



Key Points of the Finmeccanica Group Sustainability Report 2007

The financial dimension

The financial dimension is a fundamental indicator of sustainability, particularly as regards relations with clients and the market. To establish profitable and close partnerships, alongside its market strategies, Finmeccanica makes a commitment in terms of attitude, style and values. Through its ethical principles related to business, Finmeccanica expresses its vision as a responsible company, adopting strict ethical regulations and practices that befit the nature of its operations. Specifically, the group:

- establishes industrial and commercial relations only with countries whose governments are recognised by the European Union
- adopts procedures to monitor and trace products, throughout their entire life cycle, and actions
- has an appraisal system for all partners, whether direct suppliers or sub-contractors
- puts strict limits on co-operation with states that:
 - ✓ treat their people in a brutal fashion and squander national resources for the personal gain of their rulers
 - ✓ are intent on possessing weapons of mass destruction
 - ✓ do not comply with international law
 - ✓ support terrorism in the world
 - ✓ deny fundamental human rights.

The social dimension

Value creation is increasingly ensured through a far-sighted vision of company interests, which must involve not only shareholders, but also clients, employees, suppliers, partners, research and development institutions, young talent, regional communities and institutional authorities: in short, society in its wider sense.

Finmeccanica is Italy's leading high-tech company, operating in the design and manufacture of helicopters, defence electronics, civil and military aircraft, aerostructures, satellites, space infrastructures, missiles. It plays a leading role in the European aerospace and defence industry, and participates in some of the biggest international programmes in the sector through well-established alliances with European and American partners. Finmeccanica also boasts significant manufacturing assets and skills in the Transports and Energy sectors. The Group is listed on the Milan Stock Exchange, and operates in Italy and abroad through subsidiaries and joint ventures. It employs over 60,000 staff in total of which approximately 10,000 in UK, 3,500 in France and 2,000 in US. As part of its drive to maintain and build on its technological expertise, Finmeccanica spends 14% of its revenues on Research and Development.

Internally, the Finmeccanica Group's priority commitment are to:

- make the most of its intellectual and professional assets at international level
- support a process of integration that both respects the specific characteristics of individual companies and aims to build a common and multi-cultural identity
- develop specific management assessment, development and continuous training programmes for all levels of the company hierarchy
- ensure the widespread distribution of information as quickly as possible, also through the Finmeccanica Magazine (of which 70,000 copies are printed), company notice boards and the intranet
- foster opportunities for the exchange of knowledge and information, also through initiatives such as the annual group managers' convention, the Seniores meeting and the Innovation Award.

Externally, Finmeccanica:

- manages relations with communities and public institutions, helping to build the group's reputation
- promotes technology districts as a tool to support technological research, by working with regional and local administrations, large companies in the area, universities and public and private research centres and regional banks
- manages industrial relations with specific initiatives and activities, through a strategy that constantly involves union organisations, with a view to promoting the shared and efficient management of working relations, with particular reference to:
 - ✓ processes under way regarding integration, rationalisation, outsourcing, delocalisation of some production and the continuous search for work efficiency and flexibility
 - ✓ support for international expansion
 - ✓ launch of the new line of social & health services, alongside other services provided in the areas of staff disputes, regulations and administration, healthcare, social security and tax.

Finmeccanica believes that a commitment to sustainability cannot exist without a strong focus on culture; the Ansaldo charity foundation in Genoa is a key partner and a focal point for many activities in this area. In 2007, Finmeccanica:

- sponsored the *Primavera Italiana 2007* show, held in Japan
- sponsored *Chagall delle Meraviglie* at the Vittoriano in Rome
- promoted the ceremony in memory of Arturo Toscanini and in honour of Lorin Maazel at the Metropolitan Theatre in New York, and the Concert for Europe of the Toscanini Symphony Orchestra with the Maggio Musicale Fiorentino Choir, held in the Semicircular chamber of the European Parliament in Brussels

- supported Italy's largest musical theatres, including the Carlo Felice theatre in Genoa, the S. Carlo theatre in Naples and the Santa Cecilia Academy in Rome
- contributed to the creation of the permanent collection at the Diocesan Museum in Milan
- promoted various publishing initiatives, including the collection dedicated to the great managers of the Finmeccanica group and the preparation under way for the publication of the history of Finmeccanica
- supported the Rome Film Fest, an event dedicated to international cinema, which takes place every year at the Auditorium-Parco della Musica in Rome.

In terms of charity activities, Finmeccanica works with serious and professional associations and other non-profit organisations ensure the careful and efficient use of resources. The most significant initiatives included:

- support to the *Casa di Andrea e di tutti i fiorellini del mondo*, a project that aims to promote measures to improve the quality of life of children affected by serious illness, and assistance in the building of social and healthcare facilities for children in Rome
- a charity auction, with the proceeds donated to *Watoto Kenya* that aims at support needy children in the country
- activities for the *Magica Cleme* foundation, a charity that organises fun events for children with cancer
- Support to the Gigi Ghiotti Foundation, which aims to improve the quality of life of people suffering from cancer and their families
- Dream (Drug Resource Enhancement against AIDS and Malnutrition) project, to combat the spread of HIV in Africa
- partnership with the Community of Sant'Egidio, to rebuild and equip a school in Indonesia ("a school for Kamala" project)
- partnership with the International Childcare Trust, to improve the health and education of children and young people in Sri Lanka.

The environmental dimension

For Finmeccanica, it is important to include the management of environmental aspects in its business objectives to maintain the Group's levels of sustainability, profitability and competitiveness over the long term.

The main results of a review of the Group's 114 sites and plants in Italy, the UK and the rest of the world – 42 of which have obtained ISO 14001 certification - are:

- investment in the environment of around EUR 35.28 million in 2007, an increase of over 46% compared to the previous year

- improvement in waste management: total waste production was almost 8% less in 2007 than in 2006
- further commitment to environmental surveys for the protection of the soil and subsoil aimed at identifying and marking off any contamination conditions
- a reduction of around 8% in water consumption in 2007 compared to 2006
- over 10% reduction in energy consumption in 2007 compared to the previous year, with subsequent cost savings and fewer greenhouse emissions, in line with the Kyoto Protocol
- a decrease of around 16% in CO₂ emissions into the atmosphere, generated by the Group's productive plants in 2007, compared to 2006
- 14 sites reclaimed and made safe (from 1999 to 2007)
- 84% increase vs. the previous year in training hours for Group managers on health, safety and environmental protection
- launch of an awareness programme for all employees aimed at promoting the informed use of energy
- additional OHSAS 18001 (Occupational Health and Safety Assessment Series) certification for the Finmeccanica Group, as confirmation of its increasing attention to the health and safety of employees in the workplace