



*Your Sustainable Choice*

ROSETTI MARINO GROUP OF COMPANIES – SUSTAINABILITY REPORT 2018

# SUSTAINABILITY MEETS REALITY



# MESSAGE TO STAKEHOLDERS

*Dear Stakeholders,*

*We are a Group of Companies, each characterized by specific features, competences and proven capability to operate both individually and in synergy; however, we all share the same Values.*

*The advantage to work as a «Group» is a key factor for our success which allows us to cope with confidence the most challenging market opportunities.*

*We acknowledge the development and dissemination of the Culture of Sustainability as a strategic choice for managing our business.*



Oscar Guerra  
(CEO Rosetti Marino)



Carlo Boccia  
(CEO Fores Engineering)



Delio Belmonte  
(CEO Basis Engineering)



Jak Albagli  
(CEO Tecon)



Fulvio Dodich  
(CEO Rosetti Superyachts)

Our goal is to contribute to the **Economic Development, Social Welfare** and **Environmental Protection** in our communities and in the countries where we operate, with a specific focus on the following commitments:



## PEOPLE

- Fostering collaboration among workers of the Companies of the Group, in Italy and abroad, for the purpose of facilitating their **integration, cultural exchange, sharing of ideas and experiences**.
- Ensuring People's **health and safety** on the workplace and enhancing the **safety culture**.
- Promoting and implementing **human rights** and choosing approaches aimed at respect for individuals, for their dignity, guaranteeing equal opportunities on the workplace.
- Facilitating **professional development, training and growth** allowing everyone to contribute to achieving corporate objectives and to fulfil their potential.



## ENVIRONMENT

- Minimizing the environmental impact by **reducing energy consumption, emissions** in the atmosphere and **waste production** through the increase of quality and efficiency of our production and servicing processes.
- Continuously improving our management systems for **detection and assessment of potential environmental impacts**, as well as implementing all relevant preventative and protective measures.
- Increasing awareness about the **efficient use of energy, resources and materials** which will encourage behaviours geared towards waste reduction.



## ETHICS AND ECONOMIC DEVELOPMENT

- Running our business as a going concern, through a result oriented operational and economic approach, which should have a **positive impact on employment and the related industries**.
- Adopting the sound, fair and consistent behaviours stipulated in our Code of Ethics towards all stakeholders; disseminating the **culture of legality** and enhancing socio environmental aspects throughout the value chain.
- Engineering and implementing technological solutions aimed at enhancing the performances of our products and services, both in terms of **innovation, life cycle** and **economic environmental impact**.
- Establishing **constructive and transparent communication** with our stakeholders, informing them about our actions and achievements.



## SOCIAL WELLBEING

- Ensuring the **Local Content** in order to promote employment and social wellbeing in the communities where we operate; encouraging charitable initiatives and fighting poverty.
- Collaborating with **local Institutions** with a view to promoting culture and organisation of events in the fields of the arts, sports, and of interest to the community.
- Promoting actions aimed at providing training and employment opportunities for young people, working together with **schools and universities** to provide competences in line with our business requirements.

In this Sustainability Report you will see how, in 2018, the commitments of these Companies of the Rosetti Marino Group have been translated into practice, with tangible actions and goals consistent with our context.

**Enjoy the reading.**

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# BEING A GROUP

2018 Highlights

Rosetti Marino Group of Companies

Your Sustainable Choice Project





## 2018 HIGHLIGHTS

**93**

YEARS OF HISTORY

**627**

NUMBER OF EMPLOYEES

**261 mln €**

GROSS INTERNAL  
PRODUCT (REVENUES)

**1.1 mln €**

INVESTMENT AND  
EXPENDITURES IN R&D

**1.9 mln €**

INVESTMENT AND  
EXPENDITURES IN HSE

**11%**

EMPLOYMENT RAMP

**25%**

WOMEN

**1,934**

QUALIFIED VENDORS

**1,989,085**

WORKED MANHOURS

**15**

COUNTRIES OF  
OPERATION

**0.50**

LOST TIME INJURY RATE  
(LTIF)

**2.01**

TOTAL RECORDABLE INJURY  
RATE (TRIR)

**95%**

WASTE SEGREGATION  
EFFICIENCY

**87%**

EMPLOYEES WITH  
PERMANENT CONTRACT

**65%**

PURCHASES OF PROJECTS'  
GOODS AND SERVICES



# 1. ROSETTI MARINO GROUP OF COMPANIES

Rosetti Marino Group of Companies provides **engineering and construction services** to miscellaneous industrial sectors including Oil&Gas, Wind, Petrochemical, Chemical Power, Shipbuilding and Superyachts. The advantage of **synergic capabilities** made available by different companies is a key factor, which has contributed to the success of the Group and has enabled it to face a wide range of engineering challenges. Each of the above mentioned companies either operate jointly or provide their services individually.

**NOTE: THIS DOCUMENT COVERS THE ITALIAN COMPANIES PART OF ROSETTI MARINO GROUP (LISTED BELOW). THE DEFINITION "ROSETTI MARINO GROUP" USED WITHIN THIS DOCUMENT REFERS TO THESE.**

## ROSETTI MARINO



Rosetti Marino is providing **integrated services** to several industrial sectors including Oil&Gas, Renewables, Chemical, Power Generation, Shipbuilding and SuperYacht. Founded in 1925 and based in Ravenna (Italy), thanks to this Group structure, Rosetti Marino can operate both locally and internationally.

## FORES ENGINEERING



Based in Forlì (Italy), Fores Engineering is specialized in the **multidisciplinary engineering, integration, construction and installation of systems** for the oil & gas, petrochemical, chemical and power plant fields.

Since its establishment in 1992, Fores Engineering has reached 23 years of relevant experience in the supply of Skid Mounted Package Units; Well head Control Panels; Process Analyzers Systems; Shelters; Control, Safety, Security and Telecommunication Systems.

Moreover, Fores Engineering provides **technical supervision** and **after-sale technical assistance** services. Thanks to the great work experience of its managers, engineers and qualified technicians, the deep knowledge of the market and the ability to work in international teams, Fores Engineering has acquired strong reliability, over the years, among the major Oil Companies.

Furthermore, Fores Engineering realizes its business by taking into account the local content of the countries where it operates.

## BASIS ENGINEERING



Basis Engineering, founded in 1981, is active in **providing world-class engineering and design services** in the Energy and Oil&Gas industries.

With **more than 500 projects developed**, the know-how of Basis Engineering covers most of the energy, oil & gas upstream and midstream industry requirements.

Committed to Client satisfaction, it supplies the **full range of engineering services** from Feasibility Studies to Detail Design, including Basic Engineering, FEED, EPC tender preparation and EPC cost estimation within a variety of contractual frames, from Lump-Sum packages to Long Term Service Agreements with a permanent work capacity of more than 450,000 mhrs/year.

Many disciplines backgrounds and experiences are blended in Basis Engineering's technical department by means of up-to-date design technologies, tools, and project organization.

## TECON



TECON is an **engineering consulting company** specialized in the Offshore/Marine field. It supply tailored and effective projects starting from feasibility to follow up on site for demanding International Clients including major oil and gas companies, fabricators and installation contractors.

## RSY – ROSETTI SUPERYACHTS



Located in Ravenna, Rosetti Superyachts, offers a wide range of **luxury superyachts, supply, support vessels and explorer yachts from 35 to 140 metres**, fully customizable and built according to the highest safety and quality standards of the Rosetti Marino Group. Its San Vitale shipyard located in the Italian port of Ravenna covers a total area of 257,000 sq/m.

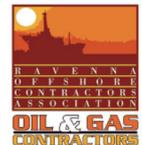
### MEMBERSHIP OF TRADE ASSOCIATIONS OR ORGANIZATIONS:

CONFINDUSTRIA ROMAGNA



RAVENNA OFFSHORE CONTRACTORS ASSOCIATION

RAVENNA OFFSHORE CONTRACTORS ASSOCIATION – MOCAMBIQUE



ASSOCIAZIONE MINERARIA ITALIANA



ASSOCIAZIONE NAZIONALE DI IMPIANTISTICA INDUSTRIALE



CONFEDERAZIONE ITALIANA ARMATORI



CAMERA DI COMMERCIO ITALO IRANIANA



ASSOCIAZIONE NAZIONALE DELL'INDUSTRIA NAVALMECCANICA



FOR MORE INFO ABOUT GOVERNANCE AND INVESTOR RELATIONS, REFER TO <http://www.rosettimarinogroup.com/>.



# "YOUR SUSTAINABLE CHOICE" PROJECT - FOCUS

The Rosetti Marino Group's **"Sustainability Project"** started at the end of 2016.

With the sponsorship and commitment of the Senior Management, we have decided to invest in **our most important resource: people.**

Adopting a **"bottom-up" approach**, we involved 40 of our youngest employees (under 30 years old) who were particularly interested in sustainability issues. We provided them with a thematic training course and a set budget of time and money in order to develop proposals and design a campaign to promote the Sustainability Culture within our Group of Companies.

