



READY FOR THE TRANSITION ENABLING A GREEN FUTURE

2020

SUSTAINABILITY
REPORT



LEGEND

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Business Partnership

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LETTERS TO THE STAKEHOLDERS



FRANCESCO CAIO
CHAIRMAN

2020 has been a difficult year for all the communities around the world.

COVID has brought death to millions of families and is leaving deep economic and social wounds everywhere.

But this tragedy has also led to greater awareness and determination for many. Greater awareness of the fragility of our economic and health systems, of the interdependence between respect for the planet and social welfare and greater determination to direct the wealth of knowledge and technologies towards the construction of sustainable development models capable of combining economic growth, social inclusion and respect for the environment.

It is in this context that Saipem confirms its strategic choice to be among the protagonists of the transition to a zero-emissions economy by offering design and engineering solutions as well as technological solutions that, as a whole, constitute a technological platform for sustainability.

Over the years this document has witnessed the growing attention that Saipem has dedicated to sustainability issues and that has translated into investments, technologies, metrics, training and skills.

SAIPEM CONFIRMS ITS STRATEGIC CHOICE TO BE AMONG THE PROTAGONISTS OF THE TRANSITION TO A ZERO-EMISSIONS ECONOMY.

Even in this year of crisis, Saipem people have diligently continued on the path of innovation and sustainability and they should know that their work and effort are appreciated.

The energy transition is a long and complex process that must be faced with courage and rationality in an open and articulated dialogue with all our stakeholders: clients, shareholders, local communities, international and national institutions. It is a dialogue that Saipem deems essential for discussing and exchanging ideas about its problems, projects and resources to be put in place to achieve those sustainability objectives that this crisis has confirmed to be unavoidable to ensure a developing future for the next generations.

*Francesco Caio
Saipem Chairman*



STEFANO CAO
CEO

The Sustainability Report that we are going to publish is the most significant tool with which Saipem has transparently reported for years its strategies, actions and performances on relevant business aspects, approaching pertinent ESG issues in an increasingly detailed and "material" manner. The purpose of the report is to make understandable to all stakeholders, intercepting their perceptions, interests and expectations, the effort produced by the company in order to create lasting and sustainable value over time.

The global health and economic crisis caused by the COVID-19 pandemic requires a further effort to share what the company has done to face this unprecedented and still unresolved emergency situation but, even more, the actions taken to seize all economic, social and cultural opportunities that will come in the post-crisis "new world".

Saipem is moving on with a clear vision of the future and with the determination to face what are unanimously considered the most crucial challenges. Among these, climate risk certainly stands out, as it can be seen from our publications prepared

SAIPEM IS MOVING WITH A CLEAR VISION OF THE FUTURE AND WITH DETERMINATION TO FACE WHAT ARE UNANIMOUSLY CONSIDERED THE MOST CRUCIAL CHALLENGES.

in accordance with the guidelines of the Task Force on Climate Related Financial Disclosure (TCFD). Therefore, in this report, and in the other documents that complete the annual sustainability report, we treat the ecological transition and the energy evolution, the adaptation of the business model, the role of people – their skills and abilities – as the main company asset, the new frontiers of rights and equal opportunities.

In particular, we tried to illustrate our dedication to bridging that diversity gap which is no longer sustainable in an open, inclusive company that values talents, skills and merit. Of course, we have never stopped pursuing, as the top priority, the safety of the operations and the centrality of the innovation, a fundamental element that allows a company like Saipem to provide the most advanced solutions for reducing environmental impacts.

The wide audience of our stakeholders is asking for more and more transparency in reporting and accuracy in analyses. First among them is the materiality analysis that is the basis of our reporting, of our strategies and of the identification of relevant managerial objectives.

Again in 2020 Saipem ended up as a sector leader in the major sustainability indices and ratings, confirming the many years of tradition of excellence in this area. Thus, this report, once again, aims to disclose in a holistic, clear and certifiable manner our role in the markets and in the geographic realities in which we operate, but even in civil society as a whole. It is with this evolutionary and open approach that we intend to continue to exchange ideas and narrate our way of being and working in order to reach ever wider audience targets.

*Stefano Cao
Saipem CEO*

WHO WE ARE

We are a world leader in engineering and drilling activities, as well as in the development of major projects in the energy and infrastructures sectors. Since 1957, the future has inspired us to envision and design the most innovative technologies and creative solutions. Today, we are present in more than 70 countries worldwide, with more than 35,000 employees of over 120 nationalities. We have the experience and know-how to work responsibly, creating long-term value and providing innovative and tailored solutions for our clients through extensive cooperation with our local stakeholders. People, technology and innovation are at the core of what we do, the DNA of who we are.

A GLOBAL PLAYER IN THE ENERGY INDUSTRY AND INFRASTRUCTURES

Our unique engineering skills are high added value for executing complex projects. They make us a leader in our field, especially in the Italian market.

A UNIQUE COMPANY WITH A DIVERSIFIED PORTFOLIO

We aspire to be recognised as the Global Solution Provider not only in the energy industry, but also in the innovation and technology sector, continuously pushing beyond the frontiers of development, to guide our clients towards the future of energy transition.

A GREAT SENSE OF RESPONSIBILITY

Our priorities at the basis of operational and strategic choices lie: health and safety of our people and operations, attention to environmental impact and cooperation with local stakeholders.

THE PIONEERS OF THE ENERGY TRANSITION

We play a strategic role in helping and supporting our clients in their decarbonisation journey: extending our offer in less climate-impacting fields, investing in renewable technologies and developing more sustainable and low carbon solutions.

CUSTOMIZED SOLUTIONS

We support our clients throughout the entire project cycle with distinctive skills and competences and high-tech assets, we can identify and develop a multitude solutions to satisfy client needs.

SAIPEM AT A GLANCE

>70

COUNTRIES IN WHICH
WE OPERATE

>35,000

EMPLOYEES

>120

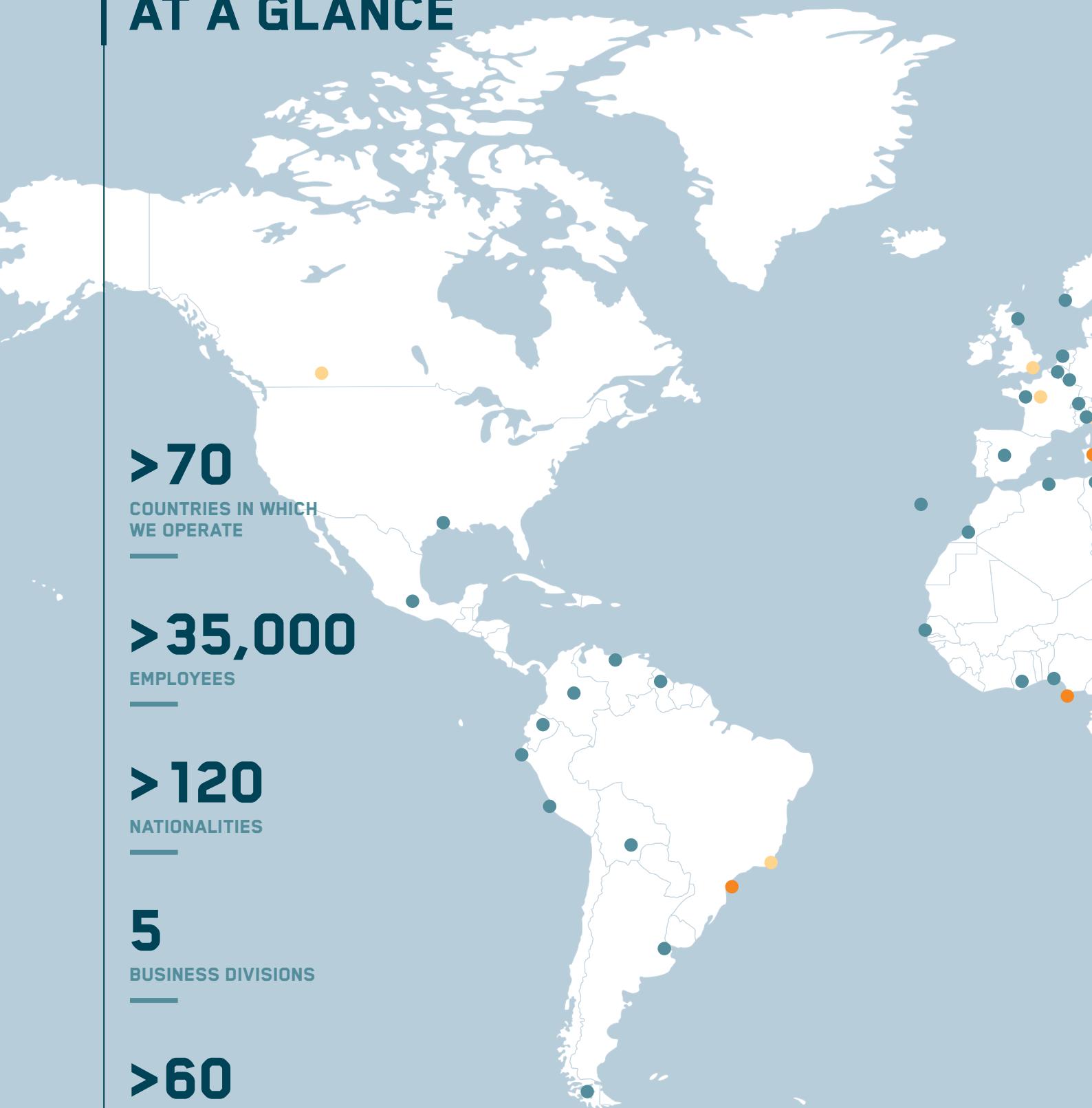
NATIONALITIES

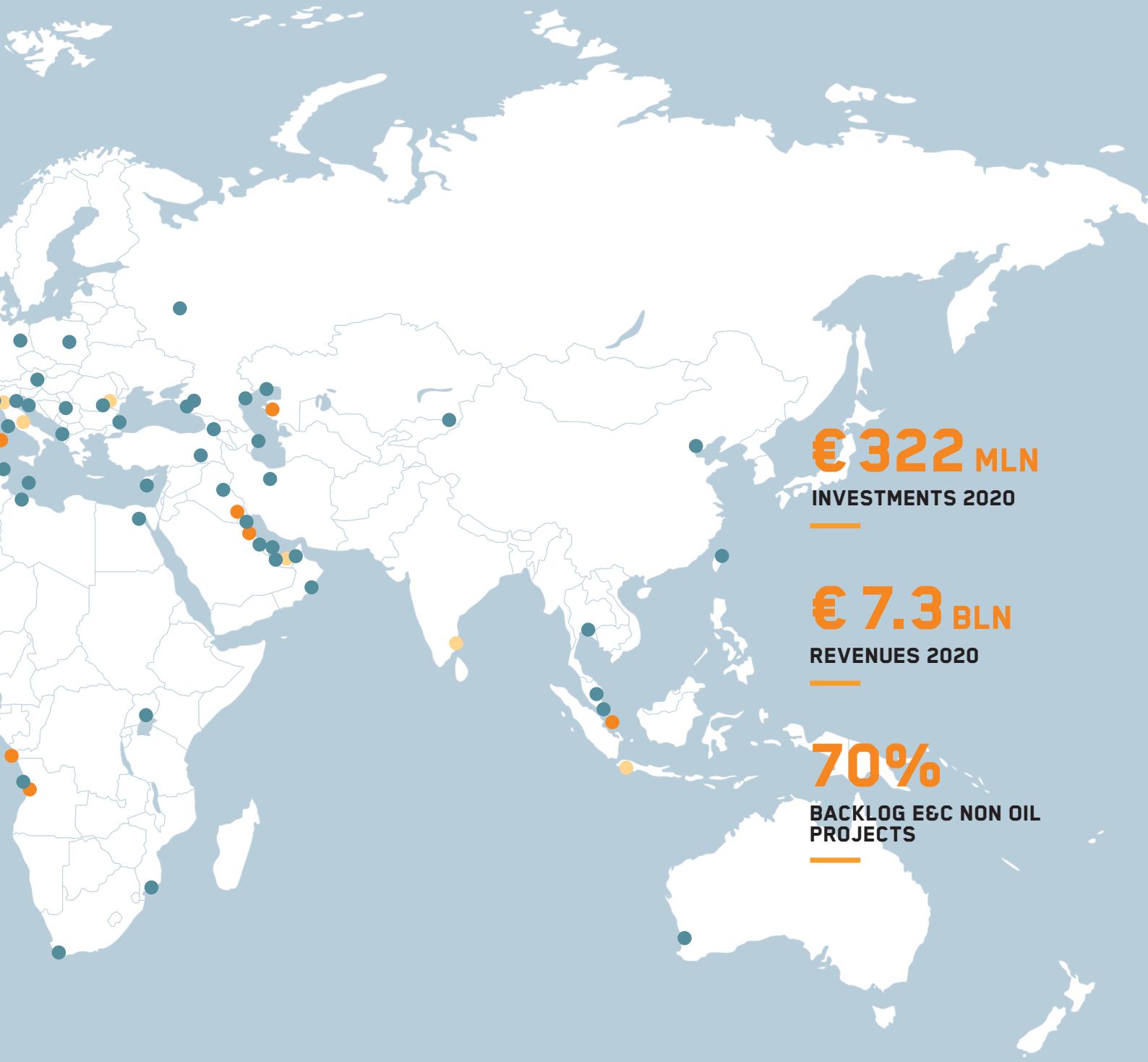
5

BUSINESS DIVISIONS

>60

YEARS OF HISTORY
AND LEADERSHIP IN ENERGY
AND INFRASTRUCTURES





ENGINEERING CENTRES
dedicated to research & development, business process management and information technology

