be noted 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.

**Investments in energy efficiency:** with regard to reducing **energy consumption**, we are continuing the robust plan to replace halogen light fixtures with new LED technology light fixtures, initiated in previous years, which, in 2023, mainly involved the Muggiano, Riva Trigoso, Marghera, Palermo and Sestri shipyards. Further significant interventions in this area are planned for 2024.

**Other investments to reduce environmental impacts:** important interventions to reduce environmental impacts focused on (i) Palermo with the refitting of the sandblasting and painting sheds and the construction of a new temporary waste storage facility, and on (ii) Marghera with the continuation of the construction of a new plant for the treatment of first rain water. In addition, construction continued on the new hazardous waste depot in Riva Trigoso.

**Investment in workers' health:** Fincantieri continues to invest annually to **improve working conditions** within its operating units. In this context, 2023 saw the continuation of activities related to AIA at the Monfalcone shipyard and the upgrading of fume extraction systems at the Ancona shipyard.



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 2023 by Group companies are described below:

- further improving the outdoor areas of Fincantieri Infrastructure's headquarters in line with environmental regulations (AUA);
- continuing the gradual replacement of old generation light fixtures with new ones that use LED technology in the production workshops at the Vard Tulcea shipyard.

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 the Fincantieri Group. These principles are applied to the investment evaluations of the entire Fincantieri Group, including subsidiaries.

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.







# Technology for the climate

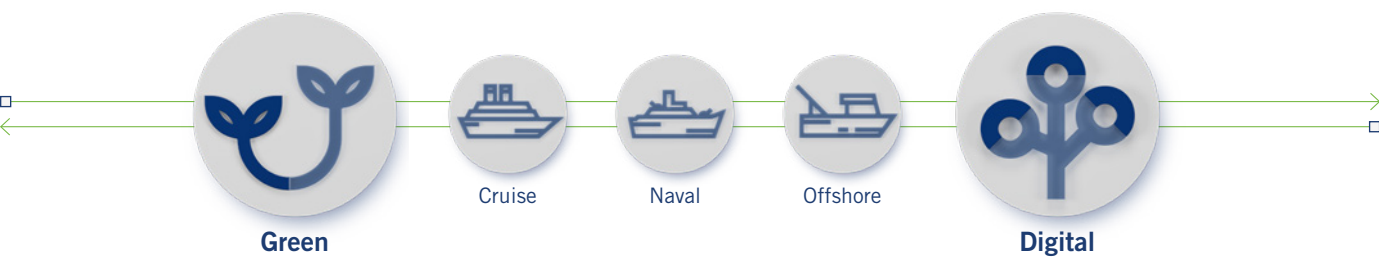
Ecological and digital transition are the two strategic pillars of the 2023-2027 Business Plan because Fincantieri wants to play the role of enabler in the decarbonization strategy and contribute to the fight against climate change through the design and production of eco-sustainable products and services

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

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 produces around 2.8% of maritime transport emissions (IMO – 2020), 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, in July 2023, the **International Maritime Organization** (IMO), which oversees safety and environmental regulations in the maritime sector, revised its **targets to reduce** average CO<sub>2</sub> intensity per tonne/mile, compared to 2008:

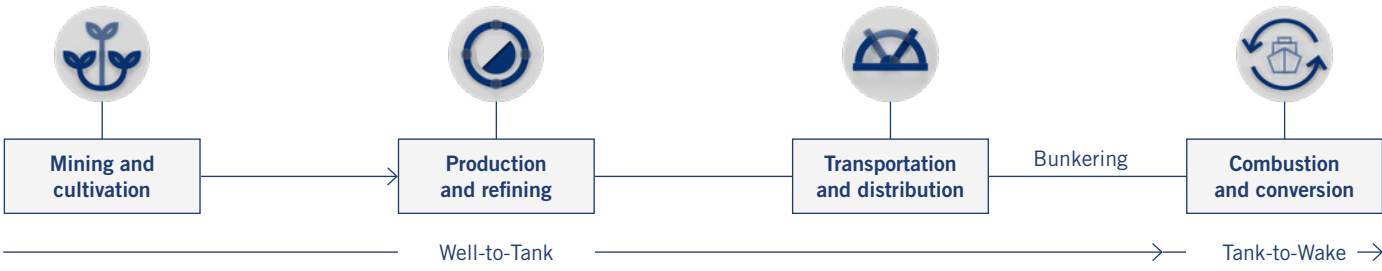
- -30% by 2025;
- -40% by 2030;
- -70% by 2040.

A further objective is the achievement of the **Net Zero target** by 2050. To achieve these goals, the IMO has mandated that by 2030 at least 5% of the fuels used in the maritime sector should have emissions equal to or close to zero, and has defined a guideline for the Life Cycle Assessment (LCA) of fuels, which allows the use of a different approach for calculating CO<sub>2</sub> emissions, namely Well-to-Wake (WtW).



The new IMO guideline: Well-to-Wake (WtW) approach

In 2018, the IMO defined an approach for calculating GHG emissions that assessed only those generated after the fuel was loaded onto the ship; this approach was called Tank-to-Wake (TtW). In 2023, in order to implement an effective adoption program for low-carbon alternative fuels, the IMO developed a guideline that defines a new approach for calculating greenhouse gas emissions throughout the fuel lifecycle called Well-to-Wake (WtW). The **Well-to-Wake** (WtW) approach considers both TtW and Well-to-Tank (WtT) emissions, i.e. those resulting from the acquisition of the raw materials, production, transport, storage and bunkering of the fuel. With this new approach it is possible to calculate the decarbonization benefits (CO<sub>2</sub> absorption/elimination) that can result from the use of synthetic fuels from renewable sources.



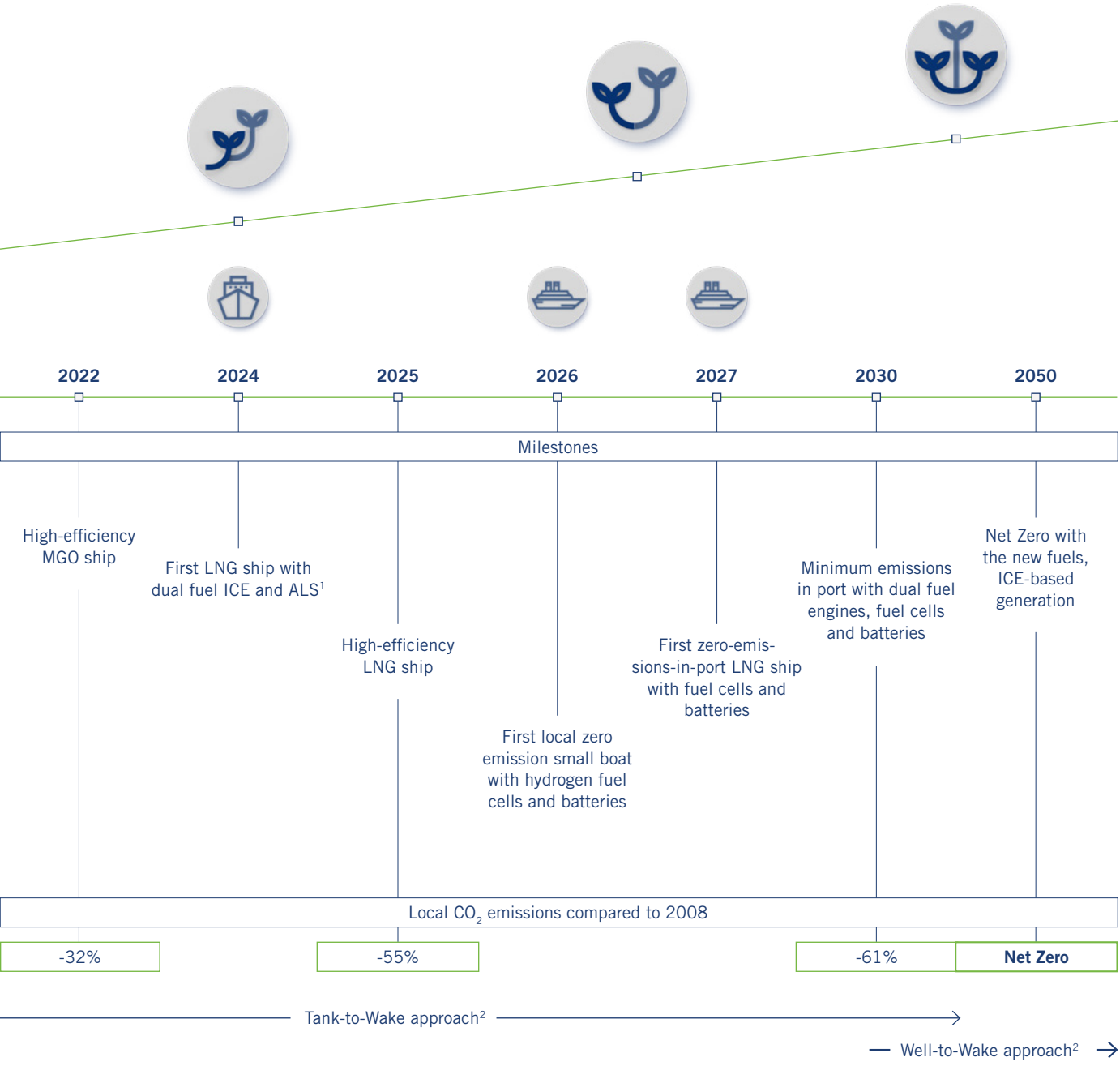
Fonte: IMO Guidelines on life cycle GHG intensity of marine fuels.