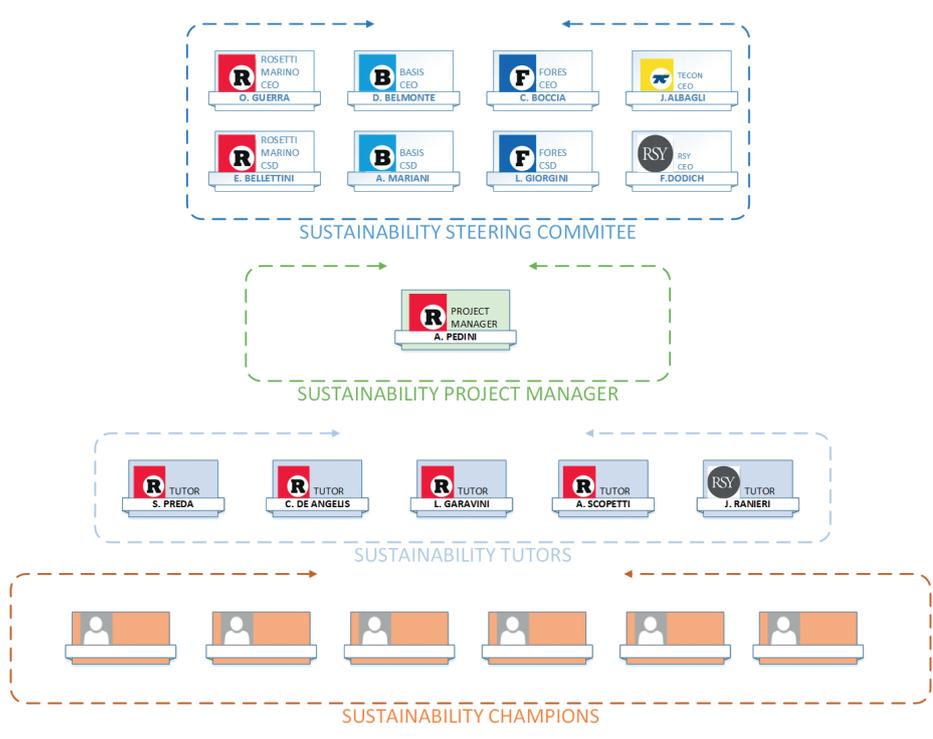
These employees (**"Sustainability Champions"**) were organized in working groups, coordinated by a young Project Manager and supported by Tutors (employees with higher levels of seniority and experience).

After 6 months the proposals of the working groups were **evaluated by a Sustainability Steering Committee (composed of the managing directors and some managers of the Group)**. The "best proposals" were approved, budgeted for and planned for execution over a two-year period in 2018/2019.

For our project, we did not involve any professional consultants, we did not institute a figure within the company who is dedicated to the development and deployment of our Sustainability model (e.g. a Corporate Social Responsibility Officer). We also did not adopt a management system based on existing international standards such as SA 8000 or ISO 26000.



SUSTAINABILITY ORGANIZATION CHART



Among the most significant sustainability activities (already implemented and nearing completion), we can include:





Sustainability Day - Rosetti Marino, Ravenna

### EMPLOYEE ENGAGEMENT

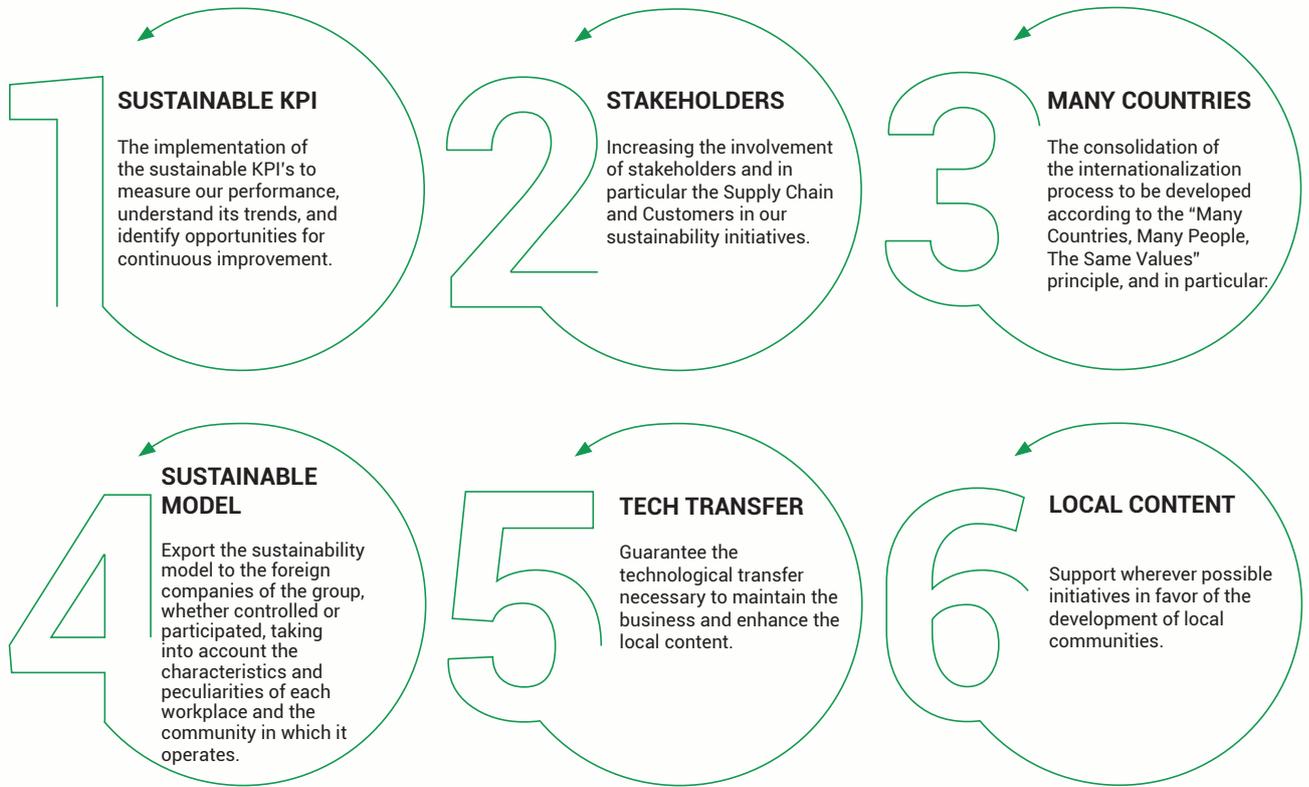
The bottom-up approach has enabled us to create a "value chain", making our collaborators active with the aim of increasing the economic and moral values, the ethical reputation and internal impact value to Rosetti Marino Group and in the reference areas.

The experience that involved heterogeneous work groups (in terms of roles and belonging to different companies) favored the integration, knowledge management, transversal development of the culture of sustainability and the dissemination of values.

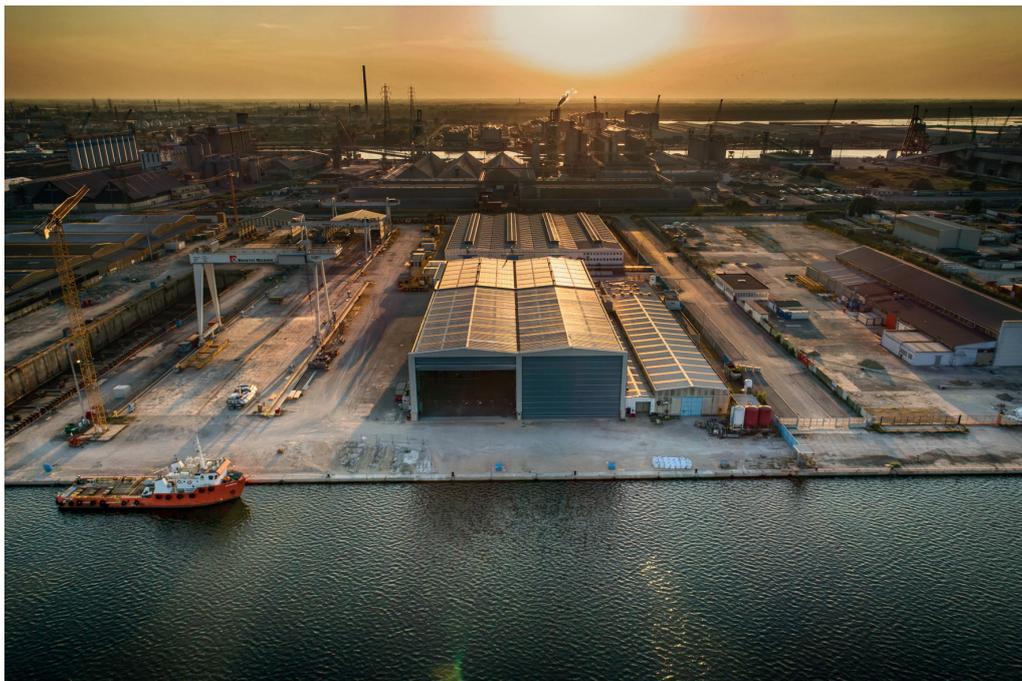
The project has also allowed the definition of an induction plan on sustainability that allows the involvement of employees to be transmitted to new hires, ensuring continuity.