YARDS
focused on prefabrication, assembling and erection operations of large and complex manufacts as offshore platforms, plant modules, subsea manifolds and components

OTHER MAIN SITES
headquarters, branches and subsidiaries

WE ARE “ONE COMPANY” ORGANISED INTO FIVE BUSINESS DIVISIONS

We are a Company with a unique view on all the possible future evolutions and challenges of the energy and infrastructure sector, thanks to our five business Divisions

OFFSHORE ENGINEERING & CONSTRUCTION (E&C)

The expertise of this Division puts us in a leading position in offshore construction, with a widely recognised track-record in the energy sector in remote areas and deep waters. We offer a wide range of products and services, including platforms, pipelines, development of subsea fields and MMO (Maintenance, Modification and Operation) activities. We are also rapidly increasing our presence in decommissioning and renewable energy sources through wind farms. This Division is considered to be strategic for the future of Saipem and we are working to reinforce our leadership position through targeted investment, new partnerships and diversification initiatives. We are expanding our services we offer in the subsea market: high-tech investments specifically to develop of subsea fields where new technologies make it possible to move surface operations to the seabed, thus providing operational advantages.

ONSHORE ENGINEERING & CONSTRUCTION (E&C)

Through this Division we design and build installations, pipelines, pumping and compressor stations and terminals. We provide a full range of integrated engineering services, such as procurement, project management and construction, primarily for the Oil&Gas industry, complex civil and marine infrastructure and environmental markets. In addition to working in the traditional hydrocarbon sector, Onshore E&C is becoming an area of great diversification for Saipem, particularly in the development of renewable energy sources and new hybrid approaches based on green technologies. We are able to manage complex, large-scale projects, including in the promising high-tech sector of liquefied natural gas (LNG), driven by a major growth in demand.

OFFSHORE DRILLING

We have been active in offshore drilling for over 60 years, with our own fleet and highly qualified personnel. We operate as international contractors, offering offshore drilling services for all types of installations all over the world. We are improving the efficiency of the Division in terms of operations, supply chain and integrity of assets, including new digitalisation-related technologies. We are evaluating opportunities to offer new integrated services, as well as the possibility of partnerships and enhanced use of assets.

ONSHORE DRILLING

We operate in the Oil&Gas sector as international contractors, offering onshore drilling services for all types of drilling installations worldwide. In terms of our activity, we are focusing on the development of shale Oil&Gas (unconventional deposits of shale), pad drilling and geothermal segments.

XSIGHT

XSIGHT is the Saipem Group start-up, through which we provide cutting-edge services that are highly innovative and with high added value for the entire energy sector, including renewables and green energy sources. XSIGHT works to improve the efficiency of engineering services through simplified processes and innovative digitalisation models. In addition to engineering, we offer a wide range of services: financial development, consulting, stakeholder management and risk management. Thanks to our consolidated experience and global presence, we are able to stay ahead of market challenges and seize new opportunities. This allows us to play a leadership role in terms of scenario changes and take advantage of digitalisation and innovative technologies such as cloud computing and data analytics.



XSIGHT
Conceptual Design



OFFSHORE E&C
Engineering & Construction



ONSHORE E&C
Engineering & Construction



OFFSHORE DRILLING



ONSHORE DRILLING



STEFANO PORCARI
CHIEF OPERATING OFFICER
OFFSHORE E&C DIVISION

(▷) [Watch the video](#)

"The design, construction and installation of offshore structures for the Oil&Gas industry have been the pride and joy of Saipem for decades. The ability to operate in extreme work environments is part of our DNA.

Today, the Offshore E&C sector is rapidly evolving towards greater sustainability to support its clients' energy production and distribution projects. The sea is confirmed as an important frontier for measuring our ability to adapt to the new challenges of the present and the future, first and foremost the sustainability of our business, also in the name of resilience to the pandemic's disturbances that have made the urgency of this transition even more relevant"



MAURIZIO CORATELLA
CHIEF OPERATING OFFICER
ONSHORE E&C DIVISION

(▷) [Watch the video](#)

"We have "diversified", repositioning ourselves both geographically and in terms of content, strengthening the Downstream business and the growth of Gas monetisation segments, Floaters and GBS. We are making good progress with the "decarbonisation" plan, shaping our design into solutions that aim to reduce the impacts related to climate change. We are pursuing "digitalisation" not as a unicum, but rather as a state of mind transversal to all work processes and the entire supply chain"



FRANCESCO RACHELI
CHIEF OPERATING OFFICER
XSIGHT AND DIGITAL
INNOVATION DIRECTOR

[Watch the video](#)

"We believe it is strategic to aspire to increasingly develop our ability to design and create innovative solutions, both in terms of improvement and as a step change for our clients, better known as "disruptive" innovations. We want to be an international technology player working in synergy with the country's research and development systems, bringing to this perspective also a great deal of the Italian system that can excel in the world, imagining and starting right from the design phase to build the most sustainable world that we all want"



MARCO TONINELLI
CHIEF OPERATING OFFICER
DRILLING

[Watch the video](#)

"Historically drilling, both at sea and on land, has been one of Saipem's traditional businesses linked to the exploration and extraction of hydrocarbons. Today, the energy sources market is redesigning its mix and exploring other avenues. It will be essential to invest in a range of areas in the coming years from the efficiency and optimisation of energy generation systems, to technological innovation of our assets and the continuous training of people. Drilling at Saipem will therefore have to take on these aspects in order to maintain our level of excellence on the market"

KEY HIGHLIGHTS

129

NATIONALITIES

35,023

EMPLOYEES

3,964

WOMEN

79%

LOCAL PERSONNEL

23,696

ACTIVE VENDORS

€8.7 BLN

TOTAL GOODS AND SERVICES ORDERED

79%

OF GOODS AND SERVICES
ORDERED LOCALLY*

€79 MLN

OVERALL INNOVATION SPENDING

206 MLN

WORKED MAN-HOURS

19

AVERAGE TRAINING MAN-HOURS
ATTENDED BY EMPLOYEES

0.13

LOST TIME INJURY FREQUENCY RATE

1,123

SCOPE 1 GHG EMISSION (KT CO₂ EQ)

€7.9 BLN

REVENUES

€25+ BLN

RECORD BACKLOG

MORE THAN

€7.8 BLN

ECONOMIC VALUE DISTRIBUTED BY SAIPEM**

70+

COUNTRIES WHERE SAIPEM OPERATES

(*) The percentage refers to local spent for operating projects on the total. The amount spent in the year not due to operating projects (property investments, personnel costs and other operating costs) is €1,340 million.

(**) Calculated by summing operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.

ACKNOWLEDGEMENTS

Member of

**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Confirmed as the sector's leader
in DJSI World and Europe indices.



FTSE4Good

FTSE4Good Index:
confirmed for the 11th year in
FTSE4Good Index Series.

Member 2019/2020

STOXX

ESG LEADERS INDICES

STOXX® Global ESG Leaders

OUR MISSION

To complete extraordinary projects by pushing beyond the frontiers of innovation, opening the way for our clients to the energy of the future.

OUR VISION

To turn the dreams of our clients into reality thanks to our ability to innovate and our technological competence, supporting their progress in the energy transition.

OUR VALUES

Creative intelligence
Care for people and planet
Striving for trust
Enhancement of cultural identities



CDP:
B- rating

Euronext Vigeo Eiris indices

Lundquist.trust:
Silver

MILESTONES

MORE THAN 60 YEARS OF HISTORY



New operational frontiers

Oil crisis in the Middle East drives Saipem to explore new geographical areas starting from the North Sea.



Saipem goes public

Saipem is listed on the Milan and Paris stock exchanges.



Leader in the offshore heavy lifting sector

Saipem takes over the Micoperi fleet including the Micoperi 7000, soon after renamed Saipem 7000.

1957

1971

1974

1984

1987

1990

1998

A pioneer is born

Saipem is established as an independent company.



A milestone in offshore activities

Saipem lays the gasline across the Straits of Messina as part of the Transmed project.



The joint venture strategy

Saipem starts joint ventures with competitors like Brown & Root, Clough, Bouygues Offshore and Parker Drilling to penetrate new markets and strengthen its assets.



Main player in deepwater offshore pipelaying

With the installation of the J-lay tower the Saipem 7000 opens its doors to challenging deepwater projects such as the Blue Stream gasline.



WHERE WE ARE AHEAD AND WHERE WE ARE GOING

READY TO TAKE ADVANTAGE OF A CHANGING SCENARIO

The current global scenario appears more uncertain than ever. The traditional value drivers have been shaken, and we are now facing an unprecedented situation, with implications also for the medium to long term. Perhaps more than any other, the energy sector has been affected by the closure of industrial activities, restrictions to mobility, interruption of transportation, and a drop in hydrocarbon prices as a consequence of the energy demand collapse. Although historically the Oil&Gas industry is used to economic and price cycles, this downturn seems unlike any other in relation to the demand side deterioration expected also in the long term.

According to the IEA's World Energy Outlook 2020 published in October 2020, energy demand was set to decrease by 5% in 2020 and energy-related CO₂ emissions by 7%. Renewable energies seem to have suffered only marginally from the crisis due to the COVID-19 Pandemic, being the only energy source to have increased its share compared to the previous year. Energy-related investments have suffered a sharp decline of 18% compared to 2019, with the hardest drop in upstream oil and gas spending (-35%) and a less severe decline in power generation (-7%), the latter sustained by the significant resilience of renewables-related investments (-3% versus previous year). Demand for oil fell sharply during the crisis and, despite a likely recovery in the short term, can we expect a return to pre-crisis levels only for certain



scenarios while, according to other scenarios, we have already reached peak oil demand. Natural gas is a relatively cleaner fossil energy source, and it will play an important role during the current energy transition phase, before starting a gradual decline in the longer term and in the greenest scenarios.

In the short term, the pandemic evolution will depend on a number of factors such as the duration of new waves, the effectiveness of vaccines especially with regard to new variants of the virus.

