



Sustainability Report 2018

This is the RINA Communication on Progress in implementing the Principles of the United Nations Global Compact and supporting broader UN Sustainable Development Goals.

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CEO letter to stakeholders

In 2018, more than 150 years after RINA was established, we have transformed our identity to be fit for the future. Fit and ready to face new challenges and adapt to new contexts while not forgetting our past, rich in experience, expertise and competence. We think of ourselves as the excellence behind excellence. In other words, continuing to be a trustworthy and outstanding partner of our clients, helping to turn ideas into success.

We are strengthening our role in infrastructure modernisation as well as responsible and sustainable industrialisation. We are proud to support our clients as they undergo their digital transformation. We are convinced that the transition to Industry 4.0 is a great opportunity to reduce global consumption of raw materials, energy and space, in line with the concept of the circular economy.

Responsible growth is a driving force for RINA. Our commitment is to actively practise our values and be transparent about the impact of our efforts to our stakeholders. This report reflects our approach to sustainability issues and explores some of the many ways in which we support the 10 Principles of the UN Global Compact and the broader UN Sustainable Development Goals.

In 2018 we continued to invest in human capital, our main asset. We implemented a global work-life balance project to gain the benefits of a smart working approach based on trust and accountability. In addition, this project allowed us to reduce our carbon footprint thanks to less commuting time our staff and lower energy consumption at our sites. All of the energy used at our Italian sites comes from certified renewable sources.

We increased our efforts to protect our people from a security standpoint, as well as to protect the personal data of our employees, customers and consultants. We continued to engage proactively in promoting integrity and ethical behaviour. We enhanced our training for employees in anti-corruption and impartiality. We also participated actively in the Business Integrity Forum of Transparency International.

In terms of business, we launched a global project to better analyse the connection between the services we provide and the impact on the 17 SDGs with a twofold goal: minimise the impacts of our operations and support clients by generating positive results for their projects and businesses.

If you are interested in learning more about how we practise corporate sustainability and responsibility while creating value for our stakeholders, I invite you to read this report.

Ugo Salerno
Chairman and CEO, RINA

Genoa, April 2019

RINA approach to sustainability

Genoa, April 2019

RINA is evolving and growing rapidly, both organically and through external acquisitions. We therefore have a constant need to look at sustainable solutions and take a structured approach in the conduct of our business. This allows us to develop and deliver new services that have a positive impact on society as well as the environment.

RINA has been a signatory to the United Nations Global Compact since 2016 and is reporting according to the UN Global Compact Active Level. We have committed to embed sustainability as one of the key drivers of our business strategy and to ensure this approach is reflected in the services we deliver to our clients. We actively support the 10 Principles of the UN Global Compact relating to human rights, labour standards, the environment and the fight against corruption. We report and communicate annually to our stakeholders on progress made to implement these principles.

Our path towards sustainability involves a number of internal initiatives designed to increase awareness of more sustainable ways to approach our business and carry out our activities, as well as to develop innovative services that generate positive impacts for our stakeholders and for our customers' projects and businesses.

We participate in national and international networks focused on corporate social responsibility (CSR) and sustainability. These include Fondazione Sodalitas, the Italian partner of CSR Europe, and Transparency International and its Italian Business Integrity Forum supporting voluntary anti-corruption initiatives.

We have developed a CSR policy whose principles are embedded into our business development strategy. This strategic approach to corporate social responsibility and sustainability is formalised in four pillars: Governance, People, Planet and Innovation. We want our stakeholders to feel confident that we do our best to manage our social, environmental and economic impacts. We maintain a proactive and transparent dialogue with our stakeholders to better understand their expectations and build shared values.

The integrated Enterprise Risk Management (ERM) framework that we have adopted takes into account strategic, financial, operational and compliance risks as well as environmental, social and governance (ESG) criteria. The aim is to drive continuous improvement in each of these areas.

RINA is engaged in rule development processes within a number of technical associations, committees and working groups, at both the national and international level, with the purpose of sharing research, results, technical knowledge and best practices.

Corporate Social Responsibility

The RINA Corporate Social Responsibility Policy, issued for the first time in April 2016, sets out our commitment to sustainable development. It is built around four pillars:

Governance, by:

- integrating sustainability into our global business activities;
- creating long-term value;
- increasing returns for investors and shareholders;
- ensuring the highest level of integrity;
- fighting against any form of fraud and corruption;
- following fair and correct business practices;
- following international best practices.

People, by:

- respecting human rights in our organisation and supply chain;
- respecting labour organisation principles;
- meeting health and safety regulations;
- creating a safe, participatory and inclusive workplace;
- banning any discrimination in respect of employment and occupation;
- considering diversity as an opportunity and meritocracy as a must.

Planet, by:

- meeting environmental protection regulations;
- increasing energy efficiency;
- reducing CO₂ emissions;
- minimising and mitigating any environmental impacts;
- creating value in local communities;
- sharing social values with our stakeholders.

Innovation, by:

- promoting research and sustainability-driven projects and services;
- delivering innovative solutions to our stakeholders;
- offering services that support customers in generating positive environmental and social impacts through their projects and businesses.

About this document

RINA has been a signatory to the United Nations Global Compact since 2016.

This report reflects our self-assessment on how we work to continuously meet the UN Global Compact Active Level criteria¹. It includes some of our initiatives to ensure a sustainable business-oriented approach.

RINA is committed to communicating on an annual basis its advancements and developments towards the goals' realisation. The report is publicly available on the RINA website: www.rina.org

RINA welcomes questions, comments and feedback from all its stakeholders.
Please contact csr.rinagroup@rina.org



The 17 Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

¹ In line with the differentiation levels set by the UNGC.

RINA at a glance

Delivering tangible benefits for the growth of industries all over the world.

RINA is a multinational player that provides a wide range of high-quality, tailored solutions throughout project lifecycles in the Energy, Marine, Certification, Transport & Infrastructure and Industry sectors.

We work to deliver services that contribute to increasing the qualitative level of the market and improving the wellbeing of society, building sustainable values for future generations. We believe in the value of visionary ideas and the importance of protecting life and the environment. This is why innovation and sustainability run through our business and contribute to increasing the reputation of both RINA and our customers, who have committed to sustain the planet and make a positive contribution to society.



3,700+ people
worldwide



200+ offices in
70+ countries



€ 443 M
turnover



ENERGY

RINA's energy business unit supports private and public operators worldwide to sustainably meet growing market demands in a wide range of energy sectors, including oil and gas, conventional power generation, renewables and power transmission. Our services are delivered under a strong overarching sustainability approach to ensure environmental and social impacts are minimised.

We provide a vast array of engineering and consultancy, testing, inspection and certification services aimed at all players in the sector. Our services help operators to meet sustainability targets as well as ensure compliance with the highest standards of engineering and construction.



MARINE

Marine is one of our core businesses, with RINA recognised as one of the world's leading marine classification societies. Our integrated services for the complete shipping cycle include design, construction supervision, shipyard management, inspection and testing of materials and components to meet class requirements. They apply to cargo ships, ferries, ro-ro ships, passenger ships, yachts, cruise ships, navy vessels and specialist vessels such as LNG carriers.

Our marine business unit is at the forefront of designing and delivering sustainable products and solutions for our clients. These include specific in-house class notations and solutions to increase comfort, safety and energy efficiency, ranging from Green Plus and Hybrid Propulsion additional notations to smart ships and, more recently, the new frontier of LNG-fuelled cruise ships.



CERTIFICATION

Our third-party certification services give stakeholders an independent guarantee of compliance with applicable regulatory standards. They are designed to protect companies across all aspects of projects, operations, logistics and legislation. Our certification services cover a wide range of areas including climate change, management systems (quality, environment, health and safety, social accountability), product safety and quality, environmental sustainability, social accountability, food traceability and certification, personnel, transport infrastructure and green buildings.