**NEXT STEPS**

We have identified in the following steps the opportunities to be seized as Rosetti Marino Group with regards to sustainability:



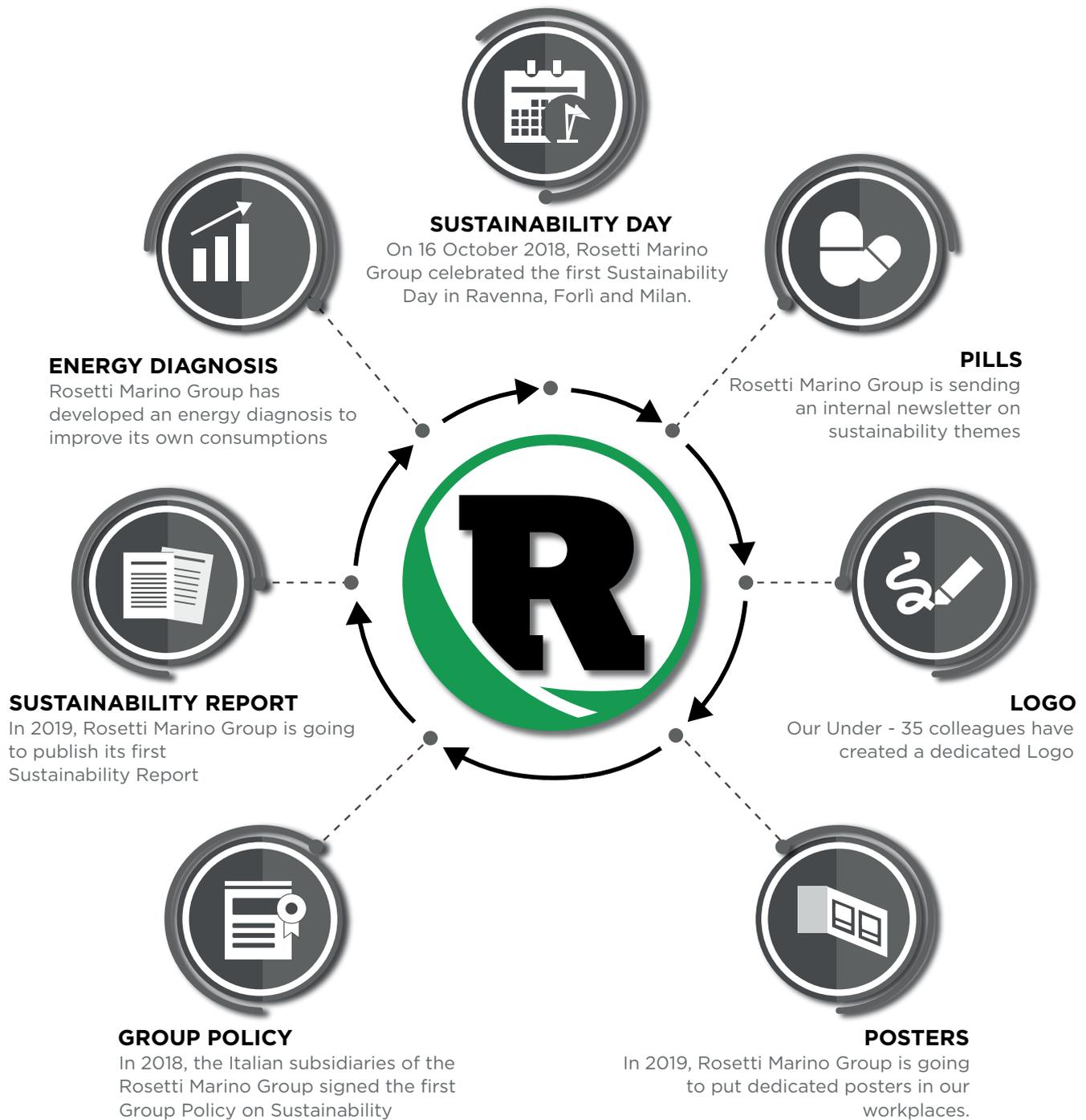
Important challenges await us that require effort, commitment and attention. They will allow us to innovate and increase the economic, social and environmental sustainability derived from our products and services.



San Vitale Yard of Rosetti Marino SpA, Ravenna

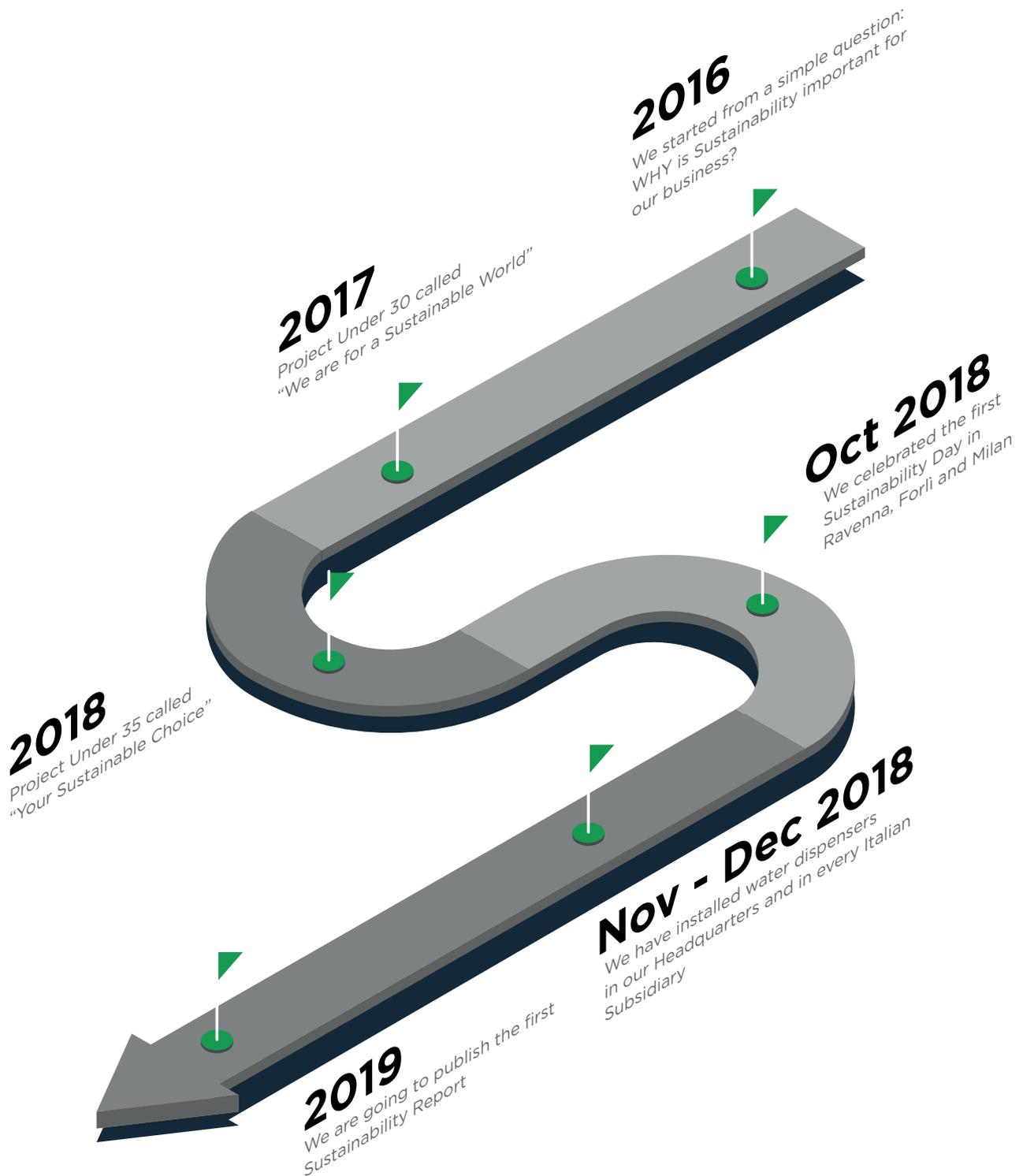


# SUSTAINABILITY MEETS REALITY



Based on a Design by Freepik

# SUSTAINABILITY TIMELINE



# BEING KNOWLEDGEABLE

Material aspects

Stakeholders engagement

Inspired by UNGC



## 2. MATERIAL ASPECTS: OUR SUSTAINABILITY PRIORITIES

In 2018, for the first time, Rosetti Marino Group adopted the **materiality analysis principles**, for a consistent sustainability strategy. In particular, those considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders were selected.

Materiality is the threshold at which aspects become relevant and consistent for Rosetti Marino Group and its stakeholders, and Rosetti Marino Group plots the issues that may result in an action that significantly influence its performance or addresses key topics that the stakeholders are concern about.

The materiality analysis process at Rosetti Marino Group:



Rosetti Marino Group sustainability areas, subject to the analysis of relevance by the Group and its stakeholders are the following:

|   |  |
|---|--|
| <b>SOCIETY</b>  | <b>CORPORATE GOVERNANCE, ETHICS AND INTEGRITY</b>  |
| Local communities   | Business Ethic and Integrity<br>Governance<br>Risk Management  |
| <b>ECONOMIC</b>   |  |
| Customer satisfaction and product quality<br>Technological development  |  |
| <b>PEOPLE</b>   | <b>ENVIRONMENT</b>   |
| Health and Safety<br>Training and Education<br>Talent attraction<br>Labor/Management relations<br>Multiculturalism, diversity and equal opportunities<br>Supplier assessment for labor practices<br>Human right & labor practices<br>Security Practices<br>Ethical supply chain | Environmental Management System<br>Energy efficiency<br>Water<br>Biodiversity<br>Emissions<br>Effluents and waste<br>Compliance<br>Supplier Environmental Assessment |

Within the above areas, the SUSTAINABILITY ISSUES considered to be a priority for 2018 have been:



For a more accurate overview of the sustainability context, the support of external sources has been used (sustainability report of other industrial groups, various guidelines on sustainability, international press). More details on the boundaries of materiality analysis are described in Appendix.