The dynamics recorded during the pandemic crisis may lead to an acceleration of the energy transition process, since major economies (the European Union and, more recently, also the United States of

America) are allocating significant budgets of their post-pandemic recovery funds to a more sustainable energy system. This trend, together with widespread public awareness of climate-related issues, growing pressure by investors (focused more and more on Climate Change themes) and technological innovation (which is gradually making renewable sources and certain decarbonisation technologies more competitive) are making the lower CO₂ scenarios more and more probable than the stable (or even increasing) CO₂ scenarios.

This race toward a sustainable use of energy is an opportunity for all energy companies. In this context, E&C contractors have the opportunity to play a critical role in identifying and developing the best technical

WHERE WE ARE AHEAD AND WHERE WE ARE GOING

solutions to support energy companies in reducing the carbon footprint of their activities by changing the energy mix, capturing CO₂ emissions and substituting traditional energy vectors, such as gasoline and diesel, with cleaner ones, such as hydrogen. We are ahead of the game in this area at Saipem since we have been increasing sustainability efforts in our portfolio for several years in dramatically growing non-oil sectors, such as gas, and focusing on clean technologies such as offshore wind, digitalisation and decarbonisation.

SAIPEM RESPONSE

Saipem's role in this scenario encompasses traditional segments like natural gas valorisation (LNG, gas pipelines, gas monetization ad fertilizers), renewable energies and green technologies such as clean hydrogen and CCUS. However, it also has the ability to innovate and push its technological boundaries on a day-to-day basis to implement change that will make the energy transition truly possible.

The pillars to enable this transformation are listed below:

- **Natural gas**, which is considered one of the most important transition fuels. Saipem recognises its key role in supporting this transition to a low carbon future, and in this direction, is currently committed in the execution of a number of LNG-related projects, including the LNG Train 7 project contract in Nigeria awarded in 2020.
- **Renewable resources**, which aim to reduce dependence on the fossil fuel business by expanding supply in less climate-impacting sectors, investing in renewable technologies and developing more sustainable uses of fossil fuels, and diversifying activities. In this direction, Saipem has successfully installed the world's

first commercial floating wind farm, the Hywind Scotland project for Equinor, and completed activities for the Hornsea Wind Power project for Ørsted. It also recently secured a contract from EDF Renewables to build the Neart na Gaoithe wind farm off the coast of Scotland.

- **Decarbonisation** represents the most complex and structured challenge, which includes the previous pillars and requires the cooperation and shared purpose of many global players to achieve significant results: all sectors need to take ambitious actions to reduce their footprint to meet the carbon reductions needed globally over the coming decades. Saipem is actively working in two directions: firstly, actively engaging with clients to make carbon capture and sequestration projects sustainable and, secondly, searching for ways to reduce the carbon impact of its operations and increase energy efficiency, efforts that will benefit its entire value chain.
- **Innovation** is a strategic pillar for guiding Saipem towards new and fully decarbonised energies. Only by investing in innovation can Saipem promote and drive change. Moreover, technological innovation plays a fundamental role in minimising carbon footprint of clients' projects through the development of new solutions, especially in the fields of engineering and construction.

Leveraging on these pillars, Saipem has gradually transformed its ambition and targets, changing its profile from a traditional Oil&Gas service contractor, to the new role of a "Global Energy Solutions Provider", supporting a gradual transition from an economy based on fossil fuels to a "net-zero-carbon" economy.

Saipem, as a Global Energy Solutions Provider, is ready and determined to provide its full contribution in this direction.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

SAIPEM'S STAKEHOLDERS

We strongly believe that in order to succeed in our purpose of contributing to the creation of value with our business, engagement and cooperation with our stakeholders play a fundamental role. For this reason, we are committed to maintaining a constant and transparent dialogue with our stakeholders, by proactively engaging with institutions, people and the other entities we meet and have an impact on. Our goal is to understand their priorities and expectations and to contribute to the delivery of sustainable value in the countries where we operate.

We are constantly investing in the stakeholder engagement process, with the aim of building successful relationships based on mutual dialogue, which represents a fundamental part of our sustainability strategy. We always accurately engage our stakeholders, listening carefully to better

understand their specific needs and expectations, so we can integrate them into our strategies and decisions. We believe in the importance of a long-lasting, two way dialogue through which we can share our vision for the future and interpret our mission with. It allows us to build stable relationships, promote positive and advantageous interactions, and create a positive impact in the areas where we operate.

The size of our business and the wide variety of stakeholders we engage with leads us to have a flexible, diversified approach based on mutual understanding in order to better respond to the different needs of our interlocutors, both at local and corporate levels. All core principles for the engagement process are set out in our Management System Guidelines (MSG) on Stakeholder Engagement, developed in accordance with our organisational structure.

2020 SAIPEM MATERIALITY ASSESSMENT IN FIGURES

10TH
EDITION OF THE SAIPEM MATERIALITY ASSESSMENT PROCESS

24
MATERIAL TOPICS IDENTIFIED

>3,000
STAKEHOLDERS INVOLVED
OF WHICH

121
EXTERNAL STAKEHOLDERS

2,512
SAIPEM EMPLOYEES

285
SAIPEM SENIOR MANAGERS

6
MEMBERS
OF THE BOARD OF DIRECTORS

IDENTIFICATION OF STAKEHOLDER EXPECTATIONS: THE MATERIALITY ASSESSMENT

In 2020, we conducted the 10th edition of our materiality assessment process to identify Saipem **material topics**, matters that are meaningful for Saipem's capacity to create long-term value to support the Company's strategy and in line with stakeholder evaluation.

The materiality assessment provides inputs for the definition of the Company Strategy, the annual Objectives and the 2021 Sustainability Plan, which contains material issues representing priority areas to be addressed, as well as the structure and contents of the 2020 Sustainability Report.

THE PROCESS IS DIVIDED INTO 4 PHASES:

1. FRAMING

A pool of 48 possible material issues from 7 macro-topics was created based on industry benchmark, emerging topics and global trends analysis; stakeholders to involve in the assessment were identified depending on their relevance and degree of influence on Saipem's business and its success.

3. ANALYSIS

The Analysis phase focuses on assessing the priorities identified by almost 3,000 stakeholders involved in the materiality assessment and the stakeholder engagement processes.
External interest was defined by surveying a representative mix of external stakeholders, including 37 vendors, 28 clients, 22 financial stakeholders, 2 governments, 14 business partners, 5 local community representatives, 7 insurance partners and 6 industry and peers associations.
Internal interest was assessed by surveying 285 Senior Managers and involving more than 2,500 employees in the UN Global Compact independent survey. In addition, we extended our analysis using a cloud-based data analytics platform to take into consideration **further contextual elements** arising from over 80 Saipem peers, around 4,000 regulations (voluntary and mandatory), about 6,000 news reports/updates and more than 720,000,000 tweets. Likewise in 2020, for the second year in a row, the Saipem materiality analysis received a score of 100/100 points in the framework of the RobecoSAM assessment for the Dow Jones Sustainability Index (DJSI).

2. INVOLVEMENT

External and internal stakeholders were involved through an online survey. Compared to the analysis conducted in 2019, this year's analysis presented new elements. The list of possible topics was extended to 48, a more in-depth benchmark analysis was conducted to better identify emerging issues analysis. The governance committee also participated in the survey, and employees were involved in an independent UN Global Compact survey.

4. VALIDATION

The analysis identified 24 material topics were included in the materiality matrix represented in this document. It was submitted for validation to the executive Sustainability Committee in November 2020 and for verification to the Board Sustainability, Scenarios and Governance Committee. Finally, it is up to the Board of Directors to endorse the outcome of the materiality analysis.

MATERIAL ISSUES

MATERIAL ISSUES



CLIMATE CHANGE AND ENERGY USE

- > Transition to low-carbon economy
- > Climate change risks & management
- > Use of alternative fuels
- > Energy efficiency
- > GHG emissions & reductions



ENVIRONMENTAL PRESERVATION

- > Air emissions & reductions (non GHG)
- > Environmental and social responsibility throughout the supply chain
- > Transition to a circular economy
- > Recycling and waste reductions
- > Water management



GOVERNANCE AND ETHICS

- > Anti-corruption & bribery
- > Business ethics



LOCAL PRESENCE AND SOCIETAL ISSUES

- > Local community support & development
- > Guaranteeing human rights through the supply chain



HUMAN CAPITAL

- > Employee engagement and satisfaction
- > Employee health & wellbeing
- > Employee incentives & benefits
- > Employee attraction, talent management & retention
- > Diversity & inclusive workplace
- > Employee development



SAFE OPERATIONS

- > Occupational health & safety
- > Safety Leadership and culture



RESEARCH AND INNOVATION

- > Artificial Intelligence and digitalisation
- > Advanced technologies & innovations

2020
SUSTAINABILITY
REPORT CONTENT

2021
SUSTAINABILITY
COMPANY STRATEGY
AND OBJECTIVES

STAKEHOLDER ENGAGEMENT

MATERIAL TOPICS				
STAKEHOLDER CATEGORY	CLIENTS	FINANCIAL STAKEHOLDERS	VENDORS AND BUSINESS PARTNERS	EMPLOYEES
Climate Change and Energy use				
Environmental preservation				
Governance and Ethics				
Human Capital				
Local presence and societal issues				
Research and Innovation				
Safe operations				
2020 STAKEHOLDER ENGAGEMENT APPROACH	<ul style="list-style-type: none"> ➢ Constant reporting and meetings on operating projects. ➢ Meetings organised with clients or potential clients also include Sustainability aspects. ➢ Proactive engagement in HSE initiatives, such as environmental awareness campaigns or LiHS (Leadership in Health and Safety) programmes. 	<ul style="list-style-type: none"> ➢ Continuous dialogue with the financial community (i.e. roadshows). ➢ Ensure full transparency and equal access to the disclosure of confidential information. ➢ Periodic disclosure of information through press releases and presentations, as well as periodic meetings with institutional investors and financial analysts. ➢ Individual shareholders may directly interface with the Company Secretary function. 	<ul style="list-style-type: none"> ➢ Commitment to developing and maintaining long-term relations with vendors. The process of Vendor Management makes it possible to assess their reliability in terms of technical, financial and organisational capabilities. ➢ Proactive engagement in HSE initiatives, such as environmental awareness campaigns or LiHS programmes. 	<ul style="list-style-type: none"> ➢ Committed to recruiting and retaining talented personnel and promoting their development, motivation and skills. ➢ Guarantee of a safe, healthy working environment and a stable relationship with trade unions to ensure an open dialogue based on cooperation.
<p> relevant theme for the stakeholder category.</p>				

MATERIAL TOPICS					
Climate Change and Energy use					
Environmental preservation					
Governance and Ethics					
Human Capital					
Local presence and societal issues					
Research and Innovation					
Safe operations					
STAKEHOLDER CATEGORY	BUSINESS ASSOCIATIONS	LOCAL COMMUNITIES	LOCAL ORGANISATIONS AND NGOs	LOCAL AUTHORITIES AND GOVERNMENTS	INSURANCE PARTNERS
2020 STAKEHOLDER ENGAGEMENT APPROACH	<ul style="list-style-type: none"> > Active participation in and support of numerous international and local associations, contributing to sharing best practices within Saipem's business sectors. > Contributions to strengthening Saipem's role in its industries and its relations with other stakeholders (i.e. clients, local stakeholders, etc.). 	<ul style="list-style-type: none"> > Contribution to local communities in terms of social and economic development and improvement in living conditions. Each operating company or project has a specific approach that takes the Company's role and the specific context into account. > Active involvement of local communities in the implementation of development initiatives. 	<ul style="list-style-type: none"> > Regular publication of information, objectives and performance through Saipem's institutional channels. > Identification of organisations of proven experience with which to establish short or medium-term relations to facilitate the implementation of specific initiatives. 	<ul style="list-style-type: none"> > Customised engagement with governments and local authorities. > Institutional and official relations with authorities, as well as cooperation with public bodies to launch initiatives in favour of local development initiatives. 	<ul style="list-style-type: none"> > Commitment to developing and maintaining long-term relations with insurers. The risk transfer process makes it possible to secure insurance capability to properly cover our risk profile and exposures. > Communication of safety and loss prevention initiatives and their results in order to obtain competitive terms and conditions.