Our Certification business unit has achieved significant results in terms of sustainability-driven services in the areas of food certification and sustainable food production and traceability, biofuels, bioliquids and bio-based materials, as well as biomethane and biomass supply chains.

RINA was the first certification body to be accredited for ISO 37001 anti-bribery system certification.



TRANSPORT & INFRASTRUCTURE

Our Transport and Infrastructure business unit supports clients with dedicated, bespoke services in the infrastructure, transport and logistics markets including ports, railways, roads and highways, buildings, dams and hydraulic infrastructures. We also deliver comprehensive and efficient third-party testing, inspection, certification, design, consultancy and owner's engineering services to public authorities, private contractors, insurance companies, investors and owners.

We develop innovative design solutions for green buildings, historical compounds and a wide range of infrastructures. In addition, our services focus on long-term greenhouse gas emission reduction, masterplans and climate resilience solutions to minimise the vulnerability of socio-ecological systems associated with the environmental consequences of climate change.



INDUSTRY

Our Industry business unit supports clients in boosting their competitiveness wherever materials, technologies and innovation play a critical role. We provide confidential expertise and ensure real progress in industrial sustainability. Our innovative engineering services support governments, public bodies and industrial operators throughout the entire lifecycle of a project. This includes the design and development of advanced products, the application of innovative solutions, verification and validation, product/software assurance and improvement of production processes.

Some of our recent achievements in the area of sustainable development for Industry include scouting for different applications of earth observation data, a wide range of approaches to the circular economy and its implications for different industrial sectors, and research for the bio-economy industry to create novel sustainable materials from agricultural and forestry waste.

Some examples of sustainability-driven services to support clients in developing their projects in line with the expectations of the SDG framework are included in the "Our services for sustainability" section of this report.

The UNGC 10 Principles

● ● HUMAN RIGHTS



Businesses should support and **RESPECT THE PROTECTION** of internationally proclaimed human rights; and make sure that **THEY ARE NOT COMPLICIT IN** human rights abuses.

● ● ● ● LABOUR



Businesses should uphold the freedom of association and the effective recognition of the right to **COLLECTIVE BARGAINING**; the elimination of all forms of **FORCED AND COMPULSORY LABOUR**; the effective abolition of **CHILD LABOUR**; and the **ELIMINATION OF DISCRIMINATION** in respect of employment and occupation.

● ● ● ENVIRONMENT



Businesses should support **A PRECAUTIONARY APPROACH** to environmental challenges; undertake initiatives to promote **GREATER ENVIRONMENTAL RESPONSIBILITY**; and encourage the development and diffusion of **ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**.

● ANTI-CORRUPTION



Businesses should work **AGAINST CORRUPTION** in all its forms, including extortion and bribery.

Based on the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, the 10 Principles of the UN Global Compact guide organisations in meeting fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.



Human rights

OUR COMMITMENT

The RINA Human Rights Policy, issued in May 2017, sets out our commitment to respect human rights as an essential principle.

RINA promotes and defends human rights in every circumstance as part of its mission and repudiates all discrimination based on gender, ethnic group, language, religion, politics or social and personal conditions. RINA's subsidiaries in the UK have developed appropriate measures to be in compliance with the Modern Slavery Act.

Our key priorities are to:

- identify, prevent and mitigate any negative impact on human rights resulting from or caused by our activities and to remedy any possible negative impact directly caused;
- ensure that child labour, modern slavery, servitude, forced labour and human trafficking do not take place and are not facilitated in any of our activities;
- value diversity, ensure equal pay for work of equal value and respect privacy rights;
- promote workers' awareness of human rights, including suppliers and business partners;
- build partnerships to improve our positive impact on society.

We work towards achieving the ambition of SDG 5 for gender equality, SDG 10 to promote the social and economic inclusion of all and SDG 17 to promote effective private and civil society partnerships.



KEY INITIATIVES AND IMPACT

Whistleblowing platform

In 2018, RINA maintained the whistleblowing platform that was implemented in 2017 to enhance the channels of communication available to all internal and external stakeholders. Acting as a form of grievance mechanism, it can be used to report alleged violations of the RINA Ethical Code, with specific reference to human rights. The platform is freely available on the RINA website, along with information about the procedure.

Local communities

RINA is committed to delivering and supporting projects and initiatives aimed at creating social value. In 2018, these included:

Donation to Istituto Don Bosco in Genoa, Italy

Following the tragic collapse of the Morandi Bridge in Genoa on 14 August 2018, we considered it appropriate to cancel the traditional Christmas party in Genoa and to donate the equivalent amount to a charitable initiative to support the local community.



RINA donated a nine-seater Ford minivan to Istituto Don Bosco, an educational institute in Genoa that teaches children from nursery through to high school. The institute is not only a school, but also offers a comprehensive formative experience including extracurricular activities such as football, fitness and drama.

This initiative is helping the Institute deal with day-to-day transportation needs, for example to take children to sports grounds and elderly people to hospital or other places. We are pleased to have made this available to a local community heavily affected by the consequences of the bridge collapse.

Other charitable initiatives supporting local communities abroad

All RINA offices were invited to donate the amount set aside for local Christmas parties to charitable organisations, in line with the Corporate Social Responsibility policy.

Many RINA offices welcomed this proposal. As a result, we were able to support the following initiatives with a total donated amount of around €15,000:

- a project for orphaned children in Mozambique;
- a socio-educational and cultural project aimed at social integration of children who are at risk, abandoned or victims of abuse in Brazil;
- an organisation supporting children with cancer in Germany;
- an organisation supporting homeless people through employment, housing and wellbeing services in the UK.

Food and non-food donations in Tortona, Italy

The RINA laboratory in Tortona, Italy provides testing services for clients to check compliance with regulations or voluntary quality management systems. In 2011, RINA decided to start a programme to support the charitable association Casa di Accoglienza di Tortona. All samples not used for testing or that have concluded the testing and mandatory storage period are checked for compliance and donated. Every year since the programme started, we have been able to donate around 100 boxes of food and non-food products with an estimated weight of over 500 kg.

Privacy and the GDPR

The EU General Data Protection Regulation (GDPR), which entered into force on 25 May 2018, marked a major change in the digital aspects of doing business. In RINA, it brought an important issue into sharper focus: the integration of human rights into business practices. The GDPR is one of the first legal acts to introduce the notion that digital rights need to be integrated into the business operations and strategies of companies.

With the aim of strengthening the trust that we need in order to succeed in the current global business climate, during 2018 we made strong efforts to enhance our accountability for handling personal information in compliance with the GDPR. The accountability principle under the GDPR requires us to be able to demonstrate and document our compliance. We therefore analysed existing data protection processes to identify shortfalls against the new GDPR requirements and summarised these in a Privacy and Data Protection Model. To document how and why RINA processes personal data, a Record of Processing Activities was created and has been maintained. In addition, all internal policies and general procedures were reviewed and reinforced to achieve compliance with the GDPR requirements and to safeguard the rights and freedoms of data subjects.

Moreover, in order to prevent risks to the rights and freedoms of natural persons, a detailed risk assessment was carried out using risk analysis methodology. This is a fundamental step in creating a Data Protection Impact Assessment. Simultaneously, technical and organisational security measures were strengthened to ensure full compliance with the GDPR. An awareness campaign was conducted, including dedicated interviews and meetings, to guarantee these principles in the development of services by design and by default.

In addition, in order to spread the information to all employees at all levels, an e-learning GDPR training course was deployed. This achieved very high scores in terms of participation (more than 80 percent of the total workforce) and test results.