### 3. STAKEHOLDERS ENGAGEMENT

As we have reached a level of maturity in our responsible stewardship, we are engaging with key stakeholders to align our sustainability strategy and approach with theirs. We have built **strong relationships** and improved our **understanding of the external factors and trends** that could affect us in the future by engaging with our stakeholders and sharing information with peers.

We seek to better understand the material issues that affect our stakeholders, which is why we are constantly working to improve our engagement processes. It is by engaging with our stakeholders that we can help them while **creating and sharing value**.

Our stakeholder groups include:



We have identified a sub-group of stakeholders that have the greatest impact on our business. Our engagement with this group is important for our success and we are shaping our strategy based on what is material to them.



## 4. INSPIRED BY THE UNITED NATIONS' SUSTAINABILITY INITIATIVES

Rosetti Marino Group's sustainability approach is **inspired by United Nations Global Compact (UNGC)**, and the sustainability issues reported in this document follow this. UNGC is the world's largest corporate sustainability initiative that calls companies to align strategies and operations with **universal principles on human rights, labor, environment and anti-corruption**, and take actions towards achieving societal goals.

| AREA            | PRINCIPLE   | SUSTAINABILITY ISSUE  |
|-----------------|---|---|
| Human Rights    | <ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>2. Make sure that they are not complicit in human rights abuses.</li> </ol>   | HEALTH AND SAFETY<br>HUMAN RIGHTS AND LABOR PRACTICES<br>TRAINING AND DEVELOPMENT<br>SUPPLY CHAIN |
| Labor           | <ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</li> <li>4. The elimination of all forms of forced and compulsory labor;</li> <li>5. The effective abolition of child labor; and</li> <li>6. The elimination of discrimination in respect of employment and occupation.</li> </ol> | HUMAN RIGHTS AND LABOR PRACTICES<br>SUPPLY CHAIN<br>TRAINING AND DEVELOPMENT                      |
| Environment     | <ol style="list-style-type: none"> <li>7. Businesses should support a precautionary approach to environmental challenges;</li> <li>8. Undertake initiatives to promote greater environmental responsibility; and</li> <li>9. Encourage the development and diffusion of environmentally-friendly technologies.</li> </ol>   | TECHNOLOGICAL DEVELOPMENT<br>SUPPLY CHAIN<br>MINIMIZATION OF ENVIRONMENTAL IMPACT                 |
| Anti-Corruption | <ol style="list-style-type: none"> <li>10. Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ol>  | BUSINESS ETHICS AND INTEGRITY<br>SUPPLY CHAIN   |

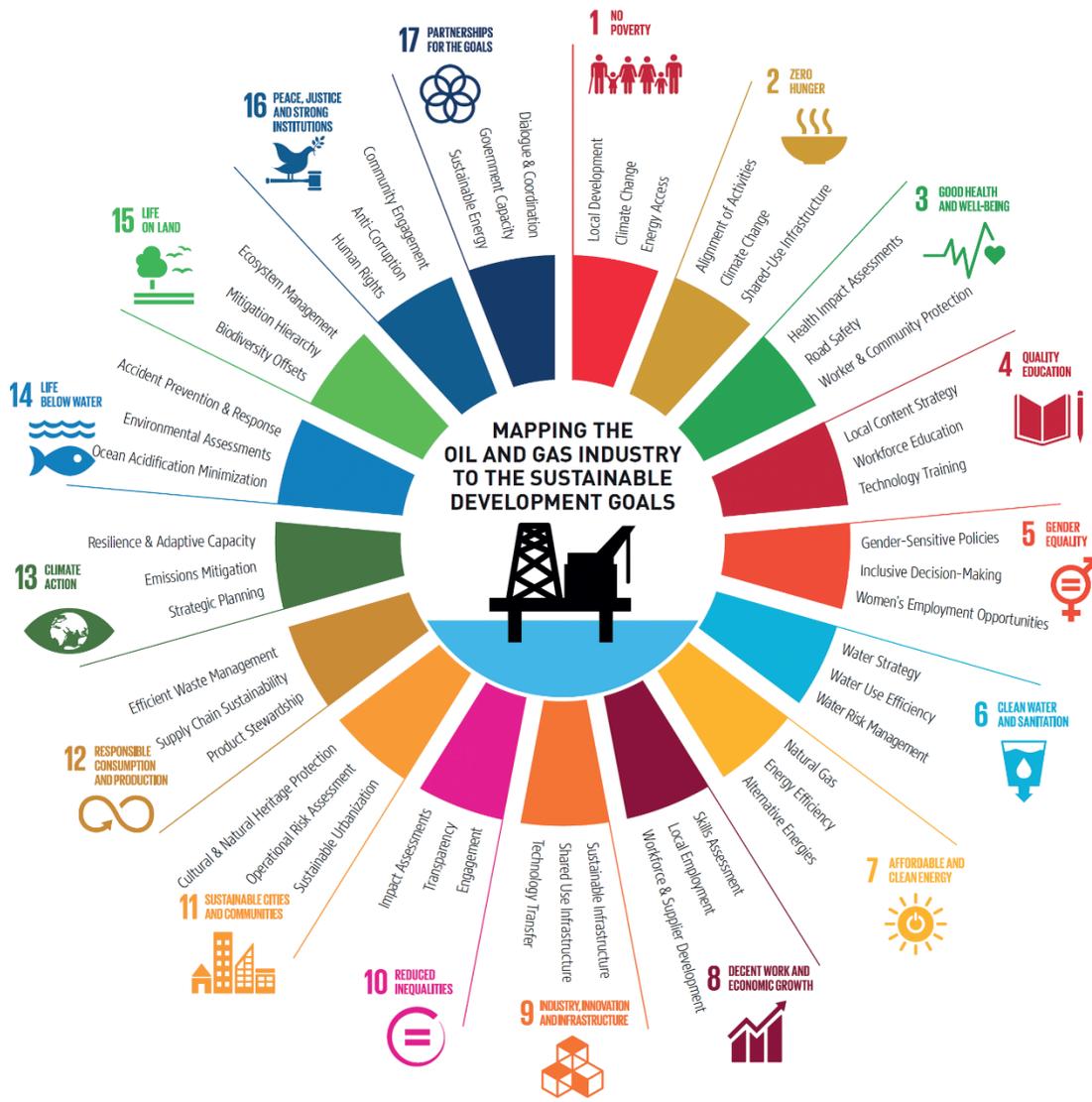
Following UNGC principles is also a way to contribute the **Sustainable Development Goals (SDGs)**. These Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and, in order to leave no one behind, it is important to achieve them **by 2030**.

The Energy sector with its related industrial activities **is crucial to the global economy**. This sector is also central to overall sustainable development, as fossil fuels are the key pillars of the global energy system and, as such, are drivers of economic and social development.



As an EPC contractor for the Energy industry, our challenge is to identify the **links between our model of business and the relevant SDGs**, understanding how to pursue the applicable ones in our operations to make important contributions to Sustainable Development.

Taking action on the selected SDGs is an important opportunity for our companies, leading to **greater efficiency, cost savings and competitiveness**, and enhancing our reputation and relationship with Stakeholders.



Source: MAPPING THE OIL AND GAS INDUSTRY TO THE SDG: AN ATLAS – EXECUTIVE SUMMARY



**BEING SUSTAINABLE**



# 5. SUSTAINABILITY ISSUES

## 5.1 HEALTH AND SAFETY



Rosetti Marino Group is committed to working in **respect of the highest standards in Health and Safety**, ensuring a proper management of the various working activities, with the objective to create a workplace free from injuries and occupational diseases while assuring the local development of the areas in which it operates.

The safety of all people involved in the Rosetti Marino Group's operations is a priority objective that is constantly monitored and guaranteed in the management of the Company's activities by means of an **HSE management system, OHSAS 18001** certified, covering all the operational areas.

Besides yard, workshop and office activities, Occupational Health and Safety management practices include Rosetti Marino Group mobile workers, international assignees and their dependants, covered with health, medical and security services provided by the world's leading companies. These mobile people prevention and protection strategies are based on health policies, country risk ratings, expert medical and travel security advice or referrals, and 24/7 assistance.

### ROSETTI MARINO INCIDENT AND INJURY-FREE™ (IIF™) DEVELOPMENT - FOCUS

Rosetti Marino is **the first Italian Company to develop the Incident and Injury-Free™ (IIF™)** Program throughout its organization: this is an approach that enables us to promote a safety culture where no incident or injury is deemed acceptable, with the aim of achieving extraordinary results in HSE performance



The power of IIF lies in **capturing the hearts and minds of the many individuals** working for and with us. When a significant mass of people make the decision that injuries and incidents are not tolerable in any shape or form and they personally play their role in making this happen, the cultural shift is extraordinary.

#### PHASE 1 – IIF LAUNCH! (SEPT 2018)

By acting on people's values and mindset, IIF™ **enhances** the culture of safety, with the aim of strengthening, at all levels, the belief that **accidents and injuries are not acceptable**.

#### PHASE 2 – INCIDENT AND INJURY-FREE PERFORMANCE IS POSSIBLE! (OCT 2018)

Rosetti Marino's Top and Middle Management are all engaged in a workshop aimed at exploring both their leadership and **personal relationship to safety**. The workshop is designed to have them leave clear on their commitment and taking aligned action to implement this commitment in **tangible ways** that will directly result in fewer people getting hurt. It also generates a **wider sense of relationship and partnership** between the participants.