In Europe, the decarbonization targets are similar. With the 'Maritime FuelEU' regulation, the European Union aims to reduce the average CO<sub>2</sub> intensity by 80% in 2050, compared to 2020 levels. This legislation encourages ships transiting European ports to use zero-carbon fuels or fuels synthesized from renewable energy sources. The increased ambition set by the latest international regulations is fully reflected in the targets we have committed to achieve for the cruise business in our 2023-2027 Sustainability Plan.



Roadmap to net zero ship

Specific ship to be delivered Expected delivery date based on customer preliminary request



Reduction in emissions based on the "selected standard profile": 63% at sea, 37% in port and compared to Fincantieri's baseline.  
<sup>1</sup> Air Lubrication System.  
<sup>2</sup> The new 2023 IMO Guidelines: Well-to-Wake (WtW) approach as well as Tank-to-Wake (TtW).

Energy saving and reduction of emissions

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.

In a market context that envisages reaching the Net Zero cruise target by 2050, the Group is committed and working to anticipating it with an internal target of 2035, subject to technological, regulatory and infrastructure availability. This challenge requires the involvement of all involved: suppliers, customers, flag authorities, port authorities and other stakeholders.

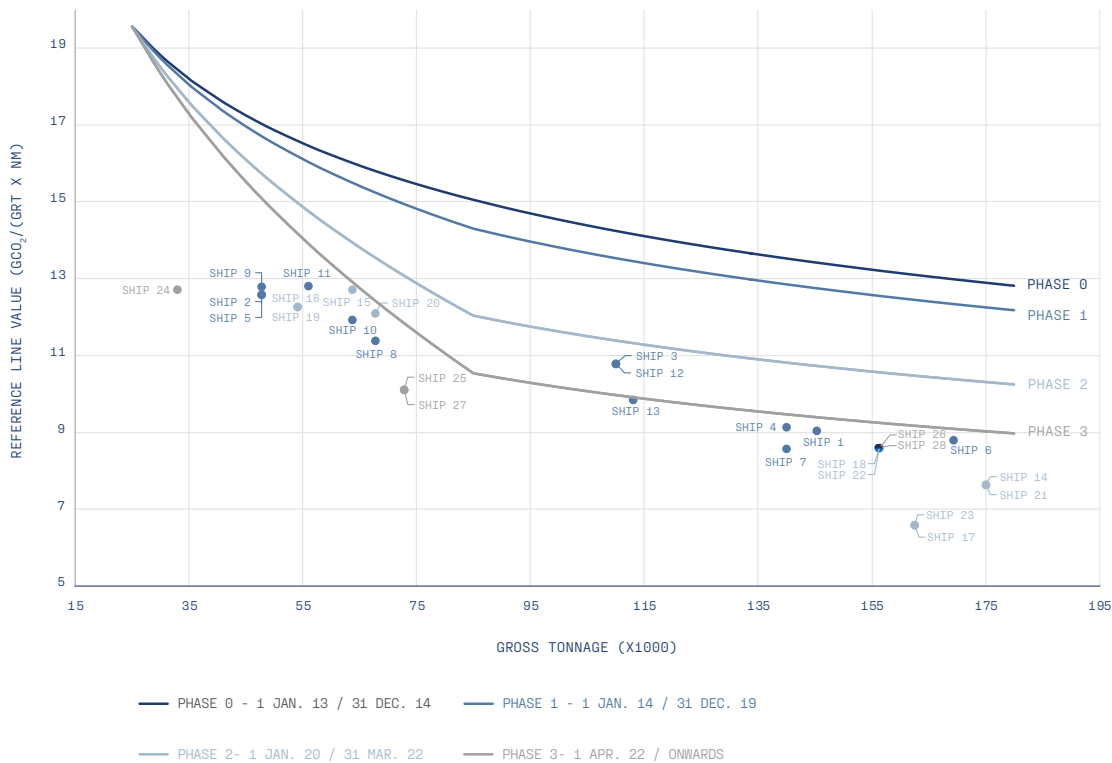
The International Convention for the Prevention of Pollution from ships (MARPOL) aims to prevent and minimize pollution accidental pollution or pollution resulting from routine operations. MARPOL Annex VI sets out the rules for calculating and verifying compliance with the limits set for the energy efficiency 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 or due for delivery in 2022-2027 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 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 implementing or 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		Emission impact by type of power supply		
Purification of exhaust fumes	LNG/dual fuel propulsion	Emissions (diesel cycle)	Heavy fuel oil	LNG
<b>NOx reduction: Catalytic converter</b> in which the nitrogen oxides are made to react with urea in a high temperature process, obtaining pure nitrogen (N <sub>2</sub> ) and water vapour	NOx and SOx Reduction: solutions for future new builds	CO <sub>2</sub> (g/KWh)	560	430
		SOx (g/KWh)	0.9	0.006
<b>SOx reduction: Scrubbers</b> fume scrubbers		NOx (g/KWh)	10.47	2.5

Emission values refer to the limits imposed by the MARPOL regulation.



However, new technologies bring some critical issues that need to be addressed: 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. With reference to 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 development 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.

Methanol and ammonia

The maritime market increasingly demands alternative fuels that can bring a benefit in terms of reducing greenhouse gas emissions. In this area, Fincantieri is developing ships that can also be powered by methanol and ammonia. Methanol is a clean fuel with low emissions of SOx, NOx and PM, which in the Well-to-Wake scenario could result in near-zero CO<sub>2</sub> emissions through the use of bio-methanol or e-methanol. In both the cruise and offshore sectors, some shipowners have already requested that their engines be readied for such fuels in addition to traditional fuel. Ammonia is a carbon-free fuel, i.e. no CO<sub>2</sub> is emitted during the combustion process. Using only renewable resources, even in the ammonia production phase, and not fossil sources (green ammonia), its impact in the Well-to-Wake scenario is zero emissions, achieving the Net Zero target required by the IMO. While we have been able to meet the demands of our customers when it comes to designing and building ammonia-fuelled ships, ammonia regulations are constantly being updated and this fuel is not yet available in large quantities or widely distributed.

Lithium batteries

Another technology we are investing in is lithium batteries. We therefore established the company Power4Future, which covers the entire lithium battery 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

Exclusively	<ul style="list-style-type: none"><li>in port or roadstead;</li><li>or for boats intended for short, repetitive journeys between two charging stations;</li></ul>
To supplement the electric power supplied by other generation systems	<ul style="list-style-type: none"><li>at times of maximum power demand;</li><li>to support rapid power variations, particularly when associated with generation systems with low pick-up/release capabilities in short times such as fuel cells;</li><li>to support specific situations (such as manoeuvring) while keeping fewer generators in service;</li><li>in order to avoid power outages.</li></ul>



The road to hydrogen

Hydrogen, as well as ammonia, is another solution that could enable the maritime transport sector 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 sector by 2030, making waterborne transport completely emission-free by 2050. The project is funded by the Horizon Europe research and innovation program. 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.

Building and ordering ships with new technologies

In recent years, orders for ships with low environmental impact have accelerated, particularly those for dual-fuel ships with LNG primary propulsion. In the past, Fincantieri had already built a special ferry with LNG propulsion for Canada. In particular:

- the Sun Princess, the first LNG-powered cruise ship in the Princess Cruises fleet, a brand of the Carnival Group, was launched in Monfalcone. With a gross tonnage of 175,500 tonnes and the capacity to accommodate around 4,300 passengers, this is the largest ship built in Italy to date. It is scheduled to be delivered in the first quarter of 2024 and its sister ship in 2025;
- also being built in Monfalcone, for the company TUI Cruises (a joint venture between the TUI AG and Royal Caribbean Cruises groups), is the Mein Schiff Relax, the first of 2 new dual-fuel (LNG and Marine Gas Oil) cruise ships with a gross tonnage of approximately 160,000. Delivery is scheduled for 2024 and 2026. The vessels will also be equipped with a shore power connection that will ensure near emission-free operation while in port.

During 2023, the development of the green ship segment was enriched by further orders:

- MSC confirmed to Fincantieri an order for two more ships for the luxury brand Explora Journeys: Explora V and VI fuelled by LNG. They will also be the first ships fuelled by hydrogen and equipped with carbon capture systems, confirming the commitment to achieve zero carbon emissions by 2050;
- Four Seasons has signed a contract to build a second extra-luxury cruise ship, scheduled for delivery by the end of 2026, 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. In particular:

- it delivered Rem Power, a Commissioning Service Operation Vessel (CSOV) equipped with a hybrid propulsion system with diesel generators and batteries, designed for maximum flexibility and efficiency during operations. Sufficient space has been preserved in the ship for future modifications to accommodate energy sources with zero net emissions;
- it is finalizing the outfitting of the first of 8 multi-purpose robotic ships for operator Ocean Infinity. The vessels can be activated from land and are prepared for the future use of green ammonia as an alternative fuel, as well as being equipped with fuel cell technology;
- it signed a contract for a hybrid cable-laying vessel with leading Japanese company Toyo Construction. The ship, with a length of 150 metres, a width of 28 metres and a cable carrying capacity of 9,000 tonnes, will be delivered in the second quarter of 2026. It will be equipped with a large battery pack, a shore power connection and a state-of-the-art energy management system;
- it will build new specialized CSOV hybrid vessels for offshore wind farms, equipped to operate with green methanol, for the Windward Offshore consortium and North Star. The first deliveries are scheduled for 2025.