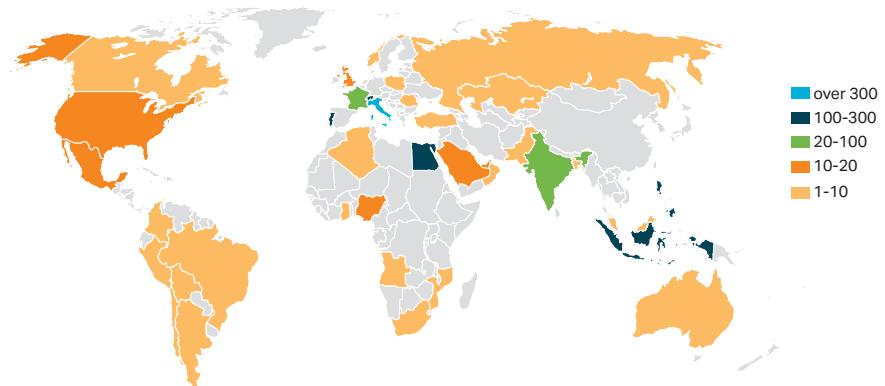
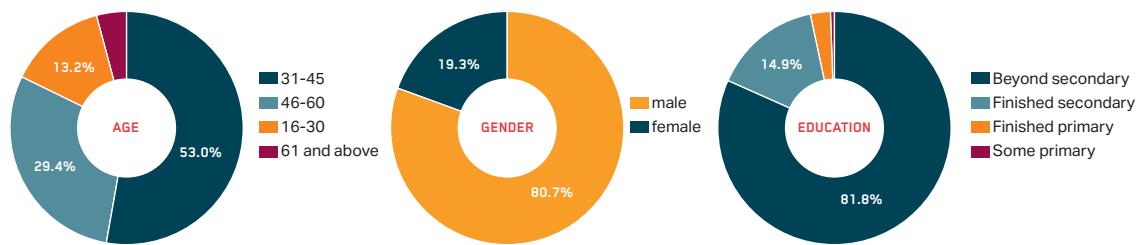
ENGAGING OUR PEOPLE

UN Global Compact Survey

Have your say, shape your future

In 2020, the United Nations launched a global conversation to mark its 75th anniversary. Through surveys and dialogues, people from all over the world were asked about their hopes and fears for the future, their priorities for international cooperation and for the United Nations, and how to address the challenges we face, from COVID-19 to the climate crisis. Throughout 2020, over a million people and thousands of organisations took part to it. At Saipem we decided to participate in the initiative and asked our employees to take the survey. It had 2,512 respondents, corresponding to 7% of the more than 35,023 Saipem's employees.

The survey conducted to assess the internal relevance of the materiality analysis, revealed the 10 most relevant themes:



- > Climate action and environmental prevention
- > Responsible consumption and production
- > Decent work
- > Future work
- > Gender equality
- > Diversity and inclusion
- > Protection of privacy and data
- > Accountability and transparency
- > Responsible taxation
- > Civic space.

SAIPEM OPEN TALKS: OUR WAY TO ENCOURAGE DIALOGUE WITH OUR STAKEHOLDERS

Throughout 2020, we continued to develop the "Open Talks" formula inaugurated in March 2019, an engagement method with our stakeholders implemented through a live-streamed, remote, open and innovative format of discussion and debate that also allows for broad participation. The fifth "Saipem Open Talks" event which took place on June 4, 2020, entitled "Mozambique: energy transition and new geopolitical equilibria", was almost totally remote due to the COVID pandemic. It focused on a continent that will be pivotal in these processes and on an emerging country in the southeast African region.

The talk was attended by several notable guests, including:

- > **Ernesto Max Tonela**
Minister of Mineral Resources and Energy of the Republic of Mozambique
- > **Carlos Zacarias**
President of the National Petroleum Institute
- > **Giulia Pellegrini**
Deputy Chief Investment Officer for Emerging Markets Fixed Income at Allianz Global Investors
- > **Paolo Magri**
Executive Vice President and Director of ISPI (Institute for International Policy Studies)
- > **Alessandro Blasi**
Senior Advisor to the Executive Director of the IEA (International Energy Agency)

Saipem was represented by:

- > **Stefano Cao**
CEO
- > **Francesco Caio**
Chairman
- > **Maurizio Coratella**
COO of the Onshore E&C Division



Saipem Open Talks

Mozambique: energy transition and new geopolitical equilibria

Thursday, 4th June 2020 at 3 – 4.30 pm

LIVE STREAMING

Speakers:

Francesco Caio, Saipem Chairman
Maurizio Coratella, COO E&C Onshore Division Saipem
Paolo Magri, Executive Vice President and Director of ISPI (Italian Institute for International Political Studies)
Alessandro Blasi, Special Advisor to the Executive Director International Energy Agency (IEA)
Giulia Pellegrini, Deputy CIO for Emerging Markets Debt at Allianz Global Investors
Stefano Cao, Saipem CEO

The event will be held in Italian, English simultaneous translation will be available



ITALIAN INSTITUTE
FOR INTERNATIONAL
POLITICAL STUDIES

The talk, which was attended by several hundred participants, provided new insights into the vision of a country committed to designing sustainable development paths, above all through the development of its human capital. Saipem has always paid significant attention to the latter, also due to the nature of our role in the value chain of energy transition projects, the geopolitical implications and the attention of the financial world to development initiatives in the region.

In line with the format's objective, stakeholders contributed to the discussion by bringing complementary points of view and highlighting crucial factors such as the role of natural gas as a source of energy transition, but also as a fundamental resource for the growth and development of strategic areas such as south-eastern Africa.

Another important aspect emerged, from financial stakeholders, in relation to the role that energy operators and the ESG factors of their investment strategies will play in the future. The post-pandemic world is expected to be increasingly oriented towards business sustainability but also based on the contribution of challenging projects, such as Saipem's in Mozambique, which will have a major impact on the future of the countries involved.

→ [Discover more on pages 41 and 63.](#)

→ [Watch the event](#)

→ [Watch the best of](#)



**"MOZAMBIQUE:
ENERGY TRANSITION
AND NEW GEOPOLITICAL
EQUILIBRIA"**

SAIPEM COMMITMENT TOWARDS THE SDGs AND THE UN GLOBAL COMPACT



STEFANO CAO
CEO

"Saipem's support and commitment to the UN Global Compact demonstrates the importance of making a difference in our business. We will continue to operate this way and run our business making this initiative and its principles part of our business strategy, day-to-day operations and organisational culture. Each and every year, and each and every day, we aim to strengthen our effort in all our spheres of influence to protect and respect human rights and international labour standards, safeguard the environment and fight corruption. We are proud of the progress we are making towards being a company that helps to build an increasingly sustainable future, but at the same time we remain aware of the challenges ahead. This is the reason why I am pleased to renew our commitment to support the UN Global Compact in 2021, as concrete proof of our willingness to be a leader striving for constant progress while always meeting our stakeholders' expectations"



THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

HUMAN RIGHTS

[Principle 1] businesses should support and respect the protection of internationally proclaimed human rights and

[Principle 2] make sure that businesses are not complicit in human rights abuses.

LABOUR

[Principle 3] businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

[Principle 4] the elimination of all forms of forced and compulsory labour;

[Principle 5] the effective abolition of child labour; and [Principle 6] the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

[Principle 7] Businesses should support a precautionary approach to environmental challenges;

[Principle 8] undertake initiatives to promote greater environmental responsibility; and

[Principle 9] encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

[Principle 10] Businesses should work against corruption in all its forms, including extortion and bribery.

The **UN Global Compact** is the world's largest strategic corporate sustainability initiative. Since 2000, it has required its more than 16,000 signatories in 170 countries to align with the ten Universal Principles in the areas of human rights, labour, environment and anticorruption, as well as to take strategic actions to advance broader societal goals, such as the 17 **UN Sustainable Development Goals (SDGs)**, with an emphasis on cooperation and innovation.

We officially became a Global Compact signatory in 2016 and participant in 2018. In order to integrate the ten principles of the Global Compact into our core values, business strategy and all operational activities, we have incorporated them into our strategies, policies and procedures. We protect and promote human and labour rights, we are committed to continuously cooperating with our suppliers to ensure an ethical and reliable supply chain, we focus on technological innovation to minimise environmental impact and we have advanced governance structures to actively prevent any form of corruption.

With our human rights policy, we recognise and promote respect for **human rights** both in our own activities and in those carried out with partners. We strive every day to be an exemplary leader who continuously raises awareness on **environmental issues**, promoting an environmental protection culture that also safeguards local communities. Moreover, we are committed to developing technologies that minimise our environmental impact and the overall footprint. By implementing an advanced "Anti-corruption Compliance Programme", in line with international best practices and the "zero tolerance" principle as expressed in the Code of Ethics, we are committed to **fighting corruption** every day. In addition to the Ten Principles of the

UNGC, we work to contribute to the realisation of the 2030 Agenda for the Sustainable Development and the achievement of the SDGs, the societal goals aimed at ending extreme poverty, fighting inequality and injustice, and protecting the planet by 2030. Among the SDGs, our commitment to the fight against climate change (SDG 13) certainly stands out. The goal is being pursued at the global level through our continuous investment in expertise, innovation and environmentally friendly technologies. Thanks to our global presence, we contribute to different SDGs in the countries where we operate, focusing in particular on those directly related to our business activities, so as to create tangible value in these locations. The initiatives are usually meant for local communities and focus on socio-economic development and professional training and promote health and environmental protection.



OUR COMMITMENT TO ETHICAL BUSINESS

Respect for corporate values and integrity are a constant commitment in company activities. In all our business relationships, we are committed to always respecting and promoting the principles of loyalty, fairness, transparency, efficiency and openness to the market.

We operate within the framework of the Universal Declaration of Human Rights adopted by the United Nations, the fundamental conventions of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises. We stand up for the protection and promotion of human rights, inalienable and fundamental prerogatives of human beings, and strongly condemn any form of discrimination, corruption, and forced or child labour.

In 2017, as part of our commitment to promoting human and labour rights in our activities, we published our first Human Rights Policy. Furthermore, since 2016, Saipem Group publishes its Modern Slavery Statement, in compliance with the United Kingdom Modern Slavery Act 2015.

CODE OF ETHICS

Saipem's Code of Ethics forms an integral and substantial part of the organisational model pursuant to Italian Legislative Decree 231/2001*. It defines the values that the Company recognises, accepts and shares, as well as the responsibilities that it assumes with regard to both internal and external stakeholders.

Everyone at Saipem must respect the principles and contents of the Code of Ethics, as well as all third parties involved in business relations with us.

A "Saipem Business Integrity Guide" was published internally as a further tool for employees to better understand our internal rules and share Saipem's ethical values. The Guide provides an overview of the relevant principles and concrete examples to facilitate their understanding.

WHISTLEBLOWING

We have put in place a robust and effective system to deter, detect, investigate and report

any illegal behaviour in the company, also through a whistleblowing system. Whistle-blowers are guaranteed against any form of retaliation, discrimination or from being penalised, for reasons connected directly or indirectly to the report, without prejudice to the legal obligations and the protection of the rights of the Company or of the people accused by willful misconduct or gross negligence. In any case, the confidentiality of the whistle-blower's identity is always assured; sanctions are also imposed on those who violate provisions adopted to guarantee the protection of the whistle-blower.

ANTI-CORRUPTION COMPLIANCE PROGRAMME

At Saipem, we have always conducted our business with loyalty and integrity and in full compliance with laws and regulations. In this context, corruption is an intolerable obstacle to an efficient business and a fair competition.

We have designed an "Anti-corruption Compliance Programme", consisting of a detailed system of rules and controls aimed at preventing corruption, in line with international best practices and the "zero tolerance" principle expressed in the Code of Ethics.