As a demonstration of accountability and virtuous business conduct, a Data Protection Officer was appointed by RINA and privacy responsibilities and duties were assigned to relevant key roles, named Process Owners and Deputy Process Owners.

During 2018, among the total number of data breach near-misses analysed, there were no substantiated complaints concerning any breach of a customer's privacy. All were related to thefts of devices that were secured and/or did not contain significant personal information.

IT security

RINA is strongly committed to IT security. Due to the nature of our business, we continuously strive to strengthen the protection of privacy, confidential information and intellectual property.

In line with this commitment, in 2018 we adopted a new set of internal policies and procedures with the aim of continuously improving our internal control model and reducing our IT-related risks. The main reference document is the General Policy on Company Data Protection, which sets out the main objectives and rules for protecting all company information.

We have also developed a global IT Security Policy based on the ISO 27001 standard and in compliance with the applicable Italian law on information security and the protection of the privacy and personal data of European citizens. In 2018, in order to raise awareness of IT security risks and to support effective compliance with internal rules, a new e-learning course was issued and delivered to all RINA employees.

The policy and procedures attest to the importance that RINA places on the protection of the information managed within its IT systems. They represent a commitment to implement all reasonable organisational and technical measures to mitigate the growing risks in the area of cyber security.

At least once a year, a vulnerability assessment (VA) and a penetration test (PT) are carried out to test the effectiveness of our system and procedures. Any reported findings are used to guide plans and investments aimed at continuously improving the security of internal information, as well as data belonging to our clients. Our procedures are based on the wide range of certification and support services we offer clients in this area.

Supply chain

RINA is actively improving its human rights impact assessment in order to adequately identify and address actual and potential adverse impacts on human rights. RINA suppliers are mainly consultants, practitioners and suppliers of goods and services. Although the level of potential risk identified in our supply chain is very low, we nevertheless continuously improve our qualification process to account for social and human rights aspects.

In line with the consolidated qualification process implemented for RINA companies in Italy, covering both technical and administrative aspects, suppliers commit to carry out their business activities in compliance with the principles laid down in the RINA Ethical Code and to declare any proceedings or judgements relating to child labour and other forms of human trafficking and exploitation. Through an internal due diligence activity, we identified some opportunities for improvement in our supplier qualification process. A new procedure for supplier qualification was issued in 2018 in order to harmonise the approach, standardise activities and strengthen control.



Labour

OUR COMMITMENT

We strive to provide our people with decent, productive work and the prospect of a stable and secure future. People are our most important assets and have a central role to play in supporting the sustainable growth of our organisation.

We respect the diversity of all employees and we invest in their development and professional growth, enhancing their technical skills, their problem-solving capacity and their approach to clients' needs, in line with our company values and purpose.

At RINA, we are committed to an inclusive workplace that embraces and promotes diversity and inclusion, giving everyone in the workplace the opportunity to be included and contribute regardless of gender, age, linguistic and cultural background, race including ethnic origin, nationality or colour, religious beliefs, disabilities, sexual orientation or family status.

We strive to ensure that all employees and job applicants are given equal opportunities and that our organisation is representative of all multicultural backgrounds.

We reward and promote our people based on assessments of individual performance, capability and potential. Our leaders are committed to providing opportunities that allow individuals to reach their full potential irrespective of individual background or difference.

We also work to maintain a safe and friendly working environment for our staff, with particular attention to health and safety issues. We apply risk management tools to plan safe journeys for people travelling abroad to countries potentially exposed to health and security risks. Our aspiration is to be an employer of choice and to achieve zero harm in our operations.

We work towards the ambition of SDG 8 to ensure decent work for all, including safe and secure working environments, and SDG 3 to promote health and wellbeing and to strengthen the capacity for managing national and global health risks.



KEY INITIATIVES AND IMPACT

Smart working

In 2018, we launched a flexible "smart working" working initiative named WorkLifeBalance@RINA. We believe that flexibility gives a sense of personal control and ownership, as well as care and responsibility. This translates into



higher motivation and more productivity, creativity, performance and personal commitment. Empowerment makes our colleagues more confident and able to take decisions independently, with consequent improvements in efficiency and effectiveness. The pilot phase started in early 2018 for a selection of business areas before rolling out the project globally.

Starting from April 2018, involvement and participation in the smart working project has been extended in six waves to all staff worldwide. All appropriate steps to identify and assess local legislation requirements and occupational health and safety risks have been taken and all “smart workers” have been trained accordingly. To date, in total almost 1,300 smart workers have participated in the programme.

We have defined a set of KPIs and monitored smart working impacts through a dedicated dashboard. Based on two surveys delivered to all employees during the year, including managers, we are able to estimate certain figures and identify positive impacts. In Italy, for example, employees have saved over 13,000 hours of commuting time and more than 482,000 kilometres of travel, with consequent savings on transport costs and a reduction of 70 tonnes of CO₂ emissions.

The initiative has been highly appreciated and it has been decided to further pursue this direction in 2019.

Fair employment and remuneration

At RINA, the workforce is a valuable asset and we work to maintain a constructive approach in the management of employees throughout our organisation worldwide. Work contracts are applied in line with local labour regulations, according to overarching company guidelines defined by the Corporate HR department and implemented by local HR managers.

We cooperate constantly with trade unions to help address and solve any issues that arise. Appropriate employment policies are set out, providing information regarding workers’ rights under national labour and employment law. All practices reflect a worldwide culture where individual capabilities and potential are valued. Our practices reflect our long experience as a Social Accountability certification body. Our reputation as an employer benefits from our efforts to encourage positive relationships with employees and follow international standards on working conditions.

The remuneration policy is aimed at attracting and retaining the best talents by ensuring internal pay equity and external competitiveness in terms of compensation packages. In terms of total reward, additional compensation beyond the salary takes into consideration the needs of staff members and their work-life balance. These include healthcare assistance and a range of benefits (accident insurance, tax assistance, scholarships for employees’ children, discount schemes with selected third-party providers, etc.) tailored to the country and type of contract applied.

In 2018, an updated version of the RINA National Labour Contract was developed. This also affects staff employed in major companies recently acquired by RINA in Italy. Trade unions expressed their satisfaction with the positive conclusion of this long update process, which enables more employees to benefit from innovative welfare and flexibility policies in addition to other initiatives already introduced, such as smart working. The updated contract extends an excellent health insurance to more employees and their families and seeks to boost motivation through a productivity bonus for all staff.

Workforce composition and diversity management

Measures to enhance diversity and inclusion help to develop and foster the implementation of best practices, increase employee engagement and productivity and encourage collaboration across geographical areas and organisational functions. They also contribute to leveraging the transfer of knowledge between otherwise disparate groups, empowering interpersonal connections, developing innovation and creativity and strengthening the capacity to attract and retain talented employees.



Starting from April 2018, individual meetings with staff across business units have been held to discuss diversity and inclusion issues and to increase awareness of the responsibilities and benefits involved. The purpose is to promote understanding of differences and similarities, and so the efficiency of multicultural teams within RINA. More data were collected worldwide to deepen our qualitative analysis in this matter across our organisation. The aim is to represent and attract diversity at all levels of the organisation, and to look at new incentives and measures aimed at furthering this cultural change within RINA.