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.







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.

Solid waste	Liquid waste
<ul style="list-style-type: none"><li>• collection, dehumidification, kitchen waste treatment;</li><li>• sorting and recycling of hotel waste;</li><li>• compaction and/or incineration (where permitted) of solid waste;</li><li>• pelletizing, storage of waste for subsequent unloading in port.</li></ul>	<ul style="list-style-type: none"><li>• physical and biological treatment (in line with the best land standards) of all on-board wastewater (sewage, grey water, kitchen effluents and laundries);</li><li>• storage of purified water;</li><li>• thickening and drying of residual sludge for subsequent unloading in port.</li></ul>

Ballast water treatment

The IMO 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. To this end, the systems installed on board make it possible to minimize impacts on biodiversity and pollution, so as to comply not only with IMO regulations, but also with the United States Coast Guard (USCG) regulations.

Ballast water treatment
<ul style="list-style-type: none"><li>• Latest generation of ballast water treatment systems, based on the pre-filtering of plankton and subsequent sterilization with ultraviolet rays.</li></ul>

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 operating 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	Emission reduction of naval fighting vessel with a displacement from 6,000 tons*	
	CO <sub>2</sub> [t/year]	NOx [t/year]
Optimization of hull lines	~ 2,000	~ 40
Introduction of LED lights		
Painting of superstructures with low sun absorption paints		
Optimized insulation of internal areas		

\* Use profile: 50,000 nautical miles/year.

Areas of intervention to reduce emissions	Emission reduction of auxiliary vessel with a displacement from 27,000 tons*	
	CO <sub>2</sub> [t/year]	NOx [t/year]
Optimization of hull lines	~ 3,500	~ 115
Introduction of LED lights		
Painting of superstructures with low sun absorption paints		
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 can be 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.



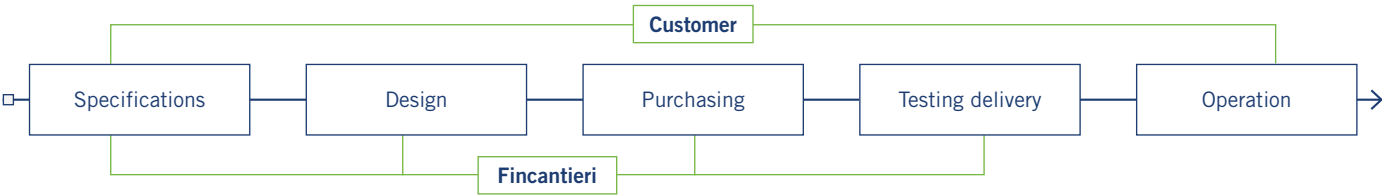




## Eco-design

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 2023, 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, shipowners 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 2023, 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 prime mover in technological innovation and sustainability.

In the field of energy transition, the focus is on the use of alternative fuels in the shipping: following the implementation of LNG, development projects are underway for green fuels such as methanol and **hydrogen**, as well as CO<sub>2</sub> capture issues. Our ambition is to create a new industrial ecosystem, consistent with the objectives of the European Green Deal, to apply the new fuels, including hydrogen, to ship power generation 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, in 2022, 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). The project was launched in 2023.





Fincantieri also signed an agreement with **Rina** and the clean nuclear technology company **newcleo** to conduct a feasibility study on the application of nuclear technologies in the shipping industry. Under this agreement, the three companies combine their extensive international expertise and experience in innovation to jointly carry out this study involving the analysis of the technology involving small modular reactors (SMR) that are lead cooled. The use of the innovative lead-cooled fast reactor (LFR) for ship propulsion would require the installation of an enclosed mini-reactor on ships, which would function in the same way as a small nuclear battery capable of producing electrical power of 30 MW. In addition to reducing carbon emissions in the shipping industry, this solution would require sporadic refuelling (only once every 10-15 years), very little maintenance and easy replacement of the reactor at its end of life.

Since 2022, Fincantieri has been 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 (NRRP), 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.

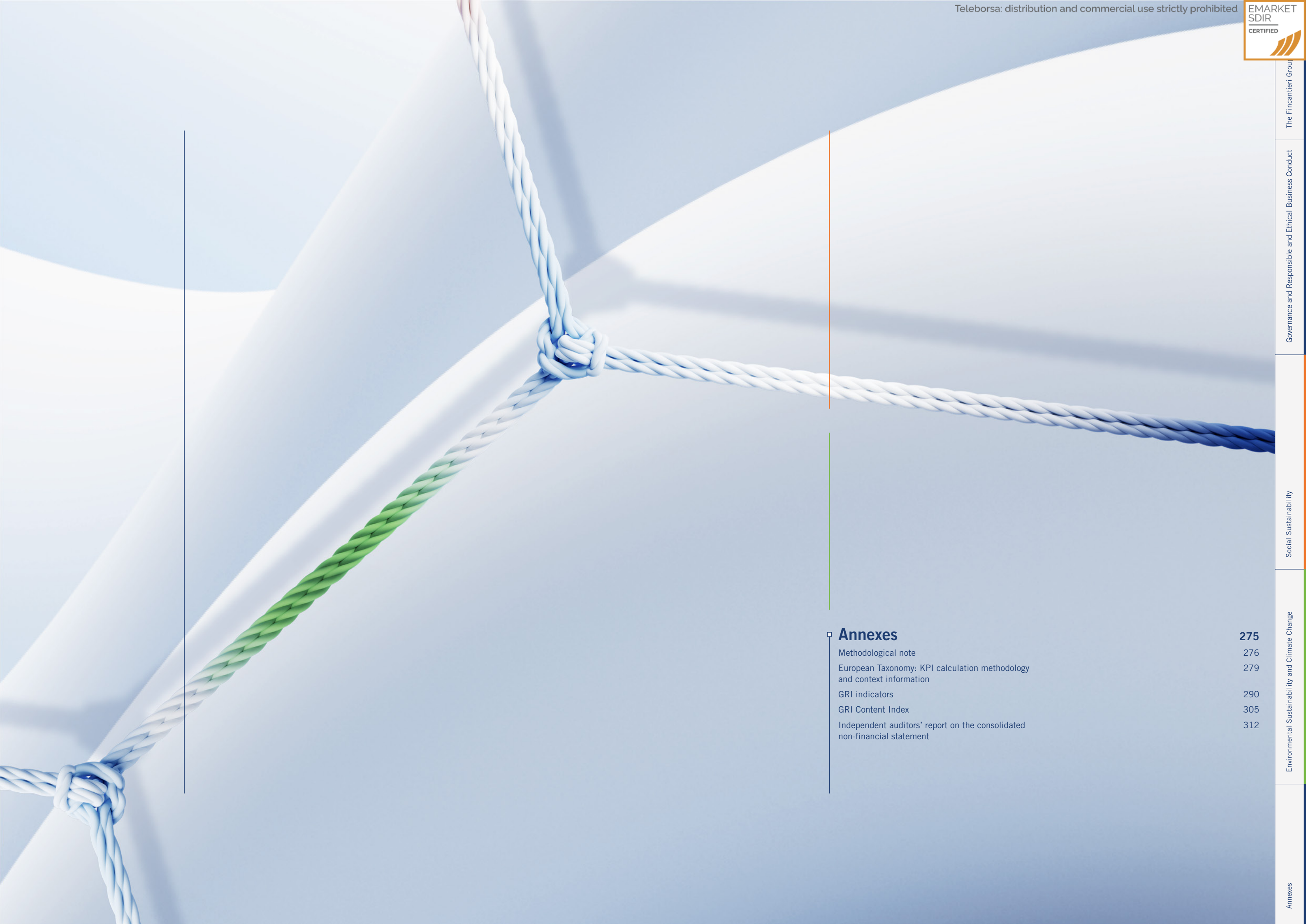
Moreover, through its subsidiary Fincantieri NexTech, Fincantieri continued its partnership with Al maviva and Leonardo, based on an agreement signed in 2022, for **integrated and innovative digital solutions** applied to the static and dynamic monitoring and safety of the country's critical transport 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.

In the area of digitalization, in 2023, Fincantieri also renewed its strategic agreement with Comau for the development of mobile robotic machines and solutions for unstructured environments. The collaboration has been ongoing since 2021, when a first letter of intent was signed. The first result of the joint collaboration was also presented at the Automatica exhibition in 2023: **MR4Weld (Mobile Robot for Weld)**, an innovative automation solution for outdoor environments, designed to improve the quality, performance and wellbeing of operators during labour-intensive welding activities.

Working groups were also formed with leading **Original Equipment Manufacturers (OEMs)** for the introduction of new fuels in shipping. Specifically, an agreement was signed with Wärtsilä to define a joint commercial offer for the conversion to alternative fuels in order to improve the environmental performance of ships in operation. Together with Ambrosetti and other partners, Fincantieri has launched the **'Floating Offshore Wind Community'** initiative for the activation of the offshore wind sector in the Mediterranean Sea as a tool supporting decarbonization, a new strategic opportunity that could see Fincantieri enhance and put at the service of the country's economic system and that of Europe the expertise already developed in the construction of offshore vessels, combined with its ability to build the new-generation floating wind platforms that could be anchored off the Italian coast to contribute to the production of clean energy from wind in accordance with the objectives set by the European Commission and the Integrated National Energy and Climate Plan (PNIEC).