Moreover, we are one of the first Italian companies to obtain the international certification according to the standard ISO 37001:2016 "Antibribery Management Systems". The certification, awarded by an independent third party, defines requirements and provides a guideline to help organisations prevent, detect and address corruption, to comply with the anti-bribery legislation and any other voluntary commitments applicable to their own activities.

+77%

**HOURS OF COMPLIANCE
AND GOVERNANCE TRAINING
IN 2020 COMPARED WITH 2019**

 [Further information on ethical business are included in the Consolidated Non-Financial Statement 2020.](#)

(*) Italian Legislative Decree No. 231 of June 8, 2001 foresees/contemplates direct liability of legal entities, companies and associations for certain crimes committed by their representatives.

OUR PATH TOWARDS A SUSTAINABLE FUTURE SCENARIO

Saipem is responding to an evolving, dynamic and challenging environment by making real, positive and sustainable change. This requires engaging environmental, social and governance issues as an integral part of our business strategy and driving the role we can play to go beyond current needs and challenging ourselves to be an enabler of new solutions and achieve a better future.

To better explain Saipem's effort and the many steps we are taking on our journey to achieve a low-carbon scenario, we have taken our four challenges and reorganised them into three new areas that explain how sustainability enriches our business and operations, our people and the numerous stakeholders we work with.

01

DRIVING THE ENERGY TRANSITION

Our tradition of innovation and continuous search for global solutions has led us to enable the energy sector transition. In this context, considering the global challenge of decarbonisation, we want to highlight our achievements so far and how we are planning to lead this global trend in the future, our contribution to society and our clients to cope with the new energy scenario and cooperation with other companies to co-develop new advanced technologies related to the energy transition.

02

GROWING THE LEADERS OF THE FUTURE

The current global health crisis has further highlighted the important role Saipem plays in protecting its workers and supporting communities. Saipem's ability to ensure safety – in the broadest sense of the word – of people, assets and operating environments is at the heart of our business model. We have demonstrated the ability to develop and improve the knowledge of our employees, the leaders of the future, and to provide them with the right skills to contribute to the energy transition and respond to the current challenges. In this context, the evolution of the business model, the growth of talents within the company and the development of Saipem's specific cutting-edge skills represents our response to the challenges we are facing.

03

GENERATING SHARED VALUE

Saipem's activities generate sustainable value that is shared among our people, the supply chain, the local communities and the environment in which we operate. Saipem works continuously to support and sustain our people, both financially and personally, by providing them with a safe, inclusive and diverse workplace. Saipem has adopted a sustainable way of managing its supply chain: through continuous dialogue and engagement, a strong focus on respect for human rights and HSE aspects throughout the supply chain, contributing to our growth and empowerment. During the pandemic, Saipem has focused its commitment to generating shared value for local communities, supporting and helping the most vulnerable local communities.

1 DRIVING THE ENERGY TRANSITION

SAIPEM's contribution to the SDGs



PERFORMANCE, PROGRESS AND TARGETS

MACRO TOPICS	2020 RESULTS	2021 OBJECTIVES
CLIMATE CHANGE AND ENERGY USE	<p>Development of an Emission Methodology to predict GHG emissions of a plant designed by Saipem during its operation phase (Scope 3 emissions for Saipem), soon to be certified and validated by Third Party.</p> <p> Achieved emission reduction of 26.57 kt CO₂ eq (Target 2020: 19.3 kt di CO₂).</p> <p>Extended to 2024 the Strategic GHG Plan for total cumulative reduction of 266 kt CO₂ for the period 2019-2024.</p> <p>Avoided atmospheric emission of:</p> <ul style="list-style-type: none"> - 319.9 t of NO_x. - 14.4 t of SO₂. - 50.3 t of CO. - 17.1 t of NMVOC to the atmosphere. - 10.2 t of PM₁₀. <p> Performed 15 energy diagnoses and feasibility studies.</p> <p> Carried out 18 energy efficiency initiatives.</p> <p> Carried out 6 energy saving initiatives.</p> <p>Implemented 2 renewable energy initiatives.</p> <p> Implemented 3 energy consumption monitoring initiatives.</p>	<p>Achievement of 2020-2024 strategic plan targets for 2021 (specific to each Division) in terms of emissions savings (36,500 t CO₂ eq).</p> <p>Definition of the Strategy and the Implementation Plan for Carbon Neutrality (Net-Zero) for the Divisions and the Group.</p> <p>Third-party validation of the documentation produced for carbon neutrality (Net-Zero).</p> <p>Assessment of all grid-connected assets to explore the possibility of achieving 100% certified electricity from renewable sources.</p> <p>Definition of a set of asset-specific KPIs (vessel, rig, TCF, yard and office) for assessment of GHG reduction initiatives and implementation of associated reporting.</p> <p>Review of the GHG Strategic Plan by the end of 2021.</p>
CLIMATE CHANGE AND ENERGY USE	-	Evaluate the feasibility of using Sustainable Aviation Fuel (SAF) for a portion of purchased flights by the end of 2021.
RESEARCH AND INNOVATION	<p> 21 new patent applications, 10 of which are for decarbonisation technologies. (Results 2019: 5 for decarbonisation technologies).</p> <p> 14 signed collaboration/licensing agreements, 10 of which are for decarbonisation projects and 2 of which are for diversification projects.</p> <p> 204 FTE (full-time equivalent) resources involved in R&D (Results 2019: 163).</p> <p> R&D spending was €35 million¹; total innovation spending €74 million (Results 2019: €38 million R&D, total innovation spending €79 million).</p> <p> Development of a methodology to map the value creation of sustainable innovation during the execution of the projects.</p>	<p>Identification and development of decarbonisation technologies that enable selective access to commercial development projects.</p> <p>Further development, and application, of methodology for mapping sustainable innovation value creation.</p>

Overreached

Reached

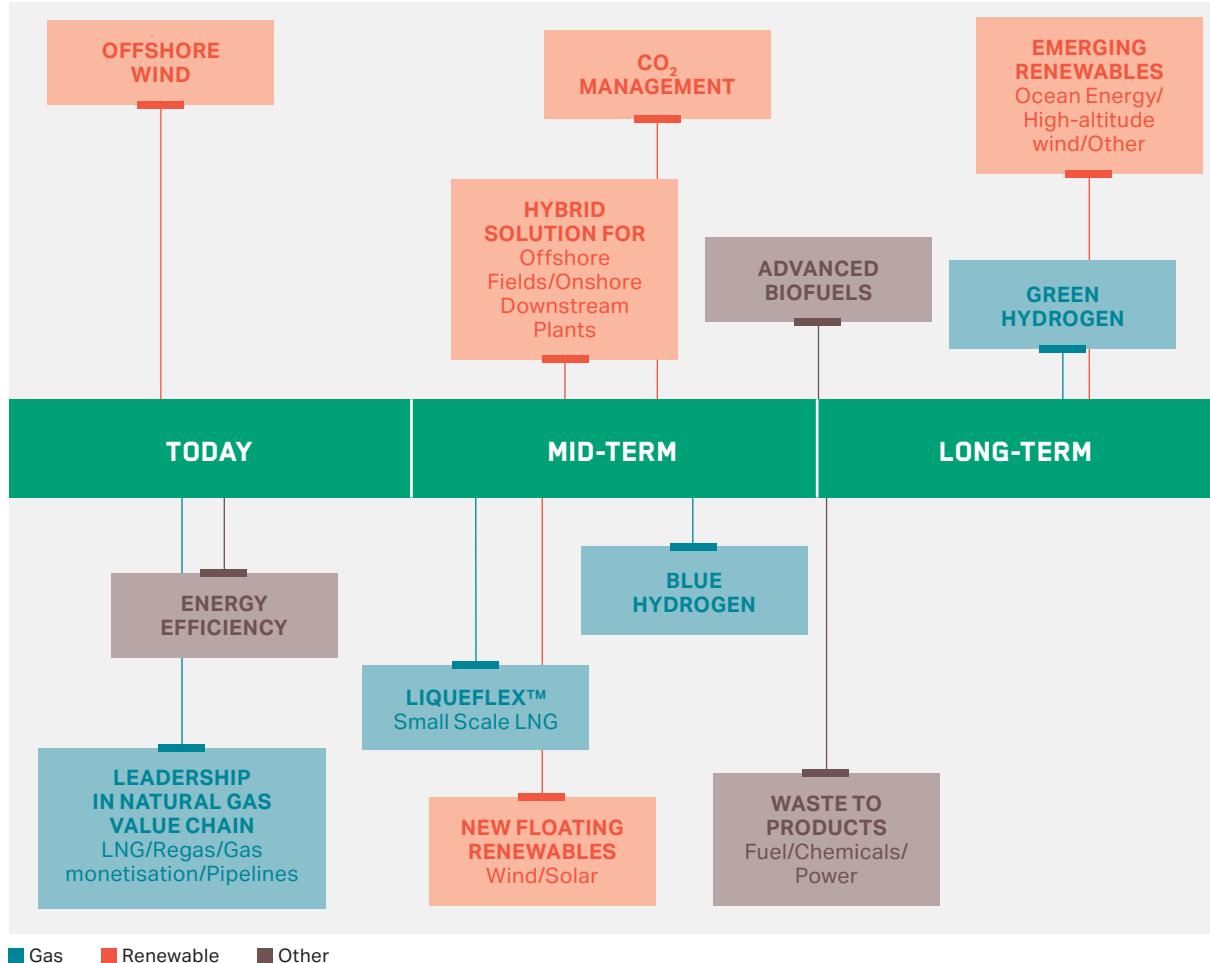
Partially reached

The world has long recognised the need for an energy transition to renewables and zero-emission technologies. In this context, among the others, Saipem is focusing on developing technologies for

the decarbonisation of industrial areas through the capture, treatment, transport and storage of CO₂ to substantially reduce the carbon footprint of entire industrial centres, making them more efficient and

(1) COVID pandemic effects: our intensity of action has not been noticeably affected despite some efficiency in Opex spending and rephasing of Technology Capex in agreement with the overall Capex company policy. The timing of a few activities has been rephased due to the temporary unavailability of our development partners and supply chain.

Enabling Energy Transition through Technology Innovation



competitive. We are now acting as an innovative Global Solutions Provider for the energy industry: to date, 70% of our backlog in the Engineering & Construction (E&C) sector is not related to oil, as well as the 90% of our new orders.

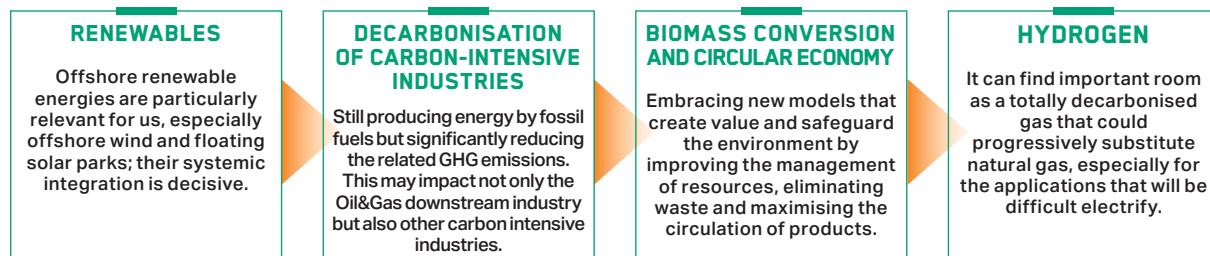
It is a real mutation process, with all the actors of the energy sector that are accelerating on the transition while at the same time reducing the weight of their traditional business.

In this sense, technology innovation plays a pivotal role: it is a key lever to drive the Company faster towards cutting edge and fully decarbonised energies. Our innovation agenda is strictly aligned

with these strategic priorities and we manage a balanced portfolio of innovation projects to address equally different opportunities and threats. In this respect, technology access is fundamental for allowing us to offer the most competitive solutions. We were very active in the last two years in screening a significant number of technology providers and signing different cooperation agreements.