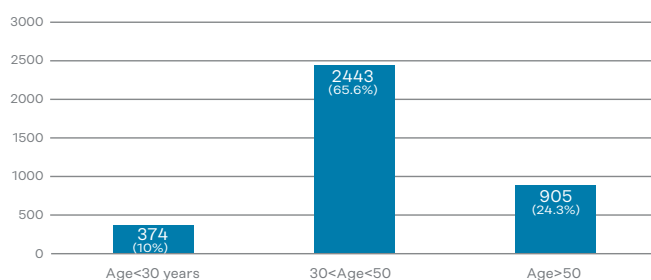
In 2018 we also developed a Diversity and Inclusion Policy to further promote equal opportunities, dedicated to encouraging a supportive and inclusive culture amongst the whole workforce and a fair and inclusive environment respectful of all cultural backgrounds.

For 2019, we are committed to sharing information about our Diversity and Inclusion Policy as widely as appropriate. We intend to promote sharing on this topic, monitor and assess the impacts and progress made, as well as identify refinements and proposals for further measures.

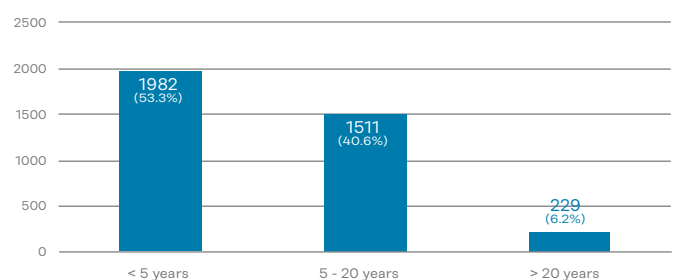
At a glance, our total number of employees increased to 3,722 at the end of 2018. Of these, around 31 percent were female (1,150) and 69 percent were male (2,572). There were 585 new hires in 2018, of which 25 percent were female (149) and 75 percent were male (436). Almost 94 percent of employees have a bachelor's degree or another form of higher education.

Compared to 2017, global turnover in 2018 decreased from 11.4 percent to 11.0 percent for men and from 8.8 percent to 7.9 percent for women.

EMPLOYEES BY AGE



EMPLOYEES BY SENIORITY



GLOBAL TURNOVER 2018 Male employees  11% Female employees  7.9%

Training and skills development

Our training initiatives and programmes cover both technical and managerial competencies and are an integral part of our policy on human resources management. The training initiatives aim to:

- promote and increase competencies and behaviours in line with business needs;
- nurture personal and professional growth in order to ensure a sustainable and appropriate operational workload in the long term.

E-learning is a proven training methodology that has been successfully used within RINA since 2006. In 2018, we further increased the use of our e-learning system by adding new functions and sector-specific training modules, such as a new set of courses on governance and compliance. We also introduced a specific e-learning course on travel risks and IT security. Around 500 e-learning courses were made available globally in 2018.



Aside from e-learning, in 2018 nearly 100 courses on managerial skills and individual coaching sessions with managers and team leaders were provided on topics including team management and leadership, conducting feedback interviews and coaching demotivated employees. Social competencies were an important focus, with courses on topics such as communication, negotiation and relationships with clients and colleagues. In the major RINA companies in Italy, we delivered around 52,000 hours of training in 2018. This is equivalent to an average of 32 hours of training per person, in addition to time spent on e-learning courses.

For 2019, our target is to further increase our capacity to deliver e-learning training courses to our personnel worldwide, with new topics, additional learning tools and dynamic monitoring of progress. In addition, we will reinforce our people strategy by focusing on programmes and processes to improve human performance at all levels of the organisation and to ensure we have the right culture and environment to attract, retain and develop the best people.

Health and safety

RINA considers health and safety issues a priority for all its employees and workplaces. To fulfil this commitment and comply with applicable legal requirements for Occupational Health and Safety (OHS), RINA has implemented an integrated Management System. In line with our continuous improvement approach, an updated set of documents will be issued in 2019 and applied globally.

A new Health and Safety Risk Assessment will be performed during 2019, according to the new criteria identified at Corporate level. All employees can participate, through their Worker Safety Representatives, in activities related to the Risk Assessment and Management System in order to identify hazards and mitigate the associated risks.

Every work-related injury is recorded in order to investigate it, identify the root causes and take appropriate measures to prevent similar cases in the future. All records and actions are managed in the OHS Management System.

With the aim of increasing awareness on OHS matters and work-related risks, all employees are required to attend mandatory training. The training modules, delivered both via e-learning and in a classroom setting, cover basic OHS and task-specific subjects. Employees also have easy access to key information about the OHS Risk Assessment and Management System through the RINA portal.

A specific e-learning module on safe driving will also be developed in 2019.

Improving security for our people

In line with internationally recognised duty of care principles, RINA considers the safety and security of people and corporate assets a priority.

In 2018, in line with the main objectives for the year, RINA adopted a Security Policy establishing key principles for security management within the company. According to this policy, our main security objective is to protect our staff, assets, information and reputation from potential security threats, through a security risk management approach.

During the year, as established and planned in 2017, the RINA Corporate Security function worked to further develop the Business Travel Risk Management Program and to implement the Asset Physical Security Program.

The Business Travel Risk Management Program, first introduced in 2015, aims to manage security and health and safety risks related to overseas business travel by RINA employees. All RINA employees have access to a special travel intelligence platform to identify any security risks at specific destinations and note security advice. In the event of an emergency during a business trip, a 24/7 Assistance Centre is available for support and advice on medical and security issues. The tool includes a mobile app that supports trip planning, keeps our people constantly informed about security incidents through an alert system and enables on-demand assistance if needed. Every business trip to a high- or very high-risk destination is specifically assessed by the HSE and Security function, in order to ensure that mitigation measures are implemented to lower the risk and ensure the safety of our employees.



In 2018, as planned, the program's protocols and procedures were updated and reviewed to make them simpler and more effective. An e-learning training course was published and a new section on the company intranet was created to provide security advice. By the end of 2018, over 1,200 employees had completed the e-learning course and registered an account in the system in order to use the tool to plan and manage their trips. These employees represent most of the employees travelling abroad to high-risk countries. A total of 151 trips and 21 projects in countries with a high or very high security risk were assessed and managed in 2018.

Also as planned in 2017, an Asset Physical Security Program was launched including a three-year campaign to assess security risks at RINA sites. In 2018, seven security surveys in key RINA sites in Italy and abroad were carried out.

RINA's internal security resources have taken specific training on human rights and how to manage security activities while ensuring maximum respect of these fundamental rights. RINA has committed to assigning security services to providers in full compliance with applicable regulations and ensuring that human rights are respected at all times, as set out in the RINA policies on Human Rights and Security.

The main actions planned for 2019 are to:

- continuously improve the Business Travel Risk Management Program and consolidate compliance with its internal procedures;
- continue ongoing risk assessment and risk mitigation activities;
- establish relations with Italian public authorities for better management of any potential emergency;
- provide training on personal security and security awareness to all employees in order to raise awareness of security risks and indicate recommended actions and advice to minimise exposure to security events and react appropriately if they occur;
- publish a regular security report on the main political, institutional and security events occurring worldwide, available to all RINA employees;
- carry out specific security training for the internal post office;
- continue to implement the three-year (2018–2020) Asset Physical Security Program for sites. For 2019, the objective is to assess all RINA sites in Italy and key sites abroad.



Environment

OUR COMMITMENT

Accountability for environmental impact is fundamental to RINA's entrepreneurial approach. Monitoring and reducing energy consumption and our carbon footprint are our top priorities in our efforts to minimise the environmental impact of our operations. We draw on our experience and competencies acquired through our position as a market leader in certification and support services for our clients in these matters. We also participate in research and networking activities via European platforms and associations.

We work towards achieving the ambitions of SDG 7 to improve efficiency in energy consumption, SDG 13 to combat climate change and its impacts, and SDG 17 to promote effective private and civil society partnerships.