#### PHASE 3 – ROSETTI MARINO IIF TRAINERS ARE READY! (NOV 2018)

Rosetti Marino Group completed training and development of its HSE staff in leading IIF Orientation. The Orientation serves as an introduction to what Rosetti Marino stands for with



regards to Health and Safety. The IIF trainers will be champions of the IIF message. The IIF Orientation is intended to bring all current and future employees inside the **IIF culture** and introduce them to what the organization stands for with regards to safety.

#### **PHASE 4 – IIF LEADERSHIP TEAM KICK-OFF (DEC 2018)**

The IIF LEADERSHIP TEAM will lead and manage the IIF commitment across the organization. Accountabilities include integrating the vision, taking actions as required, measuring and evaluating the effectiveness of the IIF process, and developing their collective leadership skills.

## **WORKERS PARTICIPATION AND CONSULTATION**

Rosetti Marino Group promotes **Safety Representatives consultations on safety, health and welfare matters** relating to the workplaces.

These consultations typically operates through meetings with the employer, HSE Dept. and other relevant parties (Company Physician, senior managers, etc.), with the aim to **prevent accidents and ill-health, highlight problems** and **identify means of overcoming them**.

Consultations are particularly important when changes are taking place, for example when a risk assessment is being drawn up, or new technologies or work processes, including new substances, are being introduced. They also have a part to play in dealing with long-established work practices and hazards.

The ratio of the total workforce represented in formal joint management-worker health and safety committees depends on the number of employees: one worker representative for Group Companies with less than 200 workers, three workers representatives for Group Companies of up to 1000 workers.

Furthermore, Rosetti Marino Group has **national and complementary agreements** in place with trade unions, that regularly includes occupational health and safety topics. In the specific, these topics are:

- Personal protective equipment provision;
- Joint management-employee Occupational Health and Safety committees;
- Participation of worker representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work.



## HEALTH AND SAFETY FIGURES

| INDICATORS      | 2017      | 2018      |
|-----------------|-----------|-----------|
| Worked Manhours | 2,403,557 | 1,989,085 |

### LAGGING

|                               |     |    |
|-------------------------------|-----|----|
| First Aid Cases (FAC)         | 2   | 5  |
| Medical Treatment Cases (MTC) | 2   | 2  |
| Restricted Work Cases (RWC)   | 0   | 1  |
| Lost Time Injuries (LTI)      | 3   | 1  |
| Fatalities                    | 0   | 0  |
| Near Misses                   | 6   | 3  |
| Number of Lost workdays       | 156 | 59 |
| Occupational Illness (OI)     | 0   | 0  |

### LEADING

|                          |       |       |
|--------------------------|-------|-------|
| Safety Observation Cards | 452   | 255   |
| HSE Training Hours       | 4,841 | 3,091 |
| Emergency Drills         | 27    | 39    |
| Toolbox Talks (TBT)      | 875   | 1,263 |

### INDEXES

|  |      |      | Benchmark 2018 <sup>1</sup> |
|--|------|------|-----------------------------|
| Lost Time Injury Frequency (LTIF) <sup>2</sup>   | 1.25 | 0.50 | 0.46                        |
| Severity Index <sup>3</sup>                      | 0.06 | 0.03 | -                           |
| Total Recordable Injury Rate (TRIR) <sup>4</sup> | 2.08 | 2.01 | 2.31                        |

#### Notes:

<sup>1</sup> Benchmark source: Safety Performance Indicators – IOGP 2018 (Construction Contractors Europe)

<sup>2</sup> Total Recordable Injury Rate (LTIF): The number of Lost Time Injuries (LTI) per 1,000,000 hours worked (IOGP Std)

<sup>3</sup> Severity Index (SI): The number of lost days due to an accident per 1,000 hours worked

<sup>4</sup> Total Recordable Injury Rate (TRIR): The number of TRIs per 1,000,000 hours worked (IOGP Std)



## HEALTH AND SAFETY AWARDS - FOCUS

In 2018, ROSETTI MARINO obtained the following recognitions:

- **ENI SAFETY AWARD** as best vendor, for the 3-year period from 2012 to 2015, for safety in the "Construction Upstream" field.
- Award from **TOTAL "FOR ACHIEVING A PERFECT HSE PERIOD OF 1 YEAR (365 DAYS) ON 22 DECEMBER 2018"** during the provision of EPC services for TEH Topside.

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



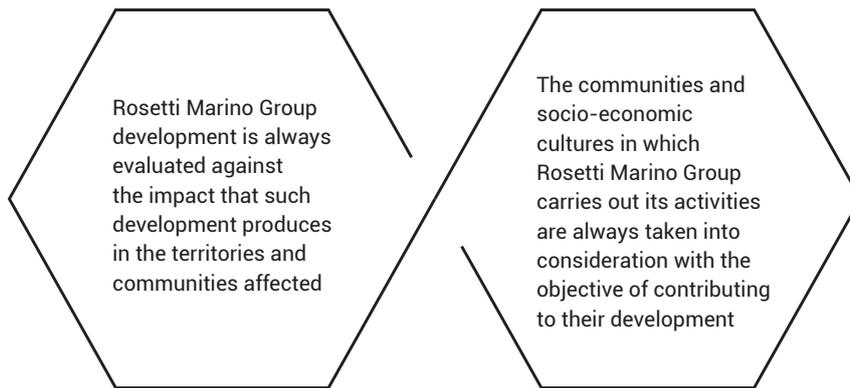
## 5.2 BUSINESS ETHICS AND INTEGRITY



Rosetti Marino Group is continuously committed to ensuring **technical capacity, good ethics** and **reliability** to Stakeholders during product realization and the supply of services. In order to achieve these goals, a common value system is necessary to lead behaviors and actions.

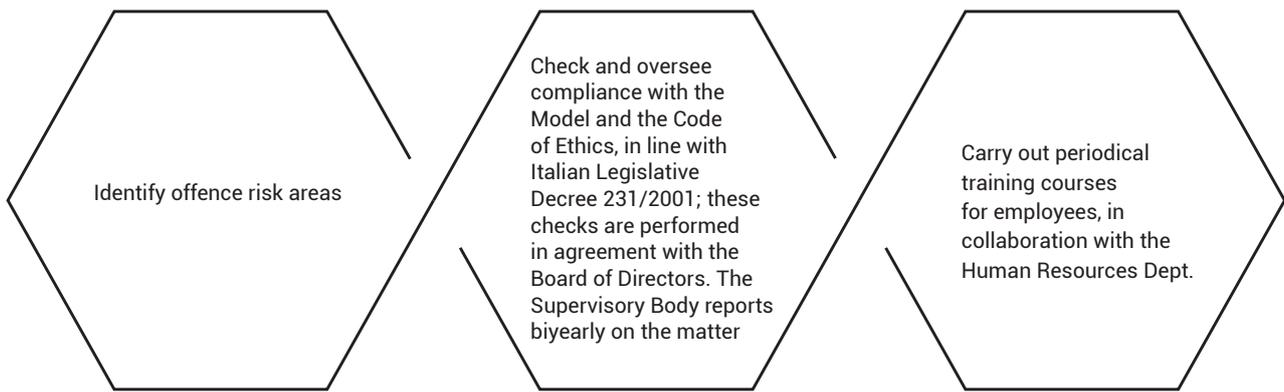
Therefore, Rosetti Marino Group has implemented a dedicated **Code of Ethics** that clearly identifies values and ethical principles and defines rules of conduct and consequent rules of implementation. It is applicable to all the companies of the Rosetti Marino Group in Italy and abroad and it is binding for all collaborators.

A specific focus on sustainability and social responsibility issues is highlighted in the Code of Ethics:



In 2009, Rosetti Marino Group adopted **Italian Legislative Decree 231/2001** and implemented organizational and corporate requirements; it established a Supervisory Body, approved and issued an “Organization, Management and Control Model”, that integrates the Code of Ethics.

The **Supervisory Body** shall ensure independence, professionalism and continuity of action requirements. It has the following responsibilities:



During the induction stage, all employees receive an **Information Letter** on Italian Legislative Decree 231/2001 and they are requested to attend a **dedicated training course** and periodical refresher trainings.

Since 2009, about 300 people have been properly trained.

The **Organization, Management and Control Model** is a dynamic tool and the Supervisory Body follows the corporate context development and updates to legislation, in addition to receiving inputs aimed at improving and updating the Model.

In pursuing the business objectives, the **Internal Auditing** promotes the compliance with the Code of Ethics and the observation of **Corporate Values**; moreover, it encourages cooperation and teamwork within the organization and towards the other functions of the Company Group.

According to the corporate governance rules, the Internal Auditing supports the Board of Directors in order to assure the correct functioning of the internal audit system and any interventions on sensitive processes with regard to the administrative liability of corporate bodies.

The effectiveness of the Code of Ethics and Organization, Management and Control Model implementation is demonstrated by the absence of confirmed incidents of corruption, pending or completed legal actions, monetary value of significant fines and non-monetary sanctions for non-compliance with laws and regulations.

In 2019, there will be the **ten-year anniversary of the Supervisory Body and of the Organization, Management and Control Model**.

## 5.3 HUMAN RIGHTS AND LABOR PRACTICES



Rosetti Marino Group believe that **people are the energy and the engine of the company**. This principle leads our strategy, aimed at the valorization of the individual and safeguarding their rights and working conditions.

We are committed to conducting our business with respect for all internationally recognized **human rights** and labor **practices**, ensuring every effort in the sphere of our activities to guarantee the rights sanctioned by the **“Universal Declaration of Human Rights”** of 10 December 1948 and by respecting the International Labor Standards and the applicable national Laws.