Saipem is pursuing several diversified actions with a strategy reflecting four main pillars, along with natural gas, which happens to be the cleanest and least CO₂-emitting fossil source and will continue to play a relevant role in the energy transition, especially in the short to medium-term.

Driving the Energy transition



The different targets of the Saipem's Energy transition strategy are pursued through a mix of efforts with different maturity: innovation activities aimed at intercepting new and potentially disruptive technologies

and related markets (scouting activities are continuously underway to identify potential partners with whom Saipem can cooperate), technology-pushed business development efforts aimed at helping clients to



KOSTYANTYN
TOMASHPOLSKYY
HEAD OF INNOVATION
FACTORY

"We see natural gas as an important transition fuel, on our projects we integrate innovative solutions to help our clients decarbonising their Oil&Gas value chains, and we actively diversify in renewables with sufficient technological complexity, such as offshore wind or hydrogen"

re-design their carbon footprint, and already structured commercial projects where innovative approaches find full exploitation.

Thanks to this approach, we have identified specific opportunities for providing cutting-edge, sustainable solutions that will help our clients meet the demand for a low-carbon future. These opportunities are mapped over a time horizon that starts with our current operations (projects that may be awarded over three years) and runs into the medium to the long-term.

 [Further information on Energy transition strategy can be found in the Annual Report 2020.](#)



In line with our strategy, in 2020 we signed a memorandum of understanding with Cassa Depositi e Prestiti (CDP), Italy's national economic development institution, in order to "jointly evaluate the launch of innovative and highly sustainable projects, environmentally, socially

"As a large organisation with uncommon capabilities, I think we have a duty to do our part for the energy transition, by contributing to create a more decarbonised and sustainable planet. We cannot simply wait for 2050, we have to do something consistent, effective and reasonably soon. And we will put all our energies to succeed"

and economically, aimed at promoting the energy transition in Italy and abroad". The initiatives are focusing on decarbonisation, energy efficiency and circular economy projects, to eliminate waste and reuse resources.

25%
OF THE OVERALL INNOVATION EXPENDITURE WAS DEDICATED TO DECARBONISATION, MORE THAN DOUBLED COMPARED TO 2019

+25%
PEOPLE INVOLVED IN R&D ACTIVITIES COMPARED TO 2019



MARIO
MARCHIONNA
CORPORATE HEAD
OF TECHNOLOGY
INNOVATION

RENEWABLES: MOVING TOWARDS THE FUTURE

Worldwide, renewable energy production is expected to grow by about 2.3% each year through 2040, and we are eager to have an important and growing role in this trend. We continually update our engineering and development resources and skills to suit the renewable energy sector, tapping into the world's fastest growing energy business and confirming our commitment to sustainability and minimising the environmental impact.

Renewable energies are the most relevant transition drivers for our business model, and to this end we are working to develop new innovative projects

through collaborations with players in different corners of the world. Thanks to the development of innovative offshore energy projects, we are earning a reputation as a leader in innovation: in the North Sea we developed the **world's first floating wind farm**, while we are working on a project that will develop the **first floating solar park** off the Norwegian coast. **Ocean energy** is the most innovative type of renewable energy with a closer DNA to that of Saipem's business model and we obtained several important results during 2020 both in the field of wave energy and water current energy.

SAIPEM'S HEXAFLOAT FLOATING WIND TECHNOLOGY

Saipem has developed a lighter floating offshore wind substructure called **HexaFloat**, which uses an adjustable hanging counterweight to provide an adaptable foundation to cope with turbine sizes of up to 15 megawatts.

The development of Saipem's HexaFloat floating wind technology, specifically designed for the future large-scale offshore wind turbines (10 MW and beyond) is under way. The AFLOWT (Accelerating market uptake of Floating Offshore Wind Technology) pilot project has started testing the technology offshore in West Ireland, through a consortium led by the European Marine Energy Centre (EMEC) and funded by Interreg North West Europe.



Saipem and the Consiglio Nazionale delle Ricerche (National Research Council) or CNR have signed a cooperation agreement in November 2020 which will allow the research centre to use the HexaFloat concept. This agreement represents the start of a synergy between the biggest Italian research centre and Saipem, leading to an advancement in the TRL (Technology Readiness Level) of floating foundation and at the same time to an improvement in the design criteria which are fundamentals to accelerate the cost reduction curve. The first prototype of the HexaFloat will touch water in the spring of 2021.

GUIDO D'ALOISIO
SAIPEM HEAD OF
OFFSHORE
RENEWABLES
OFFSHORE E&C
DIVISION



"We are not just a technology provider – we live off contracts and projects. In the case of floating wind, we can bid for (contracts) involving fabrication and installation, whichever concept comes forward – whether spar, semi-submersible or tension-leg platform. We are also working hard on how to industrialise these structures, which are growing larger"



OFFSHORE WIND FARMS

In 2017, Saipem successfully installed the first floating Wind Farm in the world, the **Hywind Scotland Project** for Equinor. It required innovative solutions to lift, handle and install the gigantic, fully assembled 6 MW wind turbine generators on floating spars anchored to the seabed. This pioneering operation has given Saipem the opportunity to take a leading role in the floating wind sector. After having recently completed the activities for the Oersted's Hornsea Wind Power project, and after the award of contracts for the realisation of two offshore wind parks, "Neart na Gaoithe" (NnG) and "Formosa II", other recent acquisitions followed:

- the transportation and installation of two offshore platforms for "Dogger Bank A" and "B" Wind Farms, off the North East coast of England. At the end of the project, Dogger Bank will be the **world's biggest offshore wind farm**;
- the installation contract by Seaway 7 concerned the Seagreen Offshore Wind Farm, a joint venture project off the East coast of Scotland. The scope of work entails the installation of 114 foundations for an equivalent number of wind turbines;
- Bouygues Travaux Publics in consortium with Saipem and Boskalis have been awarded the design work, construction and installation scope for 71 concrete Gravity-Based Structures (GBS) as foundation for the Fécamp offshore wind farm in Normandy, France.

MAURO PIASERE
HEAD OF OFFSHORE
NEW ENERGIES
OFFSHORE E&C
DIVISION



"These new contracts confirm Saipem's participation in the most relevant offshore windfarm developments and are the tangible results of a strategy which has led us to become a global reference player in energy transition. This significant achievement has been attained by leveraging on our capabilities, our technological flexibility and our distinctive assets"

The advantages of floating solar are manifold

ZERO-CONSUMPTION OF SOIL

For this reason, floating solar has been widely tested in countries such as Japan, China and in general in Southeast Asia which must, in fact, cope with the lack of available land. This is why 87% of the global floating solar capacity is currently concentrated in the Asia-Pacific region.

PANEL PERFORMANCE HIGHER THAN IN GROUND INSTALLATIONS

Water and ventilation help to cool the cells and dissipate the heat developed, improving their efficiency and productivity. For this reason, floating solar is often used in closed reservoirs, such as lakes or ponds, but there is no shortage of applications in the open sea.

LESS EVAPORATION AND HIGHER QUALITY

The floating solar system allows a reduction in water evaporation during periods of drought and helps to limit the production of algae, which can jeopardize water quality, especially in freshwater basins.

POSITIVE IMPACT ON SUSTAINABILITY

The concept contributes to an acceleration in the transition from fossil to renewable power sources. This could have great impact for small and remote island communities where diesel generators are the only power source.

With these important contracts, Saipem further consolidates its position as a key player in renewables and, in order to support the execution of these projects, efforts have been paid to transform the traditional fabrication process of Oil&Gas jackets to serial fabrication of jacketed foundations for Offshore Wind Farms, by applying new methods, tools and digital equipment.

THE NEW FRONTIERS OF RENEWABLES: FLOATING SOLAR

Floating solar is one of the new frontiers of offshore technologies with promising growth trends. According to the World Bank, the potential floating solar capacity that could be installed globally is as much as 400 GW, or approximately the same generation capacity as all the photovoltaic solar panels installed in the world until 2017. According to research conducted by Wood Mackenzie Power & Renewables, at the end of 2019, at least 2.4 GW of photovoltaic panels were installed on the water, across 35 countries worldwide.

 [Discover more](#)



THE AGREEMENT BETWEEN SAIPEM AND EQUINOR

Saipem and Equinor, with different but complementary purposes, have sensed the potential of a new and versatile technology. **Moss Maritime**, the Norwegian maritime engineering company controlled by Saipem and part of the XSIGHT Division, has signed a cooperation agreement with Equinor with the ambitious goal of developing, testing and

commercialising a Floating Solar Photovoltaic (FPV) system for harsh environment.

The agreement consist of three phases and aims to develop a floating solar panel park solution for near coastal applications. The Design Development phase has been finished, while the Demonstration phase is ongoing before proceeding to the final Commercialisation phase. The technology is based on the in-house developed concept by Moss Maritime: a mobilised system, designed for easy fabrication, transportation and installation at operation site. The concept has attracted significant attention and has supported Saipem's ambition to be an enabler of new green technologies and contribute to emissions reduction.

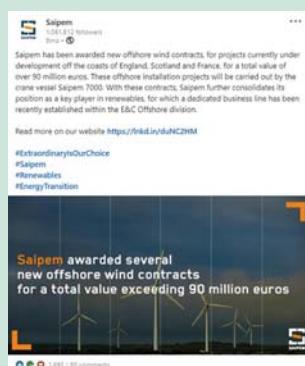
Meanwhile, a few commercial projects have been initiated by adopting floating wind farm and floating solar power technologies: Saipem will co-develop a wind farm in the Adriatic Sea off the coast of Ravenna (see Focus on - The AGNES project on page 39).

A LOOK TOWARDS THE LONG TERM: OCEAN ENERGY

Ocean energy can be defined as the sector producing energy from different sources such as wave energy, tidal or sea current energy. According to the worldwide Ocean Energy System (OES) organisation, ocean energy development could reach 748 GW by 2050 drastically reducing GHG emissions by 5.2 billion tonnes by that date. This is a growing market where Saipem's added value could make the difference thanks to its difficult to match

SOCIAL CORNER





Saipem has been awarded new offshore wind contracts, for projects currently under development off the coasts of England, Scotland and France, for a total value of over 90 million euros. The contracts are for floating wind turbines to be installed by the crane vessel Saipem 7000. With these contracts, Saipem further consolidates its position as a key player in renewables, for which a dedicated business line has been recently established within the E&C Offshore division.

Read more on our website <https://bit.ly/2uNCZHM>

#ExtraordinaryOurChoice
#Saipem
#Renewables
#EnergyTransition

Saipem awarded several new offshore wind contracts for a total value exceeding 90 million euros



Saipem ha una preziosa esperienza nel settore offshore al servizio della #FinanziariaInnovativa. È il caso del fondovalico Rotante messo a punto in collaborazione con la norvegese Equinor: una piattaforma innovativa e green di Impianti Fotovoltaici Fluttuanti che sfrutta le tecnologie più avanzate attualmente disponibili in base al luogo d'installazione e alla potenza consentita.