KEY INITIATIVES AND IMPACT

Environmental Management System

RINA's operating companies utilise an Environmental Management System. No major non-conformities were raised in 2018 as a result of either external or internal audits. All minor findings or opportunities for improvement have been successfully addressed and closed.

RINA has not received any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.

Sustainable business travel

In 2018, we continued to benefit from the global travel procedure implemented in 2017 to improve the management of all business trip-related aspects, including health, safety and security, environmental impacts and cost efficiency. The procedure applies to all RINA employees and external consultants worldwide, and states that "all travellers are expected to exercise duty of care, from the point of view of their safety and security... [and] to make environmentally friendly decisions to the best of their ability". The use of train transportation as an alternative to short-haul flights is encouraged.



Every year the contracted travel agency provides, for RINA companies based in Italy, an environmental report with details of carbon emissions per service type. Validated by LifeGate, the 2018 document reported 5,013,943 kg of global emissions.

Improving the energy efficiency of facilities

In 2018, we continued to study the energy efficiency of existing lighting systems at all of our offices and launched a lighting renewal programme that is expected to save more than 70 percent of energy consumption. Installing the new LED systems in more than 10 offices in 2018 reduced energy consumption for lighting by 76,700 kWh. The widest impacts are expected for 2019, when the deployment of LED lightning will be complete in all Italian offices and the global energy savings are expected to exceed 1,000,000 kWh per year.

In 2019, we also plan to purchase office furniture from a producer that guarantees self-production of energy from renewable sources and the use of wood from sustainable plantations.

Renewable energy supply

Since 2012, all energy consumption in the RINA headquarters in Genoa has come from electricity. This was a first step towards achieving energy supply from renewable sources. In 2018, the total energy consumption in Italy used for lighting, air conditioning, heating and cooling was entirely supplied by certified renewable sources. For 2019, we have already renewed the agreement with the utility company.

Carpooling and company cars

RINA has reviewed its policy on carpooling and company cars to improve the performance of car transport in terms of both the safety of drivers and CO₂ reduction. We have selected the Euro 6 environmental class and introduced an incentive policy for hybrid cars. Rental companies contracted are required to highlight CO₂ emissions for each rented vehicle.



Anti-corruption

OUR COMMITMENT

RINA is committed to embedding the principles of integrity and transparency into all financial operations and transactions. All financial operations have to be correctly authorised, verifiable, legitimate, coherent and adequate. RINA rejects any form of corruption as an instrument to execute its business and bribery is not allowed in any circumstance. Nobody can promise or give money or other advantages in order to obtain undue benefits for RINA or for themselves. Nobody can ask for money or other advantages in order to carry out undue services.

Our top priority is to maintain responsible business conduct, benchmarking and implementing voluntary best practices and fighting against corruption to be recognised as a company with the highest possible reputation for ethical standards.

Our effort is also focused on promoting networking within international associations and advocacy to foster a culture based on legality. We draw on the skills and experience we have acquired thanks to our position as the first certification body to be accredited for the worldwide ISO 37001 certification of anti-bribery management systems.

As such, we conduct our business in support of the ambitions of SDG 16 to reduce corruption and bribery in all their forms and SDG 17 to promote effective private and civil society partnerships.



KEY INITIATIVES AND IMPACT

Strengthened managerial oversight

The RINA Board of Directors has appointed a Control Body to oversee the effective implementation of the internal model adopted to prevent crimes, corruption and bribery throughout our operations. Our RINA Corporate Internal Audit function has the mandate from the Control Body to perform yearly compliance audits using a risk-based approach. During 2018, 28 audits were carried out and relevant improvement actions undertaken.

RINA has also established a Corporate Compliance Board and Risk and Control Committee, two additional bodies that oversee business integrity across our operations.

Participation in anti-corruption initiatives

Since 2012, RINA has been a member of the International Federation of Inspection Agencies (IFIA) and has adapted the RINA Compliance Programme and Principles to comply with the IFIA Compliance Code. The Code addresses technical as well as business professional conduct and ethics in relation to the following aspects: integrity, conflicts of interest, confidentiality, anti-corruption and fair competition. RINA appointed PwC to perform third-party compliance audits, which confirmed that the 2018 RINA Compliance Programme and Principles comply with the IFIA Code. RINA has been reconfirmed as being eligible for IFIA membership. The RINA Compliance Programme and evidence of compliance with the principles of the IFIA Compliance Code are publicly available on the RINA website.

In early 2017, RINA joined Transparency International Italia – Business Integrity Forum (BIF) to support voluntary anti-corruption initiatives. We are actively engaged in the initiatives promoted and developed within this forum. Examples



are the Business Integrity Toolkit for small enterprises, advocacy and awareness campaigns via social media, and the yearly BIF National Event held in November in Milan.

In 2018, RINA contributed to a BIF research project and the development of a Transparency Index. RINA achieved a positive evaluation in the index. Nevertheless, in view of our continuous improvement approach, we decided to launch a plan to further enhance our performance in this area. One task planned for 2019 is to update our Ethical Code in line with evolving laws and regulations. RINA also organised an event dedicated to the role of integrity as a driver of prosperity in local communities. The event took place in Genoa in July 2018 and brought together a variety of institutional and private-sector stakeholders. In December 2018, RINA shared its commitment, results and experience in the field of anti-corruption at an event held in São Paulo, Brazil. It was organised by the Italian Ministry of Foreign Affairs and International Cooperation, Transparency International and the Italian Embassy in São Paulo.

Communication channels

RINA has established dedicated channels to facilitate information flow regarding any potential misconduct noticed from any employee. In 2017, RINA adopted a whistleblowing platform to enhance existing channels of communication to report alleged violations. These can be violations of the RINA Ethical Code, the Organisational Model pursuant to Legislative Decree no. 231/2001, internal policies and procedures, current laws and regulations or good business practices. The platform is publicly accessible on the RINA website, together with information about the procedure. During 2018, the whistleblowing platform was maintained and information about its aim and use were made available to all employees.

Integrity training for employees

All employees have been provided with mandatory training tools about the anti-corruption control model, along with guidelines for anti-corruption. In 2018, a revised and more in-depth course about impartiality was delivered to all employees. This training has mainly been delivered in the form of online courses through the dedicated RINA e-learning platform.

Supplier qualification

A new General Procedure for Supplier Qualification was issued in September 2018 in order to harmonise the approach, standardise activities and strengthen control at the Corporate level. In particular, the new General Procedure for Supplier Qualification prescribes that: the requisites of moral suitability in compliance with the applicable laws and regulations in force, as well as the acknowledgment of the RINA Ethical Code, are assessed; the supplier acknowledges and accepts the Corporate Privacy Policy; the supplier is compliant with obligations regarding social security, occupational health and safety and insurance coverage; and the supplier is compliant with the obligation to pay social security, welfare and insurance contributions. Assessment is based on the information produced by the candidate supplier. If this verification process has a negative outcome, the supplier will be required to implement correction or remediation measures aimed at meeting the qualification requirements. The quality of the supplier qualification is monitored in accordance with specific additional Key Performance Indicators, such as: overall amount of newly registered suppliers within a year; percentage of suppliers who continuously received a positive evaluation, a positive evaluation with a temporary suspension and a negative evaluation; percentage of suppliers not qualified; adequacy of documents and evidence collected during the qualification process. To fulfil the requirements of our Enterprise Risk Management framework, the qualification process has been developed to be applied worldwide by all RINA companies, taking into account local regulations and in compliance with guidelines provided at the Corporate level.