We promote equal opportunities and involvement that favors **team-work** and encourages **efficient communication, creativity, initiative and responsibility**. At all levels, from senior managers to our subcontractors.

Our productive unit has always been considered the strategic one for the quality of our products. We are therefore fully committed to keeping the current occupational level while pursuing continual improvement and technological development.

In order to ensure business continuity, constant internal development and the training of excellent human resources are crucial; this ensures the continuous availability of the qualified and skilled personnel required for each role and at the same time the availability of new resources to compensate for employee turnover. By outsourcing part of the activities, we reach the required flexibility to adapt to the productive needs without compromising the knowledge of the processes that constitute our activities.

At the end of 2018, Rosetti Marino Group had **627 employees** with a yearly average of 600 employees. **87% of our employees** have a **permanent contract** confirming our tendency of creating stable and lasting occupation. New hires represent 11% of our total employees.

The welfare of all our workers is guaranteed by the submission of the collective bargaining agreements whose conditions are improved by specific corporate agreements.

We recognize improved contractual aspects and services for our expatriate personnel who work in countries other than Italy. This policy covers aspects such as work shifts, working hours, holidays, accommodation, health care, legal assistance and security.

|                         | TOTAL EMPLOYEES | MANAGERS | WHITE COLLARS | BLUE COLLARS |
|-------------------------|-----------------|----------|---------------|--------------|
|                         | 100%            | 23%      | 68%           | 9%           |
| <b>Women</b>            | 25%             | 10%      | 33%           | 0%           |
| <b>Men</b>              | 75%             | 90%      | 67%           | 100%         |
| <b>&lt;30 years old</b> | 7%              | 0%       | 8%            | 9%           |
| <b>30-50 years old</b>  | 70%             | 60%      | 75%           | 63%          |
| <b>&gt;50 years old</b> | 23%             | 40%      | 17%           | 29%          |

|                                   |     |
|-----------------------------------|-----|
| <b>New employee hires*</b>        | 71  |
| <b>New employee hires rate*</b>   | 11% |
| <b>Employee turnover*</b>         | 53  |
| <b>Employee turnover rate*</b>    | 9%  |
| <b>* Permanent Contracts</b>      |     |
| <b>Fixed-term contracts</b>       | 9%  |
| <b>Permanent contracts</b>        | 87% |
| <b>Temporary agency contracts</b> | 4%  |

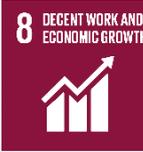
**Discrimination** on the basis of political opinion, trade union affiliation, religion, race, nationality, age, gender, language, health, sexual preference or any intimate aspect of the person in general **is not permitted**.

In Italy and worldwide we comply with local regulations in terms of labor laws, child labor and decent working conditions.

In 2018 we have never experienced an incident related to labor violation or discrimination. However, we have an established mechanism for the management of such grievances through which every employee can report any kind of misconduct. This can be done by reporting directly to the **HR Department** or to the Internal Supervisory Body (according to Legislative Decree 231/2001) through the dedicated channels.

In both cases we ensure anonymity and no retaliation towards the person who submitted the report.

## 5.4 SUPPLY CHAIN

| UNGC PRINCIPLE AREA   | SUSTAINABLE DEVELOPMENT GOAL  |  |   |   |
|---|---|--|---|---|
| <b>Human rights</b><br><b>Labor</b><br><b>Environment</b><br><b>Anti Corruption</b> |  |  |  |  |

Ethical and moral values have made a strong mark on Rosetti Marino Group characters and are now an integral part of its culture, its way of working and dealing with others, whether they are clients, suppliers or partners.

Concepts such as lawfulness, honesty and transparency, caring for people, loyalty, attention to the environment and a focus on local content are all ingrained in its daily routine, **its very culture**. When it does not find them reciprocated in those it deals with, it immediately perceives that something is off, that it is out of synch.

Rosetti Marino Group acquires approximately 60-70% of the projects' value, translated into purchases of materials and subcontracts for goods and services. That means that procurement service must be even more attuned to these values.

The organizational process to ensure compliance with ethical values **starts with the procedures** used to place orders or award subcontracts, procedures structured so as to guarantee **maximum transparency** within the company. First and foremost, this is achieved by involving ever more people in the evaluation of each quotation and in the final decision to place the order; a proprietary software is also used to track each and every step and trace the history of every order placed.

We must also underlined the fact that involving several people in the final decision also ensures that the right compromise will be struck between the **various** requirements: keeping costs as low as possible; facilitating relations with the supplier; feedback from previous orders; particular features of the supplier's operations; whether or not the supplier's conduct is in line with our values. Assigning a job implies having **"real" knowledge of the supplier** and thus qualifications and feedback are the keys to continuously updating a supplier's rating.

### QUALIFIED VENDORS: 1,934

Subcontractors are mainly selected from **local companies**. This choice is dictated by many factors, not least of which is **historical attention to social issues** – regardless of any specific requests for local content advanced by the client – which means seeking, as far as possible, to provide work to local subcontractors and help them grow. There are some companies with whom Rosetti has been collaborating for over 20 years.

These companies follow its way of thinking and are in tune with our values. In many cases, the choice of which companies to involve in a given tender is easy: it just takes a bit of "hindsight", a look at who, over the years, has always followed and believed in what Rosetti has proposed. In the last two years, many of its historical Contractors fell on hard times due to the **difficult market conditions** in terms of workload and payments. In this context, while always carrying out its activities in a professional manner, Rosetti Marino Group has tried to distribute the reduced workload more uniformly, helping the Contractors overcome this difficult period.

For the foreign sector, the situation is more complex. For the choice of suppliers in previous experiences, Rosetti Marino Group analyzed many aspects: technical and operational potential, and company facilities. However, in addition to all this, it also made certain that **the average pay** of the employees/workers was decent for the market conditions and, last but not least, it took into account the type of company, and the "people who made up the company", those with whom it would be interfacing.

The evaluation was a parallel process: of course there was an economic part that carried its weight; but there were also relational aspects, cultural values, how these Companies and their representatives thought they would approach the work and how they discussed it with us.

This led Rosetti Marino Group to choose a company that, despite being a multinational much larger than itself, decided to “enter the field” directly with its parent company, taking on risks and responsibilities to commence a relationship with Rosetti.

Ultimately, the choice fell on those we considered more **in synch with the way Rosetti Marino Group operates**, with its principles.

“Opening the doors of our yards” or entrusting a substantial and critical part of its activities – **the construction** – to external labor requires paying the utmost attention not only to the subcontractor’s skills but, above all, to their ethical values.

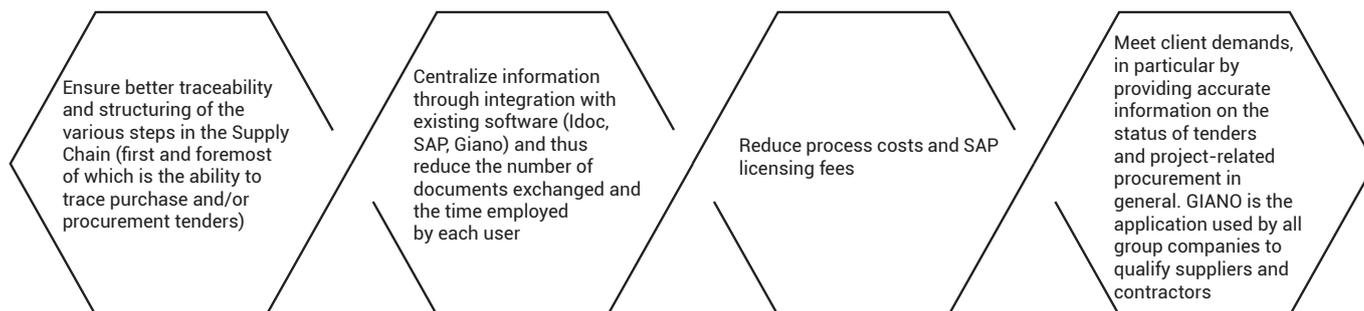
For vendors, the considerations are similar but less stringent in some, but not all, respects. Such relationships develop at a distance, with sporadic “contacts” and translate into the supply of an asset. Values such as lawfulness, fairness, honesty, respect for people and the environment remain fundamental.

Qualification and real knowledge of the suppliers’ activities are delegated to two departments within the procurement area: **Expediting and Supplier Qualification**. By following each supply as it develops and physically visiting the supplier’s premises, the Expediting office can provide precise and accurate feedback on all aspects regarding the supplier.

On the other hand, the supplier qualification office performs two main activities: the first is to qualify new suppliers through the **GIANO Web Qualification Portal** (this database, too, was developed in-house), going out on qualifying visits to those deemed most interesting or strategic; the second is **to gather internal feedback** to confirm, or change, supplier ratings.

Regarding the last point, the importance of keeping a qualified supplier’s performance up to date is self-evident, and that is the reason why Rosetti uses another tool named **ATHENA** - a Sharepoint application that collects all documents exchanged during the following processes: Issuing of Material Requisitions/Contract Specifications, Purchase requests, Quotation requests, Technical-Economic Alignments, Issuing of Orders, Post-Order management.

The tool must:



At the beginning of the year Rosetti Marino Group implemented a much more streamlined feedback collection method that we believe, in the end, is even more objective.