□ <b>Annexes</b>	<b>275</b>
Methodological note	276
European Taxonomy: KPI calculation methodology and context information	279
GRI indicators	290
GRI Content Index	305
Independent auditors' report on the consolidated non-financial statement	312

Methodological note

The seventh Sustainability Report of the Fincantieri Group, approved by the Board of Directors on March 7<sup>th</sup>, 2024, 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 2023 financial year (from January 1<sup>st</sup> to December 31<sup>st</sup>, 2023). 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 art. 3 of the Decree. As required by art. 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 or 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 art. 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.

It should be noted that Fincantieri Group will have to apply the new Corporate Sustainability Reporting Directive (CSRD) from the financial year starting on January 1<sup>st</sup>, 2024. In this regard, in February the Group started mapping the requirements envisaged by the CSRD and the European Sustainability Standard (ESRS) in order to identify the information that the Group will have to integrate with reference to the 2024 financial year and define an action plan to ensure compliance with the new legislation.

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 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 2023 Sustainability Report describes the initiatives implemented to achieve the objectives of the 2023-2027 Sustainability Plan with a 2023 final or intermediate deadline.

During 2023, we completed the alignment with the **Task Force on Climate-related Financial Disclosures** (TCFD), which guides companies in reporting on climate change management-related information. In particular, the chapter 'Fincantieri for the climate: Report TCFD' described governance, strategy, risk management and climate change-related metrics and targets.

As required by Article 8 of the **European Regulation 2020/852 - Taxonomy** in the financial year 2023, in continuity with 2022, the Fincantieri Group has reported the portion of Revenues, Capital Expenditure (Capex) and Operating Expenditure (Opex) of the activities that potentially contribute to the achievement of the environmental objectives envisaged by the Taxonomy, "Taxonomy-Eligible". The share of these indicators relating to activity '3.3 Manufacture of low-carbon technologies for transport', which contributes substantially to achieving the Climate Change Mitigation 'Taxonomy-Aligned' objective, was also published. An activity is considered 'Taxonomy-Aligned' if, in addition to contributing substantially to at least one of the environmental objectives, it complies with the technical screening criteria set by the European Commission, does not cause significant harm (DNSH) to the remaining objectives, and is carried out in compliance with the Minimum Safeguards.

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.

The Sustainability Report has been prepared in accordance with a specific internal procedure that defines the roles, responsibilities and operating procedures to be followed by the personnel of Fincantieri S.p.A. and its subsidiaries in order to ensure the proper management of all data useful for the preparation of the document. The reporting process is supported by computer software that enables 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 a 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 scope of consolidation used for the Consolidated Financial Statements. Environmental data refer to the entire Fincantieri Group, with the exception of Power4Future, which entered the consolidation in 2023. 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 2023 in the section 'Companies Included in the Scope of Consolidation' available on the website [www.fincantieri.com/en/investors-relations/financial-statements/](http://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 2023, Report on Corporate Governance and Ownership Structure 2024, Report on Remuneration Policy and on fees paid 2024, available on the Group's website ([www.fincantieri.com](http://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.

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) and updated to July 2023 in the study 'Fincantieri: the socio-economic impact of a global player. Shipbuilding at the service of the country'. 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.

The coefficients have been updated, where necessary, for indicators 302-1 – Energy consumption within the organization (DEFRA 2023, Min. Environment 2023), 305-1 Direct (Scope 1) GHG emissions (DEFRA 2023, Min. Environment 2023 and Ecoinvent 3.9.1 – IPCC 2021) and 305-2 – Energy indirect (Scope 2) GHG emissions (Location-Based – Terna 2019) (Market-Based – European Residual Mix 2022 – AIB 2023).





The disclosure for the 305-3 Other indirect (Scope 3) GHG emissions GRI indicator has been expanded for 2023 and revised on a like-for-like basis for 2022, based on the GHG Protocol categories. In particular, for 'Purchased goods and services' (DEFRA 2023) the scope for the calculation of emissions has been extended to include VARD ships, and emissions from the 'End of life treatment of sold products' category have been included in the calculation (DEFRA 2023 and Ecoinvent 3.9.1-IPCC 2021); the contribution of transporting electricity from renewable sources was added (DEFRA 2023) for 'Fuel and energy related activities' (not included in Scope 1 or Scope 2).

For the other Scope 3 categories, the coefficients have been updated, where necessary, for 'Employee commuting' (DEFRA 2023), 'Capital goods' (Emission Factor – Eurostat – Consumption-based accounting tool – March 2023), 'Fuel and energy related activities' (DEFRA 2023), 'Upstream transportation 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 2023), 'Business travel' (DEFRA 2023) and others (water withdrawal) (DEFRA 2023) already calculated by the 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 art. 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](mailto:sustainability@fincantieri.it)

European Taxonomy: KPI calculation methodology and context information

The Taxonomy requires the Group's taxonomy-aligned and/or taxonomy-eligible activities to be represented through three key performance indicators (**KPIs**) structured according to the specifications indicated in art. 8 of the Delegated Regulation:

- **revenues;**
- capital expenditure (hereinafter also referred to as '**Capex**'); and
- operating expenditure (hereinafter also referred to as '**Opex**').

Please note that for the current reporting year, comparative figures with the previous year will be presented for both eligibility and alignment. As already mentioned, verification of the eligibility and alignment of the Group's economic activities was carried out with reference to the climate change mitigation objective: the KPIs referring to this objective are presented below.



For further information, please refer to the chapter 'European Taxonomy'

Revenues

Definition and reconciliation

The numerator of the KPI corresponds to the eligible and aligned revenues 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 2023 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 in question was generated through the accounting system used by the Group. The allocation to the various activities was performed by considering the revenues generated by each company from transactions with third parties and verifying their conformity and possible alignment with the criteria established by the Taxonomy. The clear identifiability of the nature of the revenue allowed for a precise reconciliation without estimates.

Other background information

In the context of activity 3.3 concerning the 'Manufacture of low carbon technologies for transport', it is confirmed that revenue is recorded in accordance with IFRS 15 'Revenue from Contracts with Customers', which was adopted by the Group in relation to the operations carried out.

Capex

Definition and reconciliation

The Taxonomy characterises capital expenditure (Capex) as the increases recorded in tangible assets, intangible assets and rights of use during the year, before considering depreciation, amortization, impairment and revaluation. It also includes increases in tangible and intangible assets resulting from company mergers. The KPI numerator represents the share of capital expenditure related to eligible activities, possibly aligned, 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

Capital expenditures related to the economic activities in the Taxonomy, in particular in the shipbuilding segment, were allocated in a precise manner, specifically concerning the shipyards where the construction of the ships identified as complying with the Taxonomy is carried out, such as Monfalcone, Marghera, Sestri Ponente and Ancona. For the other Group companies, all capital expenditure was taken into account, to which a proxy was then applied based on the share of revenues from third parties, if any, and the share of intercompany revenues relating to eligible/aligned expenditure, if any.

The analysis of the percentage of revenues from third parties made it possible to determine the potential portion of eligible, and possibly aligned, capital expenditure to be allocated to the economic activities effectively carried out by the subsidiary.





In accordance with the anticipated regulatory provisions, it was deemed appropriate to consider that, in the event that a company contributes to the implementation of the activity 'Manufacture of low-carbon technologies for transport', a reasonable part of the capital expenditure incurred by it should be allocated to this specific activity, based on the share of intercompany revenues associated with the vessels involved. On the basis of this consideration and the eligibility and alignment percentages obtained for activity 3.3, the share of eligible, and possibly aligned, capital expenditure for the fulfilment of the Group's core business was then determined.

By means of a careful analysis of the costs incurred by each Group company, capital expenditures falling under category C, not counted in the proxy for Capex in activity 3.3 described above, were finally verified in order to avoid so-called double counting. The Group has identified that a portion of the costs incurred can be attributed to capital investments for the acquisition of products from taxonomy-aligned economic activities and specific initiatives that favour the reduction of carbon emissions or the achievement of greenhouse gas reductions. The eligible economic activities involved in these costs are listed in the chapter 'European Taxonomy'.

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 revenues of the economic activities identified.

#### Other background information

It should be noted that there is no Capex in the following categories:

- IAS 40 'Investment Property', paragraph 76(a) and (b) (for the fair value model);
- IAS 40 'Investment Property', paragraph 79(d)(i) and (ii) (for the cost model);
- IAS 41 'Agriculture', paragraph 50(b) and (e).

## Opex

#### Definition and reconciliation

The Taxonomy defines the third reporting KPI as the portion of operating expenditure associated with aligned activities or the capital expenditure plan (Capex plan). According to Regulation (EU) 2021/2178, operating expenditure are considered as direct non-capitalized costs related to building renovation, research and development, short-term rental, maintenance and repair. In addition, any other direct expenditure related to the day-to-day maintenance of property, plant and equipment, either by the company itself or by third parties to whom such tasks are outsourced, falls within the same perimeter. Research expenditure not capitalized but expensed in the income statement was also identified. The method used to identify the Fincantieri Group's operating expenditure involves analysing all accounts in the management accounting system, identifying all items falling within the categories listed above.