Third-party due diligence

RINA has decided to enhance its control measures for third parties with which it has established business relationships. The aim is to reduce operational, reputational and security risks and to comply with national and international standards on anti-money laundering and anti-corruption. In late 2017, the Risk Management and Audit Committee reaffirmed the recommendation to develop a third-party due diligence process within the company, as a qualifying element with respect to anti-bribery and anti-money laundering regulations. In line with this indication, in 2018 a six-month pilot programme on Third Party Due Diligence was launched. The pilot programme, jointly managed by the Legal Affairs and Corporate Security, is focused on selected case studies, clients and candidates connected to potential high-risk countries (identified through a set of Key Risk Indicators). Overall, 1,831 verifications were carried out as part of the pilot programme. The results will be presented to the Risk Management and Audit Committee and the next steps will be planned in 2019.

Our services for sustainability

In September 2015, world leaders adopted the 2030 Agenda for Sustainable Development of the United Nations. This defines a set of global sustainable development priorities and initiatives and calls for worldwide action among the public and private sectors for sustainable development combining economic, social and environmental aspects.

This section explores examples of our efforts to contribute to the Sustainable Development Goals (SDGs). It focuses on some of the businesses areas in which we are proactively supporting clients in developing their projects in line with the expectations of the SDG framework.

In 2018, we continued working in the sustainability field alongside numerous private stakeholders operating in the energy, marine, certification, transport and infrastructure and industry sectors. Through the application of the IFC Sustainability Framework and other environmental and social standards, we support companies to identify their responsibilities in managing environmental and social risks associated with their operations and contribute to the application of the SDGs.

Through our projects, we contribute to the creation of employment opportunities and economic growth in line with country legislation and sectoral plans, sustainable business practices and consumer behaviour.

LIFE CYCLE AND BIODIVERSITY IMPACT ASSESSMENT FOR PRODUCED WATER MANAGEMENT



RINA has developed a study to identify and test a sequential methodology applicable to offshore environments for the assessment of environmental impacts associated with different solutions for produced water management. The methodology takes an integrated and innovative approach including:

- a Life Cycle Assessment to quantify and compare the environmental impacts of each process;
- screening for the presence of biodiversity and ecosystem services;
- a Biodiversity Impact Assessment to estimate the effects of each project on specific environmental receptors;
- modelling of a specific impact, including the significance of its effect.

The result is a quantitative assessment of the best option for Produced Water Management through a user-friendly tool applicable to different upstream scenarios. This contributes to the sustainable development of oil and gas resources in the marine environment.

ENVIRONMENTAL, HEALTH & SAFETY CONSULTANCY IN CUBA



Volvo Construction Equipment provides heavy mine equipment to Empresa Comandante Ernesto Che Guevara, a large nickel and cobalt mining and mineral processing site in Cuba. To support the implementation of its Social Responsibility Policy, in 2018 Volvo Construction Equipment awarded RINA a three-year contract to deliver specific training and coaching programmes to upskill local workers on the management of environmental and social impacts associated with mining operations.

The activity foresees periodical audits by RINA experts of the mine site in order to assess how environmental and social aspects are managed and to ensure they comply with good industry practices and international standards. The ultimate goal is to avoid or minimise any adverse negative environmental and social impacts of mining operations and maximise the positive impacts that such a project can bring to the region.

SOCIAL IMPACT ASSESSMENT FOR SEISMIC DATA ACQUISITION IN ALGERIA



Total E&P Algeria is seeking to carry out 3D seismic data acquisition over 3,000 km² of a newly granted offshore block OAZO, off Beni Saf on the western coast of Algeria. Before commencing activities, Total committed to undertake a full Environmental and Social Impact Assessment (ESIA) in line with international standards, exceeding the local environmental regulatory requirements.

RINA was appointed to carry out the full ESIA, including social components such as stakeholder identification and engagement, public consultation and development of a commitment register. Considering the nature of the project, the location of the survey areas and the equipment typically used for 3D offshore surveys, it was assumed that the main potential social and human rights impacts were on fishing communities. Additional aspects were effects on marine traffic, possible interest by environmental NGOs and potential human rights impacts connected with immigrants crossing the Mediterranean corridors, including identification of vulnerable groups in the area.

RENEWABLE ENERGY & ENERGY EFFICIENCY IN CHINA



RINA was engaged by the European Investment Bank (EIB) to carry out due diligence and monitoring support for a number of projects funded under the current China Climate Change Framework Loans (CCCFL-I and CCCFL-II) together with additional loans such those co-financed with the Asian Development Bank, EXIM Bank and others.

Key activities ranged from project pre-appraisal, implementation monitoring and verification of compliance with bank requirements up to reporting to the Bank. Our experts assisted the pool of lenders in technical, procurement, environmental and social areas, as well as financial analysis from project appraisal up to implementation. RINA also supported project promoters and local procurement agencies in developing procurement plans and tender documents in line with the EIB Guide to Procurement and international best practice.

ENVIRONMENTAL PROTECTION AND SUSTAINABLE RESOURCE MANAGEMENT



SOGESID, the in-house company of the Italian Ministry of Environment Land and Sea, awarded RINA a multi-year framework contract in the field of environment, energy efficiency and renewable energy. RINA is supporting the Ministry in ongoing cooperation programmes under a number of MoUs with developing countries.

The assistance includes preparation of technical studies, participation in technical and institutional missions, as well as delivery of training courses and capacity building sessions to state officials and members of the public. Projects conducted by RINA in 2018 include:

- Sudan: a comprehensive study to support the construction of solar pumping stations in remote areas to ensure water supply to local communities;
- Lesotho: a technical study for energy refurbishment at four health centres in remote areas;
- Mexico: technical assessment of the Sustainable Energy Use of Agroforestry Residues initiative, including appraisal of technico-economic viability of cogeneration units fuelled with biomass residues in remote areas;
- Ethiopia: a comprehensive study on providing energy from renewable sources to an industrial park;
- Papua New Guinea: a feasibility study for a sustainable water and energy supply system through the installation of small hydropower plants and water withdrawal and sanitation systems.

IMPROVING THE DAIRY VALUE CHAIN IN EGYPT



The Support to Agricultural Small & Medium Enterprises (SASME) programme, jointly financed by the Agence Française de Développement (AFD) and the European Union and implemented by the Egyptian Ministry of Agriculture and Land Reclamation, supports agricultural SMEs in Egypt by addressing key sector challenges that prevent access to financial resources. This should help to modernise agriculture in Egypt, improving food security and standards of living of rural inhabitants.

The key aim of the programme is to enhance outreach of existing lending schemes for agriculture, as well as to provide value-chain support to the dairy and marine aquaculture sectors.

To assist this initiative, RINA was selected to implement the technical assistance programme for the dairy sector. This included establishing a quality certification system for producers of milk collection centres, improving quality practices and veterinary services and helping to define marketing strategies. RINA also provided support with contractual relations in the dairy sector and business practices in the dairy value chain. Additional key tasks were to improve the quality certification of veterinary laboratories and the supply of software applications and equipment.

SUPPORTING SMES IN GEORGIA, MOLDOVA AND UKRAINE



The European Bank for Reconstruction and Development (EBRD) and the EU are stepping up their support for businesses in Georgia, Moldova and Ukraine with a joint programme to help SMEs converge with EU standards related to sustainability targets. This will unlock opportunities offered by the Deep and Comprehensive Free Trade Area (DCFTA) between these countries and the EU.

RINA was selected by the EBRD as Project Consultant for the new phase of this programme. Since September 2016, we have been assisting local companies and Participating Banks (PBs) in setting up, managing and promoting a Credit Facility aimed at disbursing low interest rate loans and grant incentives to eligible investments in green technologies. Our multidisciplinary team of experts helped local SMEs in the three countries to identify and refine their technical needs, accompanying them throughout the financing process and during project implementation, and providing a dedicated monitoring activity.