The supplier qualification office then takes the report, makes any necessary checks and validates or changes the rating. Along with the ethical characteristics mentioned earlier – characteristics shared by all colleagues and which have become a sort of filter through which the company analyses its suppliers’ conduct –, this operating mode provides further assurance that ethics are taken into account.

## 5.5 TECHNOLOGICAL DEVELOPMENT

| UNGC PRINCIPLE AREA                                   | SUSTAINABLE DEVELOPMENT GOAL   |
|---|--|
| <p style="text-align: center;"><b>Environment</b></p> | <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div> |

In a constantly changing energy market, the ability to **innovate** is consistently and urgently pursued by the **Energy** industry. Technological innovation is one of the key elements to focus on, in order to be ready for change and adapt to all new situations. In particular, for the Rosetti Marino Group, technological development means and meant, not only the opportunity to diversify products into various sector such as subsea, superyachts or renewable energies, but also **the possibility of being more competitive** in a traditional sector, improving the quality of products, or reducing costs, delivery times, waste and consumption.

### “ACHIEVED” AND “IN PROGRESS” INNOVATIONS

The Rosetti Marino Group technological innovation goals have recently been achieved in terms of **digitalization and collaborations** with universities or other industrial partners, aimed at researching and developing new technologies mainly related to renewable energy and the naval–superyacht field.

### DIGITALIZATION

Digitalization has been extensively pursued by the Rosetti Marino Group over the last few years, implementing or **integrating digital technology, applications and connectivity** in various company functions and different work processes or devices.

With regard to operating departments, the **Welding Management System** has been digitalized and, additionally, an application based on **Bar Code technology** has been successfully introduced in order to facilitate **warehouse management** and the **traceability of materials and semi-finished products**. Moreover, the workshop has recently been equipped with a pipe cutting machine capable of reading NC files exported by Tekla Structure Software: during the manufacturing process, **CNC (Computer Numerical Control)** machine tools can use NC files to create the part cutting and shaping of steel pipes.

The digitalization process also involved other management systems not directly related to production. The travel management system has been improved by the creation of a **paperless system** and a mobile APP for travel requests and expenses reports. A **mobile APP** has also been developed to facilitate the electronic approval of purchasing documents. A new application has been implemented for Human Resource Management allowing the digitalization of the HR development and valuation system. Finally, **new video collaboration systems** have been designed in order to improve communication and information exchange between various offices and subsidiary companies of the Rosetti Marino Group.

### R&D TARGETS AND COLLABORATIONS

When a company is strongly established in an industrial sector, **the research and development of new products** should move into neighboring technological areas to increase the skills acquired but also use **University Research** as a source from which draw **ideas and fresh resources**. In carrying out technological innovations, Rosetti Marino Group will be supported both by a strong internal skills base and by the University of Bologna. In the near future, a framework agreement will be stipulated to establish a close collaboration. for the research, development and industrialization of systems, aimed mainly at the **valorization of renewable energies** and at the technologies for the **transition from fossil fuels to renewable energy sources**.

An achieved goal for Rosetti Marino Group is the fact that, since 2010, 23 internships have been initiated in collaboration with the University of Bologna, of which 4 with Fores Engineering at the headquarters in Forlì and 19 in Ravenna at the Rosetti Marino.

Rosetti Marino SpA has also given a **strong signal to its territory** with the activation, in Ravenna, of a new master's degree course in Offshore Engineering.

Thanks to Rosetti Marino Group's proven experience in the field of shipbuilding, technological innovation and cutting-edge navigation solutions, Rosetti Superyachts is working with the Group's R&D department use avant-garde Remote Control technology from the commercial sector and adapt it for use in yachting.

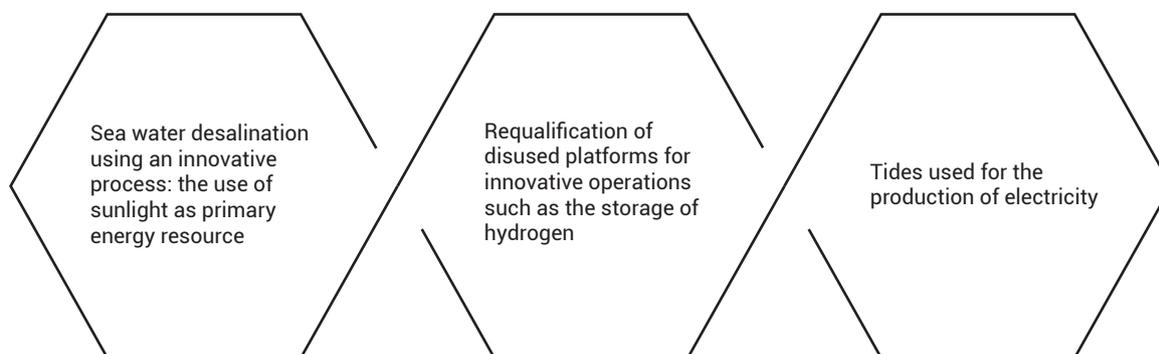
The **revolutionary Remote Control System** is based on a M2M connection (machine-to-machine) system installed aboard *Giano Tug*, a Lloyds Register-certified tugboat, which can take advantage of industry 4.0 benefits for hyper depreciation.

Using a remote console that can be located in a land-based office, the vessel can be maneuvered using the same controls found on the yacht's bridge. Remote control technology is a plus for yacht owners during long transfers by enhancing security during navigation and offering the potential to reduce management and insurance costs.

The Rosetti Marino shipbuilding area is also monitoring the research and testing of the **Mag-Link patent**, another upcoming innovation in shipbuilding field, in relation to its possible future commercialization. Mag-Link technology would permit the first ropeless towing operation by means of a permanent super magnet installed aboard *Giano Tug*.

#### MID-TO-LONG TERM CHALLENGES THROUGH INNOVATION

In 2018, Rosetti Marino had investigated several innovative technologies in order to understand the attractiveness on the market:



Objectives for 2019 include the consolidation of relationships with research institutions, and new businesses in a neighboring sector based on Renewable Energy Sources.

## 5.6 MINIMIZATION OF ENVIRONMENTAL IMPACT

| UNGC PRINCIPLE AREA | SUSTAINABLE DEVELOPMENT GOAL   |
|---------------------|--|
| Environment         |     |

Rosetti Marino Group is committed to working in respect and care of the environment, ensuring sustainable business growth.

The **environmental safeguard** is a priority objective that is constantly monitored and guaranteed in the management of the Company's activities by means of an **Environmental Management System, ISO 14001:2015 certified**, covering all the operational sites.

This has ensured a systematically controlled workplace free from environmental incidents and impacts.

### ENERGY CONSUMPTION AT THE RAVENNA WORKSITES

The environmental footprint of the Rosetti Marino Group is shaped in part by its choice of energy sources.

The consumption of diesel fuel and gas (methane) is the main contributor to **direct greenhouse gas (GHG)** emissions. The consumption of purchased electricity contributes to Rosetti Marino Group's indirect GHG emissions. Furthermore, energy consumption has a direct effect on operational costs.

| ENERGY CONSUMPTION                          |      |            |            |
|---|------|------------|------------|
|   | UNIT | 2017       | 2018       |
| Electricity purchased                       | kWh  | 4,155,531  | 3,160,951  |
| Self-Generated Electricity (Solar)          | kWh  | 203,973    | 166,205    |
| Self-Generated Electricity (Solar) sold     | kWh  | 107,280    | 114,880    |
| Methane                                     | MJ   | 4,504,162  | 3,750,096  |
| Diesel fuel for fleet cars                  | MJ   | 4,703,543  | 4,216,452  |
| <b>Total energy consumption<sup>1</sup></b> | MJ   | 24,515,712 | 19,530,885 |

Notes:

<sup>1</sup> TOTAL ENERGY CONSUMPTION = (ELECTRICITY purchased + Self-Generated ELECTRICITY – Self-Generated ELECTRICITY sold) \*3.60 + METHANE + DIESEL FUEL for fleet cars.

Energy intensity expresses the energy required per worked hours. In combination with the Rosetti Marino Group's total energy consumption, energy intensity helps to contextualize the organization's efficiency.

## ENERGY INTENSITY - ELECTRICITY

|   | UNIT   | 2017      | 2018      |
|---|--------|-----------|-----------|
| <b>Worked Manhours<sup>1</sup></b>                      | h      | 942,543   | 886,583   |
| <b>Electricity purchased</b>                            | kWh    | 4,155,531 | 3,160,951 |
| <b>Self-Generated Electricity (Solar)</b>               | kWh    | 203,973   | 166,205   |
| <b>Self-Generated Electricity (Solar) sold</b>          | kWh    | 107,280   | 114,880   |
| <b>Energy intensity ratio - electricity<sup>2</sup></b> | (MJ/h) | 16.2      | 13.0      |

Notes:

<sup>1</sup> Worked Manhours include the Rosetti Marino Group's employees and subcontractors.

<sup>2</sup> ENERGY INTENSITY RATIO (ELECTRICITY) = (ELECTRICITY purchased + Self-Generated ELECTRICITY \_ Self-Generated ELECTRICITY sold) \* 3.60 / Worked Manhours.

## ENERGY INTENSITY - METHANE

|   | UNIT   | 2017      | 2018      |
|---|--------|-----------|-----------|
| <b>Worked Manhours<sup>1</sup></b>                  | h      | 942,543   | 886,583   |
| <b>Methane</b>                                      | MJ     | 4,504,162 | 3,750,096 |
| <b>Energy intensity ratio - methane<sup>2</sup></b> | (MJ/h) | 4.8       | 4.2       |

Notes:

<sup>1</sup> Worked Manhours include the Rosetti Marino Group's employees and subcontractors.

