

Rome, 24 November 2009

## **Key Points of the Finmeccanica Group 2008 Sustainability Report**

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### **Economic Dimension**

The sustainability of Finmeccanica's business is based on two important elements: on the one hand, the excellence and innovative content of its offer, and on the other, the quality of relations with its customers. The group is aware of the particular attention paid to its business activities concerning products and services for defence, and therefore takes particular care to provide information to its stakeholders. In Italy, this issue is regulated by Law 185/90, unanimously considered one of the most rigorous pieces of legislation in this field at international level. In this regard, Law 185 prohibits the provision of military technology that may be used for offensive purposes to non-government parties. Finmeccanica goes well beyond simple compliance with this regulation, and has adopted a series of voluntary commitments that ensure the highest level of risk control. In particular:

- it establishes industrial and commercial relations only with countries whose governments are recognised by the European Union, excluding without exception any relations with countries or, to an even greater extent, private parties not able to provide adequate assurances relating to democracy, the respect of human rights and the prevention of corruption;
- it ensures traceability of its products throughout their life cycle, from the time they leave the production plants to their decommissioning, and in doing so, applies the most advanced international standards and the regulations set out by international institutions and alliances (for example, all export decisions are made at the highest levels of the various company organisations involved, and comply with international non-proliferation and embargo treaties);
- the criteria of traceability is applied to operations as well as products: Finmeccanica fully traces its operations, and at any time, is able to produce information on its role in relations with suppliers and customers – without prejudice to compliance with rules on industrial and commercial secrecy;
- finally, it organises training workshops both on the aspects governed by Law 185 and on new customs legislation for all staff working in the departments concerned.

### **Social Dimension**

In Finmeccanica, the adoption of conduct in line with the group's values and ethical principles is intended to be a concrete expression of a far-sighted vision of company interests, i.e. of its sustainability and the contribution that it can provide to the sustainable development of the society around it. Regarding **relations with the internal community**, the "practice of sustainability" is therefore closely related to the way in which people operate in the Group, interact with one another and contribute to a shared vision. Finmeccanica seeks to increase understanding, a sense of belonging, and in the final analysis, competitiveness, by achieving the following objectives:

- to enable Finmeccanica's vision and mission to be accurately perceived by staff operating in all group companies;
- to contribute to the achievement of business objectives while adhering to shared values;
- to increase the sense of belonging to the Group;
- to improve the corporate climate and increase personal motivation;
- to favour international integration;
- to support the creation of "working communities";
- in short, become a vehicle for the "culture of quality" in its broadest sense (quality of products, the environment, relationships, efforts and people), that is one of Finmeccanica Group's strengths.

The group operates in more than 20 countries worldwide, and has more than 73,000 employees, 41% non-Italian; it has 391 locations all over the world, including 245 sites (63% of the total) and 177 production facilities (45% of the total) outside Italy. Finmeccanica staff numbers grew by 78.6% since 2001 and by 20.8% from 2007 to 2008. Given the multi-domestic nature of the Group and the type of activities it is engaged in, internal information tools come in both electronic and traditional formats, to ensure that information is provided to everyone as quickly and efficiently as possible, through the intra-Group Internet Portal, Finmeccanica Intranet, Finmeccanica Magazine and company notice-boards. The meetings organised by Finmeccanica's internal communications represent another opportunity for exchanging information: the Managers' Convention, the Long Service Employees' meeting, the Innovation Awards and the Finmeccanica Football Tournament. In addition, the main training, staff development and knowledge sharing activities carried out in 2008 can be divided into two main types:

- initiatives intended to strengthen Group culture, to favour the integration of different international companies and strengthen Finmeccanica's distinctive identity, which is able to unite values, expertise and high technology within a structured organisation; versus 2007, 2008 saw a sharp increase (17%) in participation in internal training courses, while training hours provided rose by 25% and investment in these activities by 31%;

- dedicated courses (Young People Programme and Executive and Middle Manager Programme) targeting specific groups of people within the company. To support the professional development of staff within the context of life-long learning, these courses continuously targeted clusters of people considered strategic (from young recruits to senior management), with an approach geared towards enhancing individual merit and nurturing a group that may represent Finmeccanica's future management.

As regards **relations with the external community**, through the External Relations Department, Finmeccanica:

- manages relations with national and EU institutions, through a Finmeccanica representative office in Brussels, and in relations with various national administrations of EU member states;
- promotes dialogue with the regional authorities through participation in programme agreements and technology districts.

For Finmeccanica, the focus on **safeguarding and developing its culture** is a natural cornerstone of its sustainability strategy, not only with regard to its commitment to social responsibility that it wants to demonstrate, but because of the very close link between culture and innovation. Without culture, innovation is not possible. In fact, Finmeccanica has offered its support to many projects and cultural initiatives. More important than the individual initiatives is, however, the Group's desire to support culture in an increasingly structured and organic way. In 2008, it expressed this aim by relaunching the Ansaldo Foundation in Genoa and extending its mission. The Foundation promotes cultural events and scientific research, organises and hosts technological and management training, and through new acquisitions, is expanding its already vast and rich document archive. To complement the work of the Foundation, the group contributed to many concrete cultural projects in 2008. The main ones included:

- publication of a new series of volumes dedicated to some of the personalities who have become "symbols" of its history;
- the creation, together with the Fulbright Commission for cultural exchange between Italy and the US, of the Fulbright – Finmeccanica scholarship;
- the sponsorship of the *Vie Francigene del Sud* project to protect and promote the medieval pilgrimage routes from Rome to ports in the south, from where they could sail to the Holy Land
- the sponsorship of the "*Renoir – La maturità tra classico e moderno*" exhibition (Rome, 8 March – 29 June 2008)
- the organisation of a large concert in Piazza del Plebiscito in Naples (2 July 2008)
- the staging of a concert to support the Diocesan Museum in Milan (13 November 2008)
- the organisation of the conference "Science 400 years on from Galileo Galilei. The ethical value and complexity of contemporary techno-scientific research" (Rome, 26 November 2008).