#### Allocation

In order to ensure linearity in the economic reconciliation process, the proxies related to revenues described in the 'Capex' section were applied to the amounts resulting from the analysis described above. These analyses made it possible to determine the possible fraction of eligible, and possibly aligned, operating expenditure to be allocated to the economic activities specifically conducted by each Group company, as well as the share of operating expenditure incurred by them in preparation for the execution of the Group's main economic activity (Manufacture of low-carbon technologies for transport). This expenditure is categorized in the following sectors:

#### Breakdown of amounts included in the Opex numerator

Activities (euro/000)	Opex
Research and development	62,589
Maintenance	23,171
Consumables and other	29,281
Rentals	8,267
Cleaning services	22,585
<b>Total</b>	<b>145,892</b>





Template – Proportion of revenues from products or services associated with taxonomy-aligned economic activities – Disclosure for FY 2023

Financial Year 2023			Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	Code	Turnover	Proportion of Turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
Text		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	1,096,446	14.3%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.3%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,096,446	14.3%	14.3%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%		
of which enabling		1,096,446	14.3%	14.3%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%	E	
of which transitional			-	-						-	-	-	-	-	-	-	-		T

**A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	2,805	0.04%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.09%		
Manufacture of low carbon technologies for transport	CCM 3.3	3,122,153	40.81%	EL	EL	N/EL	N/EL	N/EL	N/EL								46.18%		
Manufacture of batteries	CCM 3.4	260	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	7,372	0.10%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	140,709	1.84%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Close to market research, development and innovation	CCM 9.1	15,352	0.20%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.18%		
Professional services related to energy performance of buildings	CCM 9.3	6,897	0.09%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.06%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,295,548	43.1%	43.1%	-	-	-	-	-								47%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		4,391,994	57.4%	57.4%	-	-	-	-	-								54%		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Turnover of Taxonomy non-eligible activities	3,258,752	42.6%
TOTAL	7,650,746	100%

Template – Proportion of Capex from products or services associated with Taxonomy-aligned economic activities – Disclosure covering year 2023

Financial Year 2023			Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	Code	Capex	Proportion of Capex, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible Capex, year 2022	Category enabling activity	Category transitional activity
Text		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	Y; N;	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	7,714	2.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,714	2.7%	2.7%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%		
of which enabling		7,714	2.7%	2.7%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	5%	E	
of which transitional			-	-						-	-	-	-	-	-	-	-		T

**A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	885	0.31%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of low carbon technologies for transport	CCM 3.3	57,171	20.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								31%		
Manufacture of batteries	CCM 3.4	5,624	1.99%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	2	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of wastewater collection and treatment	CCM 5.3	178	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	146	0.05%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	13,652	4.82%	EL	EL	N/EL	N/EL	N/EL	N/EL								10%		
Renovation of existing buildings	CCM 7.2	7,436	2.63%	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3,622	1.28%	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	256	0.09%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data processing, hosting and related activities	CCM 8.1	55	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Close to market research, development and innovation	CCM 9.1	49	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	CCM 9.3	22	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		89,100	31.5%	31.5%	-	-	-	-	-								43%		
A. Capex of Taxonomy eligible activities (A.1+A.2)		96,814	34.2%	34.2%	-	-	-	-	-								48%		

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**

Capex of Taxonomy non-eligible activities	186,295	65.8%
TOTAL	283,109	100%

Template – Proportion of Opex from products or services associated with Taxonomy-aligned economic activities – Disclosure covering year 2023

Financial Year 2023			Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")								
Economic Activities	Code	Opex	Proportion of Opex, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Opex, year 2022	Category enabling activity	Category transitional activity
Text		€ 000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Manufacture of low carbon technologies for transport	CCM 3.3	28,342	13.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.31%	E	
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		28,342	13.1%	13.1%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%		
of which enabling		28,342	13.1%	13.1%	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	7%	E	
of which transitional		-	-	-						-	-	-	-	-	-	-	-		T

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	293	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Manufacture of low carbon technologies for transport	CCM 3.3	110,480	50.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								57.19%		
Manufacture of batteries	CCM 3.4	1,213	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of wastewater collection and treatment	CCM 5.3	11	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	2,575	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2	19	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1,784	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data processing, hosting and related activities	CCM 8.1	13	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Close to market research, development and innovation	CCM 9.1	1.039	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.11%		
Professional services related to energy performance of buildings	CCM 9.3	122	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		117,550	54.2%	54.2%	-	-	-	-	-								57%		
A.Opex of Taxonomy eligible activities (A.1+A.2)		145,892	67.3%	67.3%	-	-	-	-	-								65%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Opex of Taxonomy non-eligible activities	71,009	32.7%
TOTAL	216,901	100%

ANNEX XII  
(energy sector)

Regulation (EU) 2022/1214, which amends the Delegated Regulation (EU) 2021/2139, introduces the methods of reporting information on economic activities related to nuclear energy and fossil gas. In the specific case of Fincantieri, a check was carried out on a like-for-like basis with the other economic activities in order to verify the alignment or eligibility of these activities.

Template 1 - Nuclear and fossil gas related activities.

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES





Template 2 - Taxonomy-aligned economic activities (denominator) for the Revenues

Economic activities		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount		Amount		Amount	
		(€ thousand)	%	(€ thousand)	%	(€ thousand)	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the Revenues	1,096,446	14.3%	1,096,446	14.3%	-	0%
8.	Total applicable Revenues	7,650,746	100%	7,650,746	100%	-	0%

Template 3 - Taxonomy-aligned economic activities (numerator) for the Revenues

Economic activities		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount		Amount		Amount	
		(€ thousand)	%	(€ thousand)	%	(€ thousand)	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the Revenues	-	0%	-	0%	-	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the numerator of the Revenues	1,096,446	100%	1,096,446	100%	-	0%
8.	Total amount and proportion of taxonomy aligned economic activities in the numerator of the Revenues	1,096,446	100%	1,096,446	100%	-	0%



Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities for the Revenues

Economic activities		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€ thousand)	%	Amount (€ thousand)	%	Amount (€ thousand)	%
1.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
2.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
3.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
4.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
5.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	7,372	0.10%	7,372	0.10%	-	0%
6.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%	-	0%	-	0%
7.	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the Revenues</b>	<b>3,288,176</b>	<b>43%</b>	<b>3,288,176</b>	<b>43%</b>	<b>-</b>	<b>0%</b>
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the Revenues</b>	<b>3,295,548</b>	<b>43%</b>	<b>3,295,548</b>	<b>43%</b>	<b>-</b>	<b>0%</b>

Template 5 - Taxonomy non-eligible economic activities for the Revenues

Economic activities		Amount (€ thousand)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenues	-	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Revenues	-	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the Revenues</b>	<b>3,258,752</b>	<b>42.59%</b>
8.	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the Revenues</b>	<b>3,258,752</b>	<b>42.59%</b>



GRI indicators

SOCIAL					
2-7 Employees					
EMPLOYEES BY GEOGRAPHIC AREA					
	2022		2023		Var.2023/2022
	Number of employees		Number of employees		
Italy	10,905	52.4%	11,112	52.4%	1.9%
Norway	1,244	6.0%	1,262	5.9%	1.4%
Romania	4,401	21.2%	4,376	20.6%	-0.6%
Rest of Europe	225	1.1%	229	1.1%	1.8%
North America	2,377	11.4%	2,475	11.7%	4.1%
South America	534	2.6%	566	2.7%	6.0%
Asia, Africa and Oceania	1,106	5.3%	1,195	5.6%	8.0%
TOTAL	20,792	100%	21,215	100%	2.0%

The data refer to all the employees of the Fincantieri Group employed at the end of the year.