<sup>2</sup> ENERGY INTENSITY RATIO (METHANE) = METHANE / Worked Manhours.

## ENERGY INTENSITY \_ DIESEL FUEL

|   | UNIT   | 2017      | 2018      |
|---|--------|-----------|-----------|
| <b>Worked Manhours<sup>1</sup></b>                              | h      | 549,670   | 569,710   |
| <b>Diesel fuel for fleet cars</b>                               | MJ     | 4,703,543 | 4,216,452 |
| <b>Energy intensity ratio - fuel for fleet cars<sup>2</sup></b> | (MJ/h) | 8.6       | 7.4       |

Notes:

<sup>1</sup> Worked Manhours include the Rosetti Marino Group's employees

<sup>2</sup> ENERGY INTENSITY RATIO (DIESEL FUEL) = DIESEL FUEL / Worked Manhours

Analysis for Reductions in **energy consumption** started in 2018, with the objective of identifying and implementing initiatives with a direct result on energy conservation and efficiency, through an Energetic Diagnosis covering all the Rosetti Marino Group assets and premises.

This **Energetic Diagnosis** will be completed by the end of 2019 and it will indicate the organization's efforts to minimize its energetic environmental impacts.

The Rosetti Marino Group strongly believes that the organization's ability to use energy efficiently can be seen in its reductions in energy consumption.

Expected and identified initiatives to reduce energy use and increase energy efficiency are:

- Process redesign;
- Conversion and retrofitting of equipment;
- Changes in employee behavior;
- Operational changes.

## WATER WITHDRAWAL AND EFFLUENTS FROM WORK SITES

The total volume of water withdrawn, provided by municipal water supplies, is reported in the table below:

|                               | UNIT | 2017    | 2018    |
|-------------------------------|------|---------|---------|
| <b>Worked Manhours</b>        | h    | 942,543 | 886,583 |
| <b>Water Consumption</b>      | mc   | 13,783  | 9,701   |
| <b>Water Consumption rate</b> | mc/h | 0.01    | 0.01    |

No water sources are significantly affected by water withdrawn.

The water discharges are, for the most part, from collected rainwater and sewage. Process water is treated as waste and is included in Waste section.

Effluents discharge, except those from rainwater, are mostly from offices and services, and they can be considered a quota of the total volume of water withdrawn. Their quality is **periodically controlled** (once per year at least), considering parameters such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and Total Suspended Solids (TSS).

## EMISSIONS OF SOLVENTS FROM PAINTING PLANTS

|  | UNIT    | 2017  | 2018 |
|--|---------|-------|------|
| <b>Worked days of painting plants</b>                              | h       | 378   | 40   |
| <b>Emission of Volatile Organic Compounds (VOC)</b>                | ton     | 22.92 | 1.17 |
| <b>Emission of Volatile Organic Compounds (VOC) per worked day</b> | ton/day | 0.06  | 0.03 |

## WASTE FROM WORK SITES

|                                     | UNIT                 | 2017      | 2018    |
|-------------------------------------|----------------------|-----------|---------|
| <b>Worked Manhours</b>              | h                    | 942,543   | 886,583 |
| <b>Total Waste Generated</b>        | kg                   | 1,064,861 | 715,407 |
| <b>Waste Generated per hour</b>     | (kg/worked manhours) | 1.13      | 0.81    |
| <b>Hazardous Waste Generated</b>    | %                    | 6.04%     | 2.82%   |
| <b>Waste Segregation Efficiency</b> | %                    | 96%       | 95%     |
| <b>Waste Sent to Recycling</b>      | %                    | 97%       | 89%     |

The waste disposal method was determined following information provided by the waste disposal contractors.



## 5.7 TRAINING AND DEVELOPMENT

| UNGC PRINCIPLE AREA   | SUSTAINABLE DEVELOPMENT GOAL   |
|-----------------------|--|
| Human rights<br>Labor |     |

In the Rosetti Marino Group, training and development activities are used to support corporate strategy, which aims to provide personnel with relevant knowledge for the **continuous change process**, in an extremely dynamic and competitive market environment.

The scope of the training is to manage the gap between the expected role and the expressed role, in order to change the organizational position.

The training is operatively handled by the **Selection, Training and Development Department** that informs those involved in the training, organizes **in-house training courses** or provides subscription to **external training courses**; this department also gathers, files and preserves the records relevant to training courses and to the subsequent verification of effectiveness.

In the Rosetti Group the reporting organization provided the following information:

| AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE               | 2017 | 2018 |
|---|------|------|
| Average training hours per employee                           | 18 h | 19 h |
| Average training hours per male                               | 7 h  | 8 h  |
| Average training hours per female                             | 6 h  | 11 h |
| Average training hours per employee category (workmen)        | 12 h | 16 h |
| Average training hours per employee category (office workers) | 19 h | 18 h |
| Average training hours per employee category (managers)       | 20 h | 25 h |

These indices are calculated as the total amount of training hours provided in the entire Group of Companies divided by the total number of employees.

| PROGRAMS FOR UPGRADING EMPLOYEE SKILLS | 2017    | 2018    |
|--|---------|---------|
| Training hours – foreign languages     | 1,040 h | 1,210 h |
| Training hours - ICT                   | 362 h   | 534 h   |
| Training hours - management            | 3,044 h | 2,380 h |
| Training hours- HSSEQ                  | 4,100 h | 3,576 h |
| Training hours- technical              | 2,160 h | 3,223 h |

**TRAINING HOURS – FOREIGN LANGUAGES:** this Training course is dedicated to foreign languages, aimed at employees of each Company Service; this also includes Italian courses for local foreign employees that are in Italy for a temporary internship.

**TRAINING HOURS – ICT:** the ICT Training is aimed at employees directly involved in the utilization of software and IT tools.

**TRAINING HOURS – MANAGEMENT:** this category of Training courses fall outside the technical area and is dedicated to management aspects and oriented to employees involved in all Company Services. Activities aimed at the reinforcement and development of knowledge and skills in order to support the Person in the relevant improvement and performance, such as coaching, path linked to development and continuous improvement of soft skills.

**TRAINING HOURS- HSSEQ:** this kind of Training is dedicated to the HSSE-Q integrated management system and addressed to employees involved in the HSE-Q Services. Within this system, the Rosetti Marino Group has defined different type of specializations:

- **Technical QA-QC:** with a Training dedicated to the technical area, addressed in particular to employees involved in the Quality Control department.

- **Technical & Operational HSE:** with Cross training courses for new employees and continuous refresher courses for Rosetti Marino Group personnel.

**TRAINING HOURS- TECHNICAL:** technical training incorporates different types of training programs. The first type of program is the **Project Management Training** that is addressed both to Project Managers and to employees in training for this role, but also to those belonging to staff departments or supporting Project Management. The second is the **Engineering and Operational Departments Training** that is committed to the technical department and addressed to Engineering personnel (Industrial; Shipbuilding; Automation&Telecom; Skid&Packages and Detailed Engineering), Tendering or to other departments linked to these ones.

#### **PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS**

The **Evaluation System** in the Rosetti Marino Group is dedicated to the entire Group and is a systematic and structured method for the assessment and development of human resources.

The main roles of the process are the assessed resource and the appraiser. The appraiser is represented by the **Function Manager**. The HR Department (Selection, Training and Development) coordinates this process and ensures the correct application of all its phases.

At the beginning of the year, the Function Manager identifies **individual goals** for each assessed resource and **relevant criteria** for the evaluation of their achievement.

In addition to the goals, the resource is assessed on cross and distinctive competences that they find within the format.

A year later, in the first months, the Resource performs a **self-evaluation on all parts** that constitute the format; the Function Manager receives the self-evaluation and is invited to fill in the evaluation in order to provide useful feedback.

To complete the process, the Function Manager arranges a meeting with the Resource in order to explain the feedback and evaluation about the previous year.

The process closes with the approval of the assessed resource on all aspects shared together with the Function Manager.

**APPENDIX – REPORT BOUNDARIES**

The perimeter of the Rosetti Marino Group's SUSTAINABILITY ISSUES is described in the following table:

| SUSTAINABILITY ISSUES                | BOUNDARIES           |   |
|--------------------------------------|----------------------|---|
|                                      | INTERNAL             | EXTERNAL  |
| HEALTH AND SAFETY                    | Rosetti Marino Group | Vendors and subcontractors  |
| BUSINESS ETHICS AND INTEGRITY        | Rosetti Marino Group | Business partners, vendors and subcontractors                               |
| HUMAN RIGHTS AND LABOR PRACTICES     | Rosetti Marino Group | -   |
| SUPPLY CHAIN                         | Rosetti Marino Group | Vendors and subcontractors  |
| TECHNOLOGICAL DEVELOPMENT            | Rosetti Marino Group | -   |
| MINIMIZATION OF ENVIRONMENTAL IMPACT | Rosetti Marino Group | Vendors and subcontractors operating within Rosetti Marino Group facilities |
| TRAINING AND DEVELOPMENT             | Rosetti Marino Group | Vendors and subcontractors (for HSE only)                                   |



**ROSETTI MARINO**  
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**ROSETTI MARINO**



**BASIS ENGINEERING**



**FORES ENGINEERING**



**TECON**



**ROSETTI SUPERYACHTS**  
SHIPYARD EST. 1925