In terms of **charity** projects, as well as partnering institutions, civil and religious organisations and other bodies committed to identifying and combating serious social problems, Finmeccanica has developed its own strategy to create development opportunities both in its domestic markets and in other countries worldwide.

The main projects started in 2008 include:

- D.R.E.A.M. – Drug Resource Enhancement against AIDS and Malnutrition – a project to prevent, diagnose and cure AIDS in Africa, by carrying out specific tests and administering antiretroviral drugs;
- Watoto Kenya and “Mwana Simba ni Simba” – after raising funds in recent years for Watoto Kenya, a charity that operates in the country to provide food, housing and medical assistance to the poorest children, Finmeccanica recently decided to extend its support to Africa to the field of education, naming the initiative after a Swahili proverb “Mwana Simba ni Simba” – “one day a lion cub will become a lion”. The project focuses on three distinct areas:
  - Project Nigeria - organisation of a Festival of Science and setting up of a Science Centre in Owerri;
  - Project Congo – reinforce and improve professional training;
  - Project Cameroon – create a place of worship, and school and medical facility in Mbanda, in the Diocese of Eseka (Youndè);
- Long-distance adoption and the Kamala school – for four years, Finmeccanica has promoted the long-distance adoption of Sri Lankan children orphaned by the tsunami, and has been working with the Community of Sant’Egidio to rebuild the school in Kamala, Indonesia, and to provide the furnishings, educational tools and everything necessary to ensure the continuation of the school’s activity;
- Since 2005 Finmeccanica has supported the Gigi Ghirotti Foundation, which promotes initiatives and services to improve the quality of life of people suffering from cancer and their families;
- DRS Technologies Charitable Foundation – in addition to the Group’s solidarity activities there are now also those already launched by DRS Technologies, mainly geared towards providing support to the US armed forces, children’s health and education, support to regions hit by natural disasters, and participation in various civil and social programmes in the communities in which DRS’ production facilities are located;
- “Finmeccanica for Abruzzo” – a project to raise funds (to which Finmeccanica staff have made a significant contribution) for employees of group companies in the Aquila area hit by the heart-quake of the last April and the needs of the region.

### **Environmental Dimension**

In 2008, Finmeccanica demonstrated through tangible actions that it had further strengthened its commitment to integrating environmental concerns into its business objectives.

The most significant events in connection with the environment are set out below:

- in the last three years, sites that have obtained ISO 14001 environmental certification increased by 14% and plants with an OHSAS 18001 certified environmental management system rose by 56% (currently there are 25 plants);
- a growing number of Group companies and international sites were subject to the gathering of environmental data and the monitoring of relative performance (135 monitored sites and more than 59,000 pieces of environmental data managed for 2008 alone);
- the Energy Efficiency Programme was extended and now includes 91 measures adopted at the Group's main offices and production facilities in Italy and the UK. The measures adopted reduced CO<sup>2</sup> emissions by approximately 13,000 tonnes since 2005 and by 7,600 tonnes in 2008; the Energy Efficiency Programme led to an energy saving of more than 2% in 2008, and targets a reduction of more than 5%. The group saved a total of EUR 3.8 million, of which EUR 2.3 million was booked in 2008;
- the community of Energy Managers was further strengthened, and now numbers more than 150 members;
- as part of the Group's renewable energies plan, the first self-generating facilities producing energy from renewable sources were built at the sites of SELEX Sistemi Integrati in Giugliano (Naples), SELEX Communications in Latina, SELEX Galileo in Nerviano (Milan) and Alenia Aeronautica in Caselle (Turin). In addition, the Alenia Aeronautica site in Tessera (Venice) boasts a high-efficiency micro-cogeneration plant. In 2007-2008 the supply of green energy accounted for 15% of the Group's total requirement. By 2020 the Finmeccanica plans to extend the total amount of electricity generated by renewable sources to 20%;
- the environmental impact of Group activities/processes/products was also assessed in countries where less attention is paid to these issues than in the European Union;
- a variety of projects with the common theme of environmental-economic-social responsibility was launched (Water Audit Project, Risk Gate Project, Waste Project, REACH Project);
- numerous awareness-raising initiatives relating to energy saving involved all group employees ("Finmeccanica Energy Day", the handbook of energy-saving measures for the home, favourable conditions agreed by Finmeccanica for the supply of energy for domestic use);
- in 2008, at its own expense, Finmeccanica removed 1,200 tonnes of waste abandoned by unknown persons on its land in Capodichino (Naples). The measure was applauded by the local authorities and population;
- In 2008, 40% of waste was recycled and 60% went to disposal. The consumption of hazardous substances fell by 20%;

- Finmeccanica increased its investment in environmental protection and health and safety. In 2008, approximately EUR 12 million was invested in the environment, and more than EUR 42 million was invested in health and safety.