EMPLOYEES BY TYPE OF CONTRACT												
	Permanent				Fixed term				Non-guaranteed hours		Total	
	Full-time		Part-time		Full-time		Part-time					
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	10,553	10,817	202	213	145	78	5	4	0	0	10,905	11,112
Norway	1,160	1,193	41	50	30	15	13	4	0	0	1,244	1,262
Romania	4,133	3,907	8	6	254	460	6	3	0	0	4,401	4,376
Rest of Europe	172	174	10	10	42	45	1	0	0	0	225	229
North America	2,366	2,457	9	9	0	9	2	0	0	0	2,377	2,475
South America	444	504	0	0	85	59	0	0	5	3	534	566
Asia, Africa and Oceania	646	674	1	1	455	520	0	0	4	0	1,106	1,195
TOTAL	19,474	19,726	271	289	1,011	1,186	27	11	9	3	20,792	21,215
Incidence %	93.7%	93.0%	1.3%	1.4%	4.9%	5.6%	0.1%	0.1%	0.0%	0.0%	100%	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY TYPE OF CONTRACT – WOMEN												
	Permanent				Fixed term				Non-guaranteed hours		Total	
	Full-time		Part-time		Full-time		Part-time					
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	1,140	1,213	178	182	21	17	5	1	0	0	1,344	1,413
Norway	184	200	19	22	4	5	2	1	0	0	209	228
Romania	841	790	2	1	20	42	2	1	0	0	865	834
Rest of Europe	27	32	5	5	4	4	1	0	0	0	37	41
North America	471	506	2	2	0	0	1	0	0	0	474	508
South America	34	28	0	0	0	1	0	0	0	0	34	29
Asia, Africa and Oceania	46	49	1	1	17	29	0	0	0	0	64	79
TOTAL	2,743	2,818	207	213	66	98	11	3	0	0	3,027	3,132
Incidence %	90.6%	90.0%	6.8%	6.8%	2.2%	3.1%	0.4%	0.1%	0.0%	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	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	329	330	656	721	6,301	6,460	3,619	3,601	10,905	11,112
Norway	18	18	100	113	694	738	432	393	1,244	1,262
Romania	16	14	56	46	1,144	1,132	3,185	3,184	4,401	4,376
Rest of Europe	6	6	29	29	118	129	72	65	225	229
North America	72	78	305	293	778	836	1,222	1,268	2,377	2,475
South America	2	2	5	5	97	88	430	471	534	566
Asia, Africa and Oceania	9	9	76	81	165	173	856	932	1,106	1,195
TOTAL	452	457	1,227	1,288	9,297	9,556	9,816	9,914	20,792	21,215
Incidence %	2.2%	2.2%	5.9%	6.1%	44.7%	45.0%	47.2%	46.7%	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	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Italy	20	22	95	114	1,207	1,257	22	20	1,344	1,413
Norway	2	3	18	20	158	175	31	30	209	228
Romania	4	4	16	10	414	411	431	409	865	834
Rest of Europe	0	0	3	4	34	37	0	0	37	41
North America	7	11	58	51	252	282	157	164	474	508
South America	0	0	0	0	26	23	8	6	34	29
Asia, Africa and Oceania	2	2	7	9	55	62	0	6	64	79
TOTAL	35	42	197	208	2,146	2,247	649	635	3,027	3,132
Incidence %	7.7%	9.2%	16.1%	16.1%	23.1%	23.5%	6.6%	6.4%	14.6%	14.8%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY AGE GROUP								
	≤ 30		31-49		≥ 50		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Italy	1,100	1,188	5,976	5,681	3,829	4,243	10,905	11,112
Norway	236	238	567	593	441	431	1,244	1,262
Romania	518	510	2,229	2,242	1,654	1,624	4,401	4,376
Rest of Europe	35	38	146	147	44	44	225	229
North America	460	499	1,092	1,159	825	817	2,377	2,475
South America	78	94	375	358	81	114	534	566
Asia, Africa and Oceania	292	311	760	814	54	70	1,106	1,195
TOTAL	2,719	2,878	11,145	10,994	6,928	7,343	20,792	21,215
Incidence %	13.1%	13.6%	53.6%	51.8%	33.3%	34.6%	100%	100%

The data refer to the entire Fincantieri Group.

EMPLOYEES BY AGE GROUP – WOMEN								
	≤ 30		31-49		≥ 50		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Italy	264	264	784	807	296	342	1,344	1,413
Norway	41	44	105	126	63	58	209	228
Romania	127	109	431	438	307	287	865	834
Rest of Europe	3	5	32	31	2	5	37	41
North America	115	117	232	247	127	144	474	508
South America	7	6	22	19	5	4	34	29
Asia, Africa and Oceania	12	13	44	57	8	9	64	79
TOTAL	569	558	1,650	1,725	808	849	3,027	3,132
Incidence %	18.8%	17.8%	54.5%	55.1%	26.7%	27.1%	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	
	2022	2023	2022	2023	2022	2023
Italy	4.3%	4.2%	6.0%	5.2%	3.5%	3.5%
Norway	0%	0%	0%	0%	0%	0%
Romania	0.5%	0.6%	0.5%	0.8%	0.5%	0.2%
Rest of Europe	1.3%	2.2%	0%	2.4%	1.3%	2.2%
North America	8.5%	10.5%	13.7%	14.8%	5.9%	6.0%
South America	0.7%	0.5%	2.9%	3.4%	0.7%	0.5%
Asia, Africa and Oceania	1.1%	0.8%	12.5%	8.9%	0%	0.2%
TOTAL	3.5%	3.6%	5.2%	5.3%	2.7%	2.6%

The data refer to the entire Fincantieri Group.



Employment
401-1 New employee hires and employee turnover

HIRES									
	≤ 30		31-49		≥ 50		Total		Var.2023/ 2022
	2022	2023	2022	2023	2022	2023	2022	2023	
Italy	360	367	348	322	83	102	791	791	0%
Norway	54	66	86	94	38	36	178	196	10.1%
Romania	153	251	195	281	102	155	450	687	52.7%
Rest of Europe	19	19	32	22	6	7	57	48	-15.8%
North America	317	366	378	426	198	148	893	940	5.3%
South America	74	54	210	105	40	35	324	194	-40.1%
Asia, Africa and Oceania	158	103	105	75	3	4	266	182	-31.6%
TOTAL	1,135	1,226	1,354	1,325	470	487	2,959	3,038	2.7%

The data refer to the entire Fincantieri Group.

TERMINATIONS									
	≤ 30		31-49		≥ 50		Total		Var.2023/ 2022
	2022	2023	2022	2023	2022	2023	2022	2023	
Italy	113	109	288	284	167	199	568	592	4.2%
Norway	45	40	95	61	64	58	204	159	-22.1%
Romania	218	183	481	250	336	280	1,035	713	-31.1%
Rest of Europe	15	9	21	22	9	13	45	44	-2.2%
North America	214	267	316	367	190	207	720	841	16.8%
South America	38	37	83	107	24	18	145	162	11.7%
Asia, Africa and Oceania	41	50	80	42	5	1	126	93	-26.2%
Total	684	695	1,364	1,133	795	776	2,843	2,604	-8.4%

The data refer to the entire Fincantieri Group.

HIRES - WOMEN									
	≤ 30		31-49		≥ 50		Total		Var.2023/ 2022
	2022	2023	2022	2023	2022	2023	2022	2023	
Italy	90	81	73	69	9	11	172	161	-6.4%
Norway	16	14	19	31	6	8	41	53	29.3%
Romania	12	25	24	23	13	28	49	76	55.1%
Rest of Europe	2	3	7	4	0	2	9	9	0%
North America	96	94	92	111	33	25	221	230	4.1%
South America	0	2	6	0	0	0	6	2	-66.7%
Asia, Africa and Oceania	7	6	8	12	0	1	15	19	26.7%
TOTAL	223	225	229	250	61	75	513	550	7.2%

The data refer to the entire Fincantieri Group.

TERMINATIONS - WOMEN									
	≤ 30		31-49		≥ 50		Total		Var.2023/ 2022
	2022	2023	2022	2023	2022	2023	2022	2023	
Italy	26	26	58	57	15	10	99	93	-6.1%
Norway	11	6	21	12	8	10	40	28	-30.0%
Romania	18	20	39	23	88	64	145	107	-26.2%
Rest of Europe	1	1	8	3	1	1	10	5	-50.0%
North America	58	78	70	94	21	28	149	200	34.2%
South America	0	1	2	5	0	0	2	6	200.0%
Asia, Africa and Oceania	0	1	9	4	0	0	9	5	-44.4%
TOTAL	114	133	207	198	133	113	454	444	-2.2%

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.

At Group level, a total of 3,038 resources were recruited in 2023, of which 550 were women. The rate of new employee hires was 14.3% (18.1% for women) while the turnover was 12.3% (17.1% for women).

Occupational health and safety

403-9 Work-related injuries

HEALTH AND SAFETY INDICATORS

	Italy	Norway	Romania	Rest of Europe	North America	South America	Asia, Africa and Oceania	Total
2022								
Frequency rate (injury rate) (LTIFR)	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 (LTSR)	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
Injury rate for total injuries (work-related and organized travel)	11.2	12.3	1.0	10.5	9.3	7.1	4.0	8.2
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
2023								
Frequency rate (injury rate) (LTIFR)	8.2	5.3	1.5	4.7	6.5	20.8	4.4	6.6
Rate of high-consequence work-related injuries	0.3	0.0	0.0	2.3	0.0	0.0	0.4	0.2
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0	0	0
Severity index (LTSR)	0.3	0.0	0.1	0.1	0.1	0.1	0.1	0.2
Number of total injuries (work-related and organized travel)	160	12	11	2	29	21	10	245
Injury rate for total injuries (work-related and organized travel)	8.2	5.3	1.5	4.7	6.5	20.8	4.4	6.6
Number of recordable work-related injuries	160	12	11	2	29	21	10	245
-of which high-consequence work-related injuries	5	0	0	1	0	0	1	7
-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

HEALTH AND SAFETY INDICATORS – WOMEN

	Italy	Norway	Romania	Rest of Europe	North America	South America	Asia, Africa and Oceania	Total
2022								
Frequency rate (injury rate) (LTIFR)	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 (LTSR)	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
Injury rate for total injuries (work-related and organized travel)	0.0	0.0	0.7	37.5	2.3	0.0	0.0	0.3
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
2023								
Frequency rate (injury rate) (LTIFR)	2.6	0.0	2.9	0.0	2.3	0.0	0.0	2.4
Rate of high-consequence work-related injuries	0	0	0	0	0	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0	0	0	0	0
Severity index (LTSR)	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.1
Number of total injuries (work-related and organized travel)	6	0	4	0	2	0	0	12
Injury rate for total injuries (work-related and organized travel)	2.6	0.0	2.9	0.0	2.3	0.0	0.0	2.4
Number of recordable work-related injuries	6	0	4	0	2	0	0	12
-of which high-consequence work-related injuries	0	0	0	0	0	0	0	0
-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



HEALTH AND SAFETY INDICATORS – NON EMPLOYEES								
	Italy	Norway	Romania	Rest of Europe	North America	South America	Asia, Africa and Oceania	Total
2022								
Frequency rate (injury rate) (LTIFR)	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 fatalities 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
2023								
Frequency rate (injury rate) (LTIFR)	10.5	5.9	0.0	5.2	5.2	12.8	9.0	9.4
Rate of high-consequence work-related injuries	0.1	0.0	0.0	0.0	0.0	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
Number of recordable work-related injuries	526	16	0	1	7	1	12	563
- of which high-consequence work-related injuries	4	0	0	0	0	0	0	4
- of which fatalities as a result of work-related injuries	1	0	0	0	0	0	0	1
Number of injuries - women	12	0	0	0	0	0	0	12
Number of non-employees trained on health and safety	18,604	642	6,487	6	3,331	16	1,912	30,998

The data refer to the entire Fincantieri Group.