Our team of international and local experts supported more than 200 SMEs and eight local banks across the three countries. In less than two years, the programme was able to allocate the full amount of available funds for Phase I. Because of this achievement, RINA has been awarded a contract for Phase II (2018 – 2021) of the programme.

ENERGY EFFICIENCY AND SEISMIC IMPROVEMENTS IN PUBLIC BUILDINGS IN KYRGYZSTAN



Buildings in Kyrgyzstan tend to be outdated and characterised by high heat loss, seismic vulnerability and severe under-heating. This has negative impacts on public service delivery, comfort levels and the well-being of the buildings' users, including students, patients and staff. In addition, while the Kyrgyz Republic is subject to high seismic hazards, according to a recent study about 80 percent of schools and kindergartens in the country have low seismic safety ratings and are likely not compliant with the local seismic safety regulation.

The World Bank selected RINA to provide consultancy services to:

- conduct detailed energy and seismic audits in eight public education and health sector facilities and prepare designs and bidding documents for building retrofits to be financed under the World Bank's Heat Supply Improvement Project;
- provide technical assistance and training to key project stakeholders in order to strengthen their capacity to plan and implement energy efficiency investments.

PHANES GET FIT ZAMBIA TENDER



RINA was tasked by solar energy company Phanes to prepare and submit two Environmental Project Briefs (EPBs) for two projects in the Zambia GET FiT programme, and to prepare an Environmental and Social Risk Assessment in compliance with lenders' requirements. A major aim was to identify potential environmental and social risks from the perspective of International Finance Corporation standards.

RINA provided a preliminary report outlining the main areas of concern for the lenders and GET FiT Zambia authority based on the EPB information, as well as an indication of how Phanes intends to mitigate these risks and a final Environmental and Social Risk Assessment.

COMMUNITY LIASON FOR COPPERTON WIND FARM IN SOUTH AFRICA



RINA provided support to the owner during the negotiation of construction contracts and preparation of project designs for a wind farm. During construction, RINA will act as Owner's Engineer under the Engineering, Procurement and Construction (EPC) contract and provide a continuous site presence to monitor progress.

In order to help build positive and productive relations between the project and affected stakeholders, we proposed to set up an office in Prieska to serve as the headquarters of a project Community Liaison Officer (CLO). The CLO operates as the interface between the project and the local community. This relationship is a critical factor in influencing a project's social acceptance and the ability of companies to meet international standards of good practice. Technical support activities include setting up the office and appointing, training and coordinating the CLO as well as preparing to launch the activity. Continuous support and coordination will be in place during the project construction phase.

LNG-FUELLED PASSENGER SHIPS



A global 0.5% sulphur cap for shipping fuel will enter into force in 2020, significantly reducing emissions of sulphur oxides from ships, with major health and environmental benefits. To be compliant with the new regulations, shipowners have to use low-sulphur fuels or install scrubbers. Some owners have decided to go beyond compliance and opted for LNG-fuelled ships.

In late 2018, two of these innovative and environmentally friendly ships were delivered to RINA class: AIDANova and Elio. AIDANova is the first LNG-fuelled cruise ship ever built and the first of a series of nine sister ships ordered by Carnival Group. Elio is the first LNG-fuelled ro-ro passenger vessel operating in the Mediterranean. RINA classified these ships according to its classification rules for LNG-fuelled passenger ships and certified them in compliance with the latest and most stringent international regulations.

TECBIA PROJECT FOR ZERO EMISSIONS VESSELS



The National Institution of Italy for Standardisation Research and Promotion (ENR) and RINA have been involved in the TecBIA R&D and Innovation project to identify eco-friendly technologies for producing energy on vessels. The project is funded by the Italian Ministry of Economic Development. RINA's involvement was requested by shipbuilding company Fincantieri and supplier of propulsion systems Isotta Fraschini.

Fincantieri's goal is to design and deploy energy generation systems for marine applications with low or zero emissions by exploiting hydrogen technologies and battery electric accumulators. Fincantieri will build the vessel prototype to test the new technologies. ENR will provide the relevant reference standards for all innovative technologies on board and RINA will certify the vessel upon approval of the drawings and surveys during construction.

ISO 37001 ANTI-BRIBERY SYSTEM CERTIFICATION



RINA is the first certification body to have been accredited for ISO 37001 anti-bribery system certification. ISO 37001 represents an important business service for RINA and has contributed to improving our international position by working with governments, global organisations and industry associations worldwide.

The ISO 37001 standard aims to fight bribery and promote an ethical, transparent, open, and compliant culture within the company. In 2018 RINA carried out the evaluation and certification of the ISO 37001 standard for Enel Chile and Enel Generación Chile. The project included a detailed analysis of the main activities carried out by employees from the different business sectors and corporate functions. Thanks to this project, both Enel Chile and Enel Generación Chile have become the first power companies in the country to certify their anti-bribery management system.

ISO 26000 FOR MARCEGAGLIA CARBON STEEL



RINA has been tasked by Marcegaglia Group, a major Italian industrial group and world leader in steel processing, to verify the application of the ISO 26000 standard for its subsidiary Marcegaglia Carbon Steel. This process represents the culmination of several certifications already achieved by the company for integrating social responsibility throughout its value chain, policies, strategies and procedures.

RINA has awarded Marcegaglia Carbon Steel the BEST4 certificate, which identifies organisations certified for Quality, Environment, Security and Social Responsibility and recognises excellence and sustainable development.

SUSTAINABILITY CERTIFICATION OF BIOMETHANE



Biomethane is a biogas that, after a refining process to achieve a minimum 95 percent methane concentration and in compliance with current legislation, can be used as a biofuel for vehicles to replace natural gas or methane from fossil fuels.

RINA was a pioneer in this field in Italy with the certification of recovery and recycling company Montello. Montello achieved sustainability certification for biomethane obtained from the anaerobic digestion of the Organic Fraction of Urban Solid Waste (OFURW) and is now acquiring a growing reputation in the sector. The certification represented a key milestone in the process of making biomethane compliant with the EU Renewable Energy Directive 2009/28/EC and achieving the EU 2020 target of 10 percent of transport fuel coming from renewable sources.

Thanks to the experience with Montello, in 2018 RINA certified other organisations including Calabria Maceri e Servizi and Asja Ambiente Italia. Other such certifications processes are ongoing.

SUSTAINABILITY CERTIFICATION FOR BARILLA



RINA has supported Barilla, producer of pasta, ready-to-use sauces and bakery products, in a certification project to promote sustainable farming in the supply chain of flour from soft wheat. This is a key ingredient used by Mulino Bianco, part of the Barilla group and the leading brand in Italy for bakery products such as bread, biscuits and snacks. The sustainability requirements for the certification are now set out in a Barilla standard entitled La Carta del Mulino. Drafted in collaboration with the World Wide Fund for Nature (WWF) and the University of Bologna, it is an innovative document to enhance biodiversity and build value for communities.

La Carta del Mulino is based on the International Sustainability and Carbon Certification (ISCC) Plus scheme, which covers the entire supply chain across all types of agricultural raw materials. ISCC Plus additionally meets the requirements of the Sustainable Agriculture Initiative (SAI), the primary global food and drink value chain initiative for sustainable agriculture.

SUSTAINABILITY AND THE CIRCULAR BIO-ECONOMY



The concept of the circular economy aims to maximise reuse of elements that cannot return to the environment and/or promote the use of biodegradable materials in the manufacture of products to limit or avoid waste production and environmental harm. RINA is engaged in a number of projects to scout the replicability and transferability of new solutions for a wide range of applications. In 2018, RINA was appointed by Enel X to validate the following tools/models:

- CirculAbility Model© to assess and improve Enel X products/assets' circularity;
- CE client tool to assess and improve clients' energy and corporate circularity.