Leggi di più su [Renewable.it](https://bit.ly/2Kqgkpk)

#ExtraordinaryOurChoice
#Saipem
#Renewables
#Renovation
<https://bit.ly/2Kqgkpk>
See translation

Fotovoltaico fluttuante, Saipem porta in mare l'innovazione green

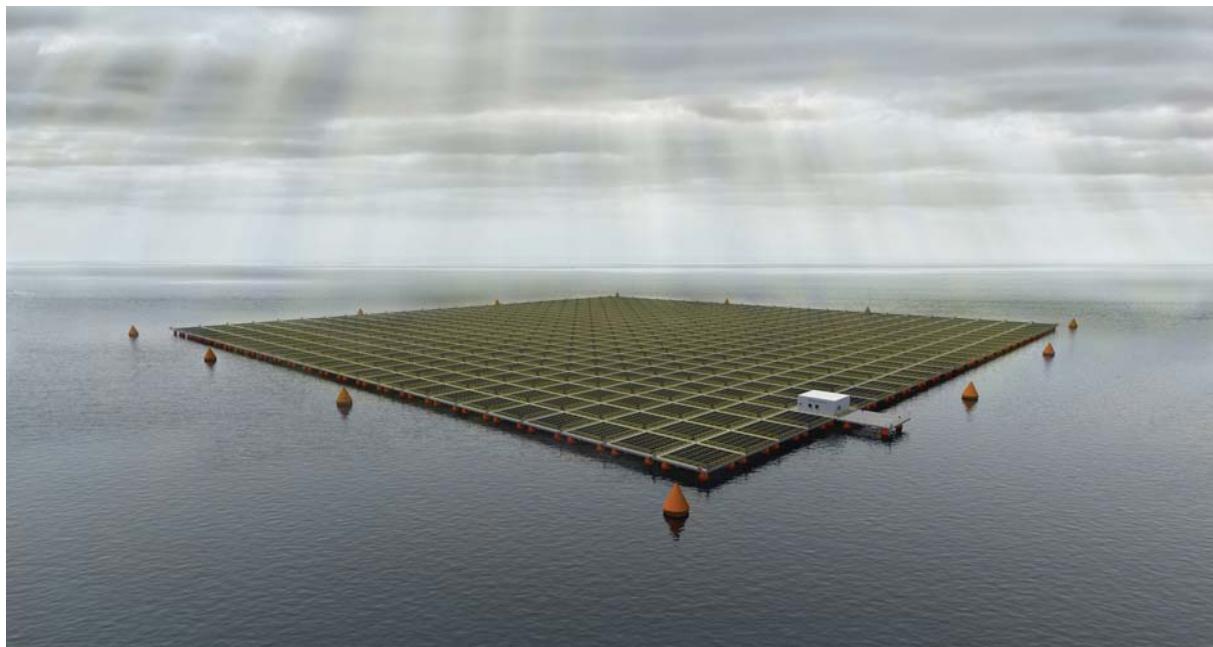


Another major recognition of Saipem as a sustainable business! We are proud that #Saipem has been confirmed in the Dow Jones Sustainability Index (World and Europe) - one of the most important sustainability stock indices - and for the third year running as leader in the "Energy Equipment and Services" sector. Thanks to a strong commitment to innovation, this year Saipem has got a further improvement in its score, emerging in particular in matters like climate strategy, human rights and innovation management.

Read more on our website <https://bit.ly/2uVNMHA>

#ExtraordinaryOurChoice
#Saipem
#sustainability
#dowjonesustainabilityindex
#DJSI
#climatestrategy

Saipem confirmed in the Dow Jones Sustainability Index as a leader in the energy equipment and services sector



competences. Saipem can be the single point of contact for clients interested in developing ocean energy projects, providing the right equipment and know-how. XSIGHT is continuously scouting the market for the most promising and advanced energy converters. Saipem has been involved with 3 technology providers whose devices can be offered to energy company clients, already reaching significant results:

- In the field of **Wave Energy**, Saipem and the Finnish technology provider Wello Oy have undertaken to work together for the successful execution of their first joint project that involves the deployment of Wello's Penguin Wave Energy Converter at the Biscay Marine Energy Platform test area, in the north of Spain.
- As regards **Water Currents Energy**, the XSIGHT Division is supporting a specific survey campaign on an identified installation site for the application of the GEMStar hydro-turbine, developed by SeaPower, a spin-off of the University of Naples. The two companies were involved in a project that saw the installation of a 300 kW device in the Messina Strait in 2020.
- Saipem, through its affiliate Sofresid Engineering, owns a 13.5% stake in the French company

Sabella, one of the pioneers of the development of Tidal stream devices, which aims is to provide renewable and predictable energy production to remote networks around the world such as islands or other off-grid locations.

INNOVATIVE SUSTAINABLE SOLUTION: GEOTHERMAL

Geothermal resources are abundant in the Mediterranean, especially in Italy, but they have been used only to a marginal extent so far, despite their great potential. The identification of energy solutions for their use on a large scale can make an important contribution to the global energy transition process and to the evolution to newer and ever more integrated and sustainable production methods.

Saipem has recently signed a collaboration agreement with the National Institute of Geophysics and Volcanology (INGV, Istituto Nazionale di Geofisica e Vulcanologia) to carry out feasibility studies to realise geothermal plants, evaluating applicable technological solutions and playing a coordination role in the verification of the industrial feasibility.



FABIO RONDINI
HEAD OF OFFSHORE
DRILLING
MANAGEMENT,
OFFSHORE DRILLING
DIVISION



*in the future will lead to the identification of sustainable solutions for the use of geothermal resources.
The coordination role of the Offshore Drilling Division is recognition for the great experience gained and confirms Saipem's commitment to the energy transition in all its business segments, including drilling"*

"The collaboration with the excellency of Italian scientific research like INGV in a sector of great potential like geothermal energy is a full part of Saipem's strategy to focus on energy transition and diversification. It is an important common ground for research and industry which

SAIPEM UNDERWATER

In October 2019, Saipem signed a subsea service contract with Equinor, worth approximately €40 million: the contract entails the use of Saipem's Underwater Intervention Drone (UID) Hydrone-R and the all-electric **Work Class ROV Hydrone-W** in the Njord Field development. This agreement marks the first ever worldwide service contract for subsea drones signed in the offshore Oil&Gas industry, thus making the Hydrone-based technology an unrivalled pioneer in this area.

The Hydrone programme, entirely realised by Sonsub, Saipem's line dedicated to "Life of Field, Underwater Technology and Subsea Processing", is a **key point of Saipem's technology development plan associated with subsea robotics**.

These types of new underwater vehicles change the paradigm of subsea inspections and interventions as they can remain continuously underwater for 12 months, offering a vast range of operations, wirelessly connected even at great depths. They lead to numerous benefits, including the increase in inspection frequencies, the ability to identify problems and failures in advance, a reduction in costs and pollution of support vessels, as well as the same for helicopter crew changes as it can be remotely controlled from the land; 3 different subsea drones, with the same technology but with a different specialisation (the Hydrone-R, the FlatFish and the Hydrone-W) were developed in 2020.

In 2020, these new technologies were presented at two important events: the first was at the EuroScience Open Forum (ESOF), a biennial, pan-European, general science conference dedicated to scientific research and innovation, which took place in Trieste in September 2020, and of which Saipem was one of the main sponsors; the second major event was the Oil& Gas IoT Summit in Lisbon, held in January 2020, which was a major opportunity to discuss how digital transformation is shaping the industry. Saipem had the opportunity to share its views on subsea robotics and Hydrone, and the **central role that digital technologies have in the energy transition**.

 [Discover Saipem's Hydrone](#)



endeavouring to create access to new renewable and low carbon markets, Saipem also invests in innovation opportunities related to novel concepts for wind farms: [an agreement with KiteGen Research was achieved for the development of an innovative device that generates electricity from High Altitude Winds using kites](#).

The concept can also be extended to offshore applications. Considering the intermittent character of many

renewables, it is crucial to evaluate possible pairings with **energy storage** solutions. Investigation of various solutions combined with renewables for power generation and/or industrial plant hybridization are under consideration. In addition, pushed by the increasing demand of power levelling the XSIGHT Division is also developing Pumped Heat Energy Storage (PHES) technology, originally patented by the Company in 2008. PHES technology takes advantage of the large energy density contained in solids at high temperatures but it is not limited by site location.

DECARBONISATION OF CARBON-INTENSIVE INDUSTRIES

Today carbon still remains a decisive factor for several industries: petrochemicals and refineries for sure, but also the steel industry where carbon is a main element of any kind of steels, cement where CO₂ cycles govern the relevant chemistry and many others (such as paper mills, waste treatment, etc.).

It is clear that CO₂ emissions cannot be suddenly removed from these industries and fields, but they will

nevertheless have to be managed propitiously. Thus, the capability to govern the overall CO₂ value chain becomes mandatory with the final aim of decisively reducing related emissions. Three main actions can be foreseen in this field:

- > energy efficiency;
- > renewable generation;
- > managing the CO₂ produced.

ENERGY EFFICIENCY

Energy efficiency initiatives are already embedded in Saipem's portfolio, both regarding the construction of new plants with state-of-the-art solutions for optimising efficiency, and the retrofitting of existing plants to reduce waste and energy consumption. Energy efficiency is a must in every operation of the company. In fact, we are committed to improving the efficiency of our assets and operations to reduce our GHG emissions. In 2020 alone, we carried out 24 energy reduction or energy efficiency initiatives, which resulted in a total savings of 27.1 kt CO₂ eq. More specifically, at the end of 2020, we carried out two energy saving actions. One was carried out San Donato Milanese plants and was related to interior lighting. The second one was carried out in the Fano office where a new building management system was installed to regulate and control the air conditioning systems with the aim of minimising energy consumption for ventilation, heating and cooling based on temperature, humidity and staff presence. The actions are expected to cut electricity consumption by overall 1,587 MWh per year and natural gas consumption by 17,400 Nm³ per year, which corresponds to a GHG emission saving of 608.8 t CO₂ eq per year. Moreover, the Eco Drilling Floater technology by Moss Maritime was conceived to meet market preference for emission-free drilling design with use of hybrid solutions and clean fuels. Markets have changed rapidly with COVID-19 and

oil price challenges. Several drilling contractors are going through financial restructuring. Preference is growing for greener and more modern rigs. In addition to maximising the energy efficiency of our own assets, we are committed to supporting our clients by suggesting specific measures and proprietary solutions for their energy efficiency as well. For instance, we are continuously improving efficiency in ammonia-urea complexes through technology integration, especially with the introduction of the Snamprogetti™ **SuperCups** trays, which drastically increase the mixing efficiency of the reactant phases, thus optimising the product conversion rate; several new and revamped plants are adopting or will adopt the SuperCups trays.

The use of SuperCups substantially contributes to energy saving, resulting in:

- 6-8% estimated reduction of hourly emissions of CO₂ eq (in t CO₂ eq/h);
- 5-10% estimated reduction of carbon intensity (in t CO₂ eq/t prod).

This means that the application of a full set of SuperCups in a Urea mega-Plant of 5,500 Mtpd (metric ton per day) of capacity, may result in an overall reduction of 65-80 metric ton per day of CO₂ emissions.

Moreover, as regards offshore applications, proprietary solutions on Subsea Factory and high-efficiency heating pipe-in pipe are an effective means for improving energy efficiency on subsea fields.

CLIMATE CHANGE AND ENERGY EFFICIENCY: SUSTAINABLE ACTIONS IN THE DRILLING ONSHORE DIVISION

Starting from the Saipem Materiality Assessment 2020 results, a Sustainability workshop was organised in the Onshore Drilling Division with the purpose of sharing the materiality results and to define a shared action plan.

The involved 17 departments' managers discussed and proposed lines of action to be implemented at Division level to address the stakeholders needs and expectations related to Onshore Drilling main material issues, focused on the improvement of rigs' operational performance and technological innovation, reducing our environmental footprint, in addition to fostering the local development, ensuring and supporting the professional development of our personnel, and guaranteeing the human and labour rights in our sites. As a result, a sustainability action plan was defined, both with short- and long-term perspective.

Actions are divided in the 4 main material issues identified for the Division: Climate change and energy efficiency, Advanced technologies and innovation, Human capital development, Human and labour rights. In this context, the sharing of good energy efficiency practices can be a powerful channel to obtain significant results, especially in energy efficiency and GHG emissions reduction targets. Therefore, the **Good Practices Booklet** was prepared to summarise the technical and managerial measures for energy efficiency proposed by the energy assessment studies carried out at our operations in several countries. This instrument is particularly important in peculiar contexts, such as drilling operations and accommodation camps: in this case, the purpose of the booklet is to provide the operations management with an overview of the energy efficiency measures that could be applied to their managed rigs and camps with a preliminary estimation of the achievable benefits.