With regard to injuries to of non-employee personnel, 563 injuries were recorded in the workplace at Group level in 2023.

In 2023, a fatal accident occurred at the Valeggio sul Mincio site involving an employee of a contractor. 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 frequency rate (injury rate) was calculated as: (no. of work-related injuries/hours worked) \* 1,000,000 and was evaluated as the Lost Time Index Frequency Rate (LTIFR), i.e. considering the sum of injuries at work with at least one lost working day.

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

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

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

The injury rate for total injuries (work-related and organized travel) was calculated as: (number of work-related injuries and organized travel by the Company/hours worked) \* 1,000,000.

The hours worked by employees at Group level in 2022 totalled 36,357,533, while they came to 37,358,739 in 2023. The hours non-employees (workers of outside firms who access the sites) worked at Group level in 2022 totalled 60,917,017, while they came to 60,202,035 in 2023.

Training and education

404-1 Average hours of training per year per employee

TOTAL HOURS OF TRAINING			
	2022	2023	Var 2023/2022
Senior Managers	14,992	17,662	17.5%
Middle managers	47,271	37,069	-21.6%
White collar employees	226,603	367,939	62.4%
Blue collar employees	225,341	366,968	62.8%
TOTAL	514,207	789,598	53.6%

TOTAL HOURS OF TRAINING - WOMEN			
	2022	2023	Var 2023/2022
Senior Managers	1,186	1,748	47.4%
Middle managers	8,728	6,192	-29.0%
White collar employees	57,253	72,028	25.8%
Blue collar employees	25,198	34,164	35.6%
TOTAL	92,364	114,132	23.6%

AVERAGE HOURS OF TRAINING			
	2022	2023	Var 2023/2022
Senior Managers	33.2	38.6	16.3%
Middle managers	38.5	28.8	-25.3%
White collar employees	24.4	38.5	58.0%
Blue collar employees	23.0	37.0	61.2%
TOTAL	24.7	37.2	50.5%

AVERAGE HOURS OF TRAINING – WOMEN			
	2022	2023	Var 2023/2022
Senior Managers	33.9	41.6	22.8%
Middle managers	44.3	29.8	-32.8%
White collar employees	26.7	32.1	20.2%
Blue collar employees	38.8	53.8	38.6%
TOTAL	30.5	36.4	19.4%

The data refer to the entire Fincantieri Group.

ENVIRONMENT				
302-1 Energy consumption within the organization				
Type	Measurement unit	2022	2023	Var. 2023/2022
Acetylene	GJ	30,580	32,737	7.1%
Natural gas	GJ	674,209	592,045	-12.2%
Diesel	GJ	707,714	830,650	17.4%
LPG	GJ	10,520	10,748	2.2%
LNG	GJ	8,860	8,071	-8.9%
Fuel oil	GJ	208,975	134,639	-35.6%
TOTAL HEATING FUEL ENERGY	GJ	1,640,858	1,608,890	-1.9%
Petrol	GJ	4,794	6,187	29.0%
Diesel	GJ	91,378	114,689	25.5%
TOTAL ENERGY FOR TRANSPORT	GJ	96,172	120,876	25.7%
TOTAL THERMAL ENERGY SELF-PRODUCED	GJ	1.733	514	-70,3%
TOTAL ELECTRICITY	GJ	1,336,673	1,299,370	-2.8%
of which from renewable sources	GJ	1,089,515	1,094,542	0.5%
TOTAL ENERGY	GJ	3,075,437	3,029,650	-1.5%

The data refer to the entire Fincantieri Group.  
Energy consumption varies according to production loads.  
The following conversion factors were considered to calculate consumption:  
• Source: ISPRA 2023 (Min ambiente 2023) for consumption in Italy  
• Source: DEFRA 2023 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
Replacement of light fixtures with LEDs - Phase 3 Marghera	kWh	2021	615,922	109,182	506,740	82%
Installation of remote control of mobile extractors Monfalcone	kWh	2021	3,006,619	2,555,626	450,993	15%
Relamping with LED lamps Centro MAS Ancona	kWh	2021	888,800	450,900	437,900	49%
Relamping with LED lamps Panel Line-WAR and Profiling Castellammare di Stabia	kWh	2021	854,040	166,869	687,171	80%
Relamping with LED lamps UMO Workshop Palermo	kWh	2021	535,920	84,787	451,133	84%
Relamping with LED lamps NAV Workshop Palermo	kWh	2021	597,960	101,868	496,092	83%
Completion of relamping with LED lamps Palermo	kWh	2021	510,781	120,197	390,584	76%
Relamping with LED lamps Arsenale Triestino	kWh	2021	47,279	10,281	36,998	78%
Relamping with LED lamps Naval and Prefabrication Workshop Muggiano	kWh	2021	619,080	112,614	506,466	82%
Relamping with LED lamps Muggiano	kWh	2021	800,910	148,221	652,689	81%
Relamping with LED lamps Vard Tulcea	kWh	2021	40,750	17,100	23,650	58%
Compressor revamping Sestri Ponente	kWh	2021	1,437,971	952,812	485,159	34%
Compressor revamping Arsenal Triestino	kWh	2021	36,800	28,200	8,600	23%
Static converter 60 Hz Riva Trigoso	kWh	2021	785,910	450,349	335,561	43%
TOTAL			10,778,742	5,309,006	5,469,736	51%

The data refer to the entire Fincantieri Group.

305-1 Direct (Scope 1) GHG emissions				
Category	Measurement unit	2022	2023	Var. 2023/2022
Scope 1	tCO <sub>2</sub> e	118,461	118,984	0.4%

The data refer to the entire Fincantieri Group.



Fugitive emissions of refrigerant gases

Type (kg)	2022	2023	Var. 2023/2022
Consumption of insulating gas SF6	0	0	-
Consumption of new refrigerant gas HFC-134a	441	11	-97.4%
Consumption of new refrigerant gas HFC-143a	0	0	-
Consumption of new refrigerant gas HFC-32	8	11	43.3%
Consumption of new refrigerant gas R22	0	0	-
Consumption of new refrigerant gas R404a	1	5	314.4%
Consumption of new refrigerant gas R407c	209	123	-41.0%
Consumption of new refrigerant gas R410a	170	141	-17.0%
Consumption of new refrigerant gas R422d	0	0	-
Consumption of new refrigerant gas R507	0	0	-

The data refer to the entire Fincantieri Group.

305-2 Indirect (Scope 2) GHG emissions

Category	Measurement unit	2022	2023	Var. 2023/2022
Scope 2 Market-Based	tCO <sub>2</sub> e	32,653	25,975	-20.5%
Scope 2 Location-Based	tCO <sub>2</sub> e	112,204	106,877	-4.8%

The data refer to the entire Fincantieri Group.

305-3 Indirect (Scope 3) GHG emissions

Category (tCO <sub>2</sub> e)		2022	2022 on a like-for-like basis*	2023	%	Var. 2023/2022
Cat.1	Purchased goods and services	997,708	1,146,525	1,036,342	4.63%	-9.6%
Cat.2	Capital goods	56,186	56,186	70,158	0.31%	24.9%
Cat.3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	30,866	32,881	30,588	0.14%	-7.0%
Cat.4	Upstream transportation and distribution	25,280	25,280	27,698	0.12%	9.6%
Cat.5	Waste generated in operations	6,707	6,707	7,258	0.03%	8.2%
Cat.6	Business travel	5,548	5,548	8,110	0.04%	46.2%
Cat.7	Employee commuting	7,526	7,526	7,564	0.03%	0.5%
Cat.11	Use of sold products	21,798,611	21,798,611	21,173,247	94.63%	-2.9%
Cat.12	End-of-life treatment of sold products		17,676	14,455	0.06%	-18.2%
	Other (Water withdrawal)	429	429	515	0.002%	20.3%
TOTAL SCOPE 3 GHG EMISSIONS		22,928,859	23,097,367	22,375,935	100%	-3.1%

\* The 2022 Scope 3 figures have been reclassified for comparative purposes following the expansion of the reporting (inclusion of VARD ships in Cat.1 and introduction of Cat.12 'End-of-life treatment of sold products'; the contribution of electricity transport from renewable sources has been added to Scope 3. 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. 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.2 – the data refer to the entire Fincantieri Group.
- 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 ships 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.
- Cat.12 – the data refer to emissions from the disposal phase after the lifecycle of the ship delivered by the Fincantieri Group. For each ship, the emission was estimated based on the carbon footprint of its components during the disposal phase.
- 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 01.01.2023 to 31.12.2023.
GRI 1 used	GRI 1: Fundamental Principles 2021
Applicable GRI sector standards	-

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2 – GENERAL DISCLOSURES - VERSION 2021	2-1 Organizational details	Fincantieri S.p.A. 10-11; 22-23				
	2-2 Entities included in the organization's sustainability reporting	10-11; 22-25; 276-278				
	2-3 Reporting period, frequency and contact point	276-278				
	2-4 Restatements of information	276-278				
	2-5 External assurance	312-315				
	2-6 Activities, value chain and other business relationships	10-11; 22-25; 130-145; 188-205; 276-278				
	2-7 Employees	148-149; 290-291				
	2-8 Workers who are not employees	145 In 2023 a total of more than 78,000 non-employee workers entered our production sites or companies, 22% 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 1,537 temporary agency workers of whom 149 were women, 162 trainees of whom 38 were women and 740 other external collaborators of whom 55 were women.				
	2-9 Governance structure and composition	34-35; 64-71				
	2-10 Nomination and selection of the highest governance body	66-67				
2-11 Chair of the highest governance body	64-70 The Chairman is not a senior manager in the organization of the Company.					
2-12 Role of the highest governance body in overseeing the management of impacts	64-69					
2-13 Delegation of responsibility for managing impacts	34-35; 64-69					
2-14 Role of the highest governance body in sustainability reporting	34-35; 66-69; 276-278					
2-15 Conflicts of interest	70					
2-16 Communication of critical concerns	66-68; 85-86; 93-94					
2-17 Collective knowledge of the highest governance body	66-71; 86					
2-18 Evaluation of the performance of the highest governance body	64-71					
2-19 Remuneration policies	72-74					



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2 – GENERAL DISCLOSURES - VERSION 2021	2-20 Process to determine remuneration	72-74				
		Mr. Folgiero holds both the position of Chief Executive Officer and General Manager. The remuneration of the Chief Executive Officer and General Manager is made up of:	GRI 2.21 a.	a. Information not available/incomplete at Group level.	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.	
		<ul style="list-style-type: none"><li>a fixed component of €1,050,000, of which €450,000 for the role of Director and €600,000 for the role of General Manager; 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 General Manager);</li><li>a long-term variable component, the fair value of which for the III Plan 2022-2024 – Cycle II (2023-2025), calculated upon the achievement of performance targets, is €270,972. In light of the above, the ratio of the theoretical total remuneration for the role of Chief Executive Officer and for the role of General Manager to the median of the total annual compensation of employees is 64.</li></ul>				
	2-21 Annual total compensation ratio	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 General Manager. For the 2023 financial year, 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 is zero.				
	2-22 Statement on sustainable development strategy	8-9; 16-19; 52-61				
	2-23 Policy commitments	66; 72-74; 79; 83-85; 101; 116; 120; 131; 170; 198-199; 206				
	2-24 Embedding policy commitments	34-35; 46; 54-61; 66; 83-92; 101-102; 131; 170; 198-200; 206				
		46; 66; 83-94; 101-102; 131; 170; 198-200; 206				
	2-25 Processes to remediate negative impacts	384 employment disputes are reported relating to employees and former employees for a total value of over €210 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	93-94; 126; 156; 276-278				
	2-27 Compliance with laws and regulations	83-89 The Group adopts all the necessary precautions and procedures for the best management of activities in compliance with the applicable regulations. In fact, no cases of non-compliance with laws and regulations were found in 2023. It should be noted that, in 2023, one of the instalments relating to the monetary penalty for an economic and tax dispute received in 2022 in the amount of approximately €30,000 was paid. No significant fines were received during the year for non-compliance with environmental laws and regulations.				
	2-28 Membership associations	40; 126-128				
	2-29 Approach to stakeholder engagement	36-40				
2-30 Collective bargaining agreements	181					

GRI STANDARD	DISCLOSURE	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	41-45				
	3-2 List of material topics	43-45				
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	104-105; 118; 155				
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	104-105				
GRI 202: MARKET PRESENCE 2016	202-2 Proportion of senior management hired from the local community	155				
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-2 Significant indirect economic impacts	118				
2016						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	130-145				
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of expenditure on local suppliers	144				
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	83-86; 116-117				
GRI 205: ANTICORRUPTION 2016	205-2 Communication and training about Anticorruption policies and procedures	85-86				
	205-3 Confirmed accidents of corruption and actions taken	86				
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No fines or sanctions have been received for actions related to anti-competitive behavior, antitrust activities and monopolistic practices during the reporting period.				
	207-1 Approach to tax	116-117				
	207-2 Tax governance, control, and risk management	116-117				
	207-3 Stakeholder engagement and management of concerns related to tax	116-117				
	207-4 Country-by-country reporting	116-117	207-4 a. b. c.	a. b. Information is not available as required by GRI.	a. b. Information has been provided at the geographic area level in line with the other GRI indicators.	a. b. c. The Group is committed to providing the indicators as requested by GRI in the near future.

GRI STANDARD	DISCLOSURE	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	240-247; 252				
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	247				
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	242-244; 300				
	302-4 Reduction of energy consumption	243; 301				
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	244-246				
	303-2 Management of water discharge-related impacts	246				
	303-3 Water withdrawal	245				
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	252				
MATERIAL TOPIC: CLIMATE CHANGE						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	218-238				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	237; 301				
	305-2 Energy indirect (Scope 2) GHG emissions	237; 302				
	305-3 Other indirect (Scope 3) GHG emissions	237-238; 303				
	305-4 GHG emissions intensity	237				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	251				
MATERIAL TOPIC: ENVIRONMENTAL MANAGEMENT						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	248-249				
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	248-249				
	306-2 Management of significant waste-related impacts	248-249				
	306-3 Waste generated	248-249				
MATERIAL TOPIC: SUSTAINABLE SUPPLY CHAIN						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	130-145				
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	133-136				
	308-2 Negative environmental impacts in the supply chain and actions taken	135-141				
MATERIAL TOPIC: COMPANY WELFARE						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	148-149; 177-178				
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	154-155; 294-295				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	177-178				
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	148-154				
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	182				



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: HEALTH AND SAFETY IN THE WORKPLACE						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	170-176				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	170				
	403-2 Hazard identification, risk assessment, and accidents investigation	170-174				
	403-3 Occupational health services	174				
	403-4 Worker participation, consultation, and communication on occupational health and safety	171-174				
	403-5 Worker training on occupational health and safety	158; 170-176				
	403-6 Promotion of worker health	170-176				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	170-176				
	403-9 Work-related injuries	174; 296-298				
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	157-161				
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	157-158; 299				
	404-3 Percentage of employees receiving regular performance and career development reviews	160-161				
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	164-169				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	69; 168; 291-293				
	405-2 Ratio of basic salary and remuneration of women to men	184-185				
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	93-94				
MATERIAL TOPIC: DEVELOPMENT AND SAFEGUARDING OF HUMAN RESOURCES						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	180-181				
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	181				
MATERIAL TOPIC: LOCAL COMMUNITIES AND RELATIONS WITH THE LOCAL AREA						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	206-207				
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	206				
MATERIAL TOPIC: HUMAN RIGHTS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	130-145				
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	133-136				
	414-2 Negative social impacts in the supply chain and actions taken	135-141				
MATERIAL TOPIC: GOVERNANCE AND BUSINESS INTEGRITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	83-84				
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	In 2023, the Group did not donate significant sums (greater than €10,000) to political parties where permitted by law.				

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			REF NO. SECTOR STANDARD GRI
			REQUIREMENTS OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: PRODUCT QUALITY AND SAFETY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	192-201				
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	192-201				
MATERIAL TOPIC: CYBER SECURITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	99-101				
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	99-101	During 2023, 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	120-123				
MATERIAL TOPIC: CUSTOMER SATISFACTION						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	202-203				
MATERIAL TOPIC: ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	256-272				



Deloitte & Touche S.p.A.  
Viale Giovanni Paolo II, 3/7  
33100 Udine  
Italia

Tel: +39 0432 1487711  
Fax: +39 0432 1487712  
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, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 7, 2024 (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” of the NFS.

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

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata (“DTTL”), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche “Deloitte Global”) non fornisce servizi ai clienti. Si invita a leggere l’informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all’indirizzo [www.deloitte.com/about](http://www.deloitte.com/about).

© Deloitte & Touche S.p.A.



Auditor’s Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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.

During the year covered by this assurance engagement, our auditing firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained 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 as of December 31, 2023;
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;
- 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 the subsidiaries SOF S.p.A. and Vard Group AS, 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 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 the Group companies Fincantieri S.p.A., SOF S.p.A. e Vard Group AS - Headquarter and Brattvåg 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 met with management and 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, 2023 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.



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” of the NFS.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Barbara Moscardi**  
Partner

Udine, Italy  
March 25, 2024

*This report has been translated into the English language solely for the convenience of international readers.*