Thanks to our validation, Enel X can demonstrate that its tools are compliant with the requirements defined in the

main circular economy reference documents and examples of national and international methods for measuring circularity. RINA also verified some Enel X assets according to the CirculAbility Model© to assess the effectiveness of the tool.

TOWARDS ZERO ENERGY AND EMISSIONS BUILDINGS



A top priority of the real estate business is to balance saving natural resources with achieving high standards of living. RINA has supported Generali Real Estate in three projects to reduce the environment impact associated with their assets:

- The Green Leases document: “Recommendation for an environmentally sustainable approach to the Italy real estate sector” aims to enhance awareness of social and environmental responsibility, as well as to reduce costs through environmentally sustainable design and construction techniques without compromising living standards.
- A system to monitor energy consumption of individual buildings, identify buildings responsible for higher emissions and develop an action plan to improve efficiency standards.
- Adoption of the BREEAM scheme (Building Research Establishment Environmental Assessment Method) to evaluate and certify the environmental impact of buildings.

NEARLY ZERO EMISSIONS BUILDING IN DJIBOUTI



In the framework of the international cooperation between the Italian and Djiboutian Environment Ministries, RINA has been appointed to design the so-called Pepiniere building on the New Campus of Djibouti University. In line with government directives, and with the technical support of the University of Djibouti, the Pepiniere building will be the first Nearly Zero Emissions Building (NZEB) in the country.

The building is designed with state-of-the-art sustainable solutions to maximise energy efficiency. The design and solutions take into account the material resources, construction techniques and technologies available in the country. Specific activities performed by RINA include:

- dynamic simulation of the building as a decision-making tool for the design strategy;
- market research to minimise the life cycle impact of the building;
- preliminary design;
- training for the Djiboutian Government and University on green buildings and NZEB solutions.

REDUCING HYDRO-METEO RISKS IN EUROPE



OPERANDUM is an EU-funded project to reduce hydro-meteorological risks in European territories through the adoption of co-designed, co-developed, deployed, tested and demonstrated innovative green and blue/grey/hybrid Nature-Based Solutions (NBS). The NBS will be tested and demonstrated in 10 living labs called Open Air Labs (OALs), located both within and outside Europe.

Within the OPERANDUM project, RINA is leading the “Co-design and co-development of innovative NBS” work package. This includes definition of actions and technical requirements, identification of innovative NBS strategies, solutions and technologies, and integration of NBS technologies into conventional engineering approaches. RINA is also responsible for the design, development and implementation supervision of part of the Italian OAL in Bellocchio dune.

EARTH OBSERVATION DATA TO ENHANCE RENEWABLE ENERGY SOURCES



RINA supported the European Commission in its mission to boost the use of earth observation data from the Copernicus programme for applications in the renewable energy sector. Copernicus is now entering its operational phase, and earth observation data and information are already being utilised in many fields and sectors.

RINA has been tasked to perform an assessment of the actual and potential use of earth observation data, to identify research and development needs and potential players, and to carry out a cost/benefit analysis on the implementation of specific actions applicable to the renewable energy sector. The outcome has been validated by a panel of technical experts in different areas including on/offshore wind, solar energy, ocean energy (wave and tide), hydropower, bioenergy and geothermal energy. As a result, the European Commission has defined a set of practical actions and a roadmap for their implementation.

CIRCULAR ECONOMY FOR SUSTAINABLE STEEL PRODUCTION



The recovery and reuse of materials within the framework of the circular economy has been the driver of several projects led by RINA in the area of waste management and reuse. For example, low-grade plastic wastes that are not recyclable and have no market applications can be used as a carbon source in the steel industry, while slag from the furnace can be converted into valuable products for other industrial applications.

RINA has conducted specific research on the application of a circular economy approach to the electric arc furnace. In the upstream process, materials from other industrial sectors can be recycled and fossil fuels can be replaced by biomass and recycled plastic materials. Downstream waste can be transformed into new raw materials to be reused in other industrial applications.

ENVIRONMENTAL MANAGEMENT SYSTEM FOR FAUNA AND FLORA



For the last eight years, RINA has been providing specialist services and assistance in developing, implementing and maintaining Quality, Health, Safety, Environment (QHSE) management systems for the benefit of the Joint Research Centre (JRC) Ispra site. The JRC is the scientific and technical arm of the European Commission, whose function is to provide EU policies with independent, evidence-based scientific and technical support.

With reference to ISO 14001, supporting activities for the JRC Ispra Environmental Management System (EMS) aim to protect local fauna and flora as well as obtain and maintain EMSA registration. Activities include auditing the EMS, training JRC staff and providing environmental, legal and technical support towards procurement, operations, management of utility plants, projects and pilot applications.

RESEARCH AND FINANCED PROJECTS



RINA's Corporate Research and Development division is a major actor in Horizon 2020, the European Commission-funded research and innovation programme with €80 billion of funding between 2014 and 2020. Horizon 2020

focuses on three key areas: Excellent Science, Industrial Leadership and Societal Challenges.

RINA is particularly engaged in developing research projects with a focus on Industrial Leadership and Societal Challenges, in order to:

- support our business departments in identifying innovative services, sectors and market trends;
- gain knowledge to develop, design and enhance our services and to develop new offers;
- develop strategic relationships with key players in highly relevant areas for the company;
- gain higher visibility as a global player within the innovation sector;
- support clients within the innovation chain.

In 2018, RINA was involved in about 100 research and innovation projects, most of them within the Horizon 2020 framework. In terms of sustainability-driven aspects, we continue to focus on the areas of:

- Secure, Clean and Efficient Energy in the Built Environment;
- Smart Cities and Communities;
- Sustainable Production and the Circular Economy;
- Disaster Resilience and Nature-based Risk Reduction;
- Innovation in Transport Infrastructure;
- Low Carbon Energy and Smart Grids;
- Health;
- Innovation in the Manufacturing Industry.

The goal of SDG 5 to “achieve gender equality and empower all women and girls” is an overarching topic in all EU projects, where action plans should promote gender equality and strengthen the participation of women. Some projects address gender equality issues explicitly, like the DIAMOND project on solving gender-specific needs related to the transport system and making it more inclusive by taking into consideration the physical and social characteristics of women in the design of products and services and in promoting women’s employability in the industry.

Many EU projects are in line with SDG 7 to “ensure access to affordable, reliable, sustainable and modern energy for all” and SDG 11 to “make cities and human settlements inclusive, safe, resilient and sustainable”. The projects include supporting access to water and sanitation, disaster prevention and preparedness, urban mobility, energy and affordable housing, energy efficiency as well as clean and affordable energy.

For example, within the MUSE GRIDS project started during 2018, we are validating solutions for the decarbonisation of local energy communities focusing not only on the identification of new technological solutions (storage systems, smart control, prediction models, energy exchange among different energy vectors) but also on the consumers and the whole socio-technological energy system involved. In the framework of the SunHorizon project, we are demonstrating innovative and reliable heat pump solutions that, when correctly coupled and managed with advanced solar panels, can provide heating and cooling to residential and tertiary buildings with lower emissions, energy bills and fossil fuel dependency.

In terms of SDG 14 to “conserve and sustainably use the oceans, seas and marine resources for sustainable development”, EU research is active in finding innovative solutions for marine pollution prevention and the conservation and sustainable management of marine resources. As an example of our commitment in this area, we continue in our coordinating role of the Blue Growth Farm project. This aims to develop and demonstrate an automated, modular and environmentally friendly multifunctional platform for open sea farm installations of the Blue Growth Industry.



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.



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