SuperCups active reaction step

OPTIMAL MIXING OF REAGENTS



INCREASE RESIDENCE TIME



ENERGY SAVING



Gas Equalizer



Mixer Reactor



Gas Distributor

BENEFITS**TRIPLE FLUID DYNAMIC EFFECT**

The innovative concept of SuperCups lies in the realisation of a confined reaction space within the tray geometry. In this way SuperCups perform as additional active reaction stages thus enhancing the conversion rate.

-40%**IN SCOPE 2 GHG EMISSION COMPARED TO 2019****15,523 TJ:
-19%****TOTAL ENERGY CONSUMPTION COMPARED TO 2019****TOTAL GHG EMISSIONS**

Year	GHG emissions/revenues*	Scope 1 emissions (kt CO ₂ eq)	Scope 2 emissions (kt CO ₂ eq)	Scope 3 emissions** (kt CO ₂ eq)
2018	162.4	1,348.8	35.7	58.1
2019	158.0	1,405.8	31.6	1,532.5
2020	155.5	1,123.0	19.2	1,264.9

(*) Tonnes of carbon dioxide (Scope 1 + Scope 2) equivalent produced per €1 million in revenue.

(**) In 2019, the scope of the Air Emission Estimation Methodology was extended, in particular for Scope 3 emissions, including extraction and transportation of used fuels, transmission and distribution losses, of purchased electricity, water supply and waste water management, input materials and waste management, transport of materials; use of employee cars, overnight and air travel business trips.



Further information on emission performance are included in the [Consolidated Non-Financial Statement 2020](#).

SAIPEM GHG EMISSION REDUCTION PROGRAMME

Saipem, also in relation to the provisions of the Paris Agreement (COP 21 of 2015) on combating climate change, has set itself the objective of accelerating the pursuit of medium and long term strategies

and implementation plans to achieve "Net-Zero" greenhouse gas emissions. Saipem's strategy can be broken down into 2 main pillars.

In relation to the second pillar, Saipem has defined a GHG emission reduction strategy for the achievement of the Net-Zero objective, with respect to Scope 1, Scope 2 and Scope 3 emissions.



To become a key partner for its clients in their decarbonisation efforts, also extending its offerings into sectors with a lower climate impact through an evolution of its business model and organisation aimed at transforming Saipem into a Global Solution Provider in the sustainable energy transition.



Improving the efficiency of its assets and operations to reduce its greenhouse gas emissions.

GHG REDUCTION STRATEGIES RELATED TO SAIPEM'S ASSETS AND OPERATIONS

Short-term (four-year) strategy

Starting from 2018, the efficiency process on its most energy intensive assets (e.g. vessels, rigs and yards), by carrying out ad hoc energy audits, has been systematised through the issuance of the first Four-Year Strategic GHG Reduction Plan, which has been renewed and updated on an annual basis and has become part of the corporate MBOs.

The plan aims to identify specific areas of improvement and targets to reduce, in a short-term scenario, Saipem's overall GHG emissions, which also represent a portion of the indirect (upstream) emissions of clients.

In 2020 alone, the measures implemented resulted in a saving of 26,700 tonnes of CO₂ equivalent, measured against Saipem's 2018 emissions baseline. It is estimated that, thanks to the GHG Strategic Plan, Saipem will not emit 255,000 tonnes of CO₂ equivalent into the atmosphere over the 2019-2024 timeframe.

Medium- and long-term strategy (2030-2050)

Two elements are considered in the medium (2030) and long (2050) term work roadmap and that are developed in parallel, namely: reduction of own emissions and offsetting residual "difficult to abate" emissions, while giving priority to reduction activities. Through a multidisciplinary approach, both emission reduction measures and the expectations and needs of the communities in the areas where we operate will be identified, in order to identify projects that will improve their accessibility to sustainable energy, as well as the quality of life and socio-economic development of the territories through some pilot projects.

The reduction activities relate to Scope 1, Scope 2 and Scope 3 emissions, as described below.

Group reduction target for Scope 1 and Scope 2 emissions

50% in 2035 compared to 2018 emissions baseline. Concerning Scope 1, the main technological, plant

and electrification actions are underway on the most energy intensive assets, such as:

- Vessel
- Rig (Onshore and Offshore)
- Accommodation camps/Temporary Construction Facilities (TCFs)
- Yards.

Scope 2 emissions are indirect and generated by the use of electricity from the grid, particularly in Office Buildings located around the world, as well as some Fabrication Yards in non-remote areas, with available grid connection. There will be a tendency to maximise the use of electricity from renewable sources for facilities and projects where possible.

In addition, the San Donato Milanese Hub, which is the main management centre in terms of number of employees and energy consumption, will be relocated in 2022 to two new energy-efficient buildings with a strategic location in terms of regional and national mobility, currently under construction in Milan's Rogoredo area. Similar choices have been made in the recent past in other important locations, such as GPS in Zurich, Moss Maritime in Norway, and Saipem Ltd London, and it will be the model that will be followed in future choices.

In addition, Saipem wants to take a leading role in supporting and stimulating clients, suppliers and the various players in the value chain to achieve the same goals.

Thanks to a reliable, traceable and independently validated Scope 3 emissions reporting system, Saipem wants to work synergistically in partnership with suppliers to reduce their emissions, especially in the area of materials procurement and mobility-related aspects.

DESIGNING LNG CONFIGURATIONS

For years we have recognised the importance of focusing on less carbon intensive energy sources, such as Liquefied Natural Gas (LNG). Saipem has established itself as a key player in the global LNG market with the award of 3 major LNG projects in the last 2 years, the Arctic LNG2 project in Russia, the Mozambique LNG project and the Nigeria LNG Train 7 project.

THE ENERGY EFFICIENCY ROLE OF DIGITAL TRANSFORMATION

In addition to the obvious competitive advantages it brings in terms of shorter lead times and shorter distances, digital transformation represents one of the strategic levers that can translate energy efficiency efforts into concrete results. It acts as a kind of "Energy Efficiency" enabler for work processes, whose CO₂ emissions are often significantly affected. This is particularly true in an industry like the one in which Saipem operates: fast-track digital technologies can transform what we do today and the way our industry will work in the future, increasing productivity, lowering costs and expanding our offerings to clients.

SUPPORTING OUR CLIENTS TO MEASURE THEIR CARBON FOOTPRINT

The first step in being able to reduce or increase something is to measure it. That is why we support our clients in their decarbonisation efforts by helping them measure their carbon footprint.

XSIGHT is defining the environmental "performance" of its products and licensed "utilities" through a **Carbon Footprint analysis** using a standard LCA (Life Cycle Assessment) methodology that provides clients with a reliable and transparent quantitative assessment of their potential environmental impacts. The LCA study of an operating plant is developed in accordance with international principles, established by ISO 14040 and ISO 14044, and the applicable Product Category Rules (PCR), allowing clients to obtain the Environmental Product Declaration (EPD), an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products.

The **GHG Estimation tool for the value chain** is an internally developed tool aimed at quantifying the CO₂ emissions of the entire value chain of upcoming EPCI (Engineering, Procurement, Construction and Installation) projects using LCA methodology. The results will support decision making on a strategic level, identifying project phases and assets in the chain of emissions that have the highest carbon footprint and the largest margins for improvement. This tool assumes a strategic role from several points of view: from a client perspective, it allows us to quantify the overall GHG emissions of a project. In our supply chain, it represents a precious lever for addressing sustainability by helping our suppliers identify the goods and services that show lower impacts. In addition, it is worth mentioning that Saipem received the Environmental Sustainability Award 2020 from the International Marine Contractors Association (IMCA), in the environmental sustainability category, for its innovative tool for estimating CO₂ emissions from its offshore projects, called SOCE (Saipem Offshore Carbon Estimation).

The **GHG supplier model** is a tool capable of estimating GHG emissions across the supply chain. It was developed specifically for the supply chain because it is the largest source of Scope 3 emissions for Saipem. After the completion of the test run, the model will be reassessed in order to verify how suitable it is for final deployment in our current vendor management processes and vendor selection criteria.

Design for Low Carbon project allows to quickly estimate Carbon Footprint of Saipem products and plants and identify minimisation solutions to reach a Net-Zero objective, in any design phase, from feasibility to EPC. The methodology includes a first task of estimation, to get a clear Carbon Footprint (CF) of the reference case. Secondly, the task of Minimisation is performed: it is comprised of a preliminary Applicability Analysis followed by the CF Assessment, to quantify the CO₂ eq emission reduction. Lastly, the comparison phase provides insights on the results through KPIs and sensitivity graphs, which highlights the Pros and Cons of the Minimisation Scenario and support the decision-making process to meet client targets on Economics and Carbon Footprint reduction.

The **Environmental KPI calculation tool**, currently under development, is aimed at calculating the main environmental KPIs of a project using a homogeneous approach, including carbon footprint. The starting point of the adopted methodology is the identification of the main plant boundaries. This approach allows to minimise influences related to project peculiarities and the local context of the specific project as far as possible. The tool is tailored to be used during the engineering phase of the project fully integrated within the existing workflow. Each unit analysed will become a record of a database that will be established over time, and that will allow statistical analysis for monitoring and comparing environmental performances.



THE COMPLETION OF THE PROJECT WILL REQUIRE

>54,000

PEOPLE BETWEEN RUSSIA AND CHINA;

200

MILLION WORK HOURS;

215,000

TONNES OF STEEL;

67,000

TONNES OF PIPE.

Saipem is building the **Arctic LNG 2 giant plant** in Murmansk (north of Russia) with its partners for Novatek. With a production capacity of almost 20 million tonnes per year (mmtpy), it strengthens Saipem's presence in Russia and will help accelerate the country's drive to become a global giant in the LNG sector. The project is composed of three lines for the production of LNG (topside facilities) to be installed on three concrete gravity-based-structures (GBS) with an LNG storage capacity of up to 680,000 m³. The GBS platforms will be shipped 2,000 km to the Gydan Peninsula. The project as a whole is worth over €3 billion for Saipem.



[Discover more](#)

During the Open Talk in June, our CEO Stefano Cao recognised the **Mozambique LNG project** as being strategic for Saipem as "it will allow us to be present in a country that is emerging on the international energy scene and is carving out a leading role in the ongoing energy transition. [...] Within a few years Mozambique is destined to become the second largest supplier of natural gas in the world after Qatar, and it will become a new energy hub with a strategic position in the new trade routes between East and West. We will be a decisive partner for the country, accompanying it on a path of economic and infrastructural development and sustainable growth".

The **NLNG Train 7 Project** consists of the construction of one complete LNG train and one additional liquefaction unit with a total capacity of approximately 8 million tpy, plus other extensive associated utilities and infrastructures. This project confirms our ability to build solid relationships, qualifying Saipem as a global company. The investment decision by Nigeria LNG Ltd, which includes several important energy companies, demonstrates that natural gas, in whose value

DIGITAL DRILLING

In the current market and technological evolution scenario, driven by its vision to be a global leader in drilling operations, Saipem's Onshore Drilling Management decided to integrate its traditional approach to reduce Non-Productive Time (NPT), optimise operations and reduce the environmental footprint. For this purpose a **Real time Drilling Performance Monitoring System** was developed to enable the remote monitoring of operations and to allow the implementation of quick actions to keep KPIs aligned with defined operative targets. A relevant benefit gained from this system is the digitalisation of the preparation and approval processes of the daily drilling reports that are now carried out through an integrated approach. This feature reduces the overall approval workflow of daily drilling reports enabling transparent and efficient communication with clients. Moreover, it shows clients our proactive approach to continuous improvement based on real-time performance measurement.

Since January 2019, the drilling performance dashboard has been installed on 2 onshore rigs in Kuwait with planned expansion to rigs in Saudi Arabia in 2021. The rigs in Kuwait are provided with high efficiency diesel generators and a load optimisation system which can make the generators run at the top of their efficiency curve and minimise GHG emissions. Moreover, the masts of the two rigs are provided with LED projectors, granting perfect overnight lighting, while saving about 50% of electricity compared to traditional sodium lights.

Furthermore, the Division has started new streams of activities aimed at enabling remote support to field operations and the digitalisation of maintenance processes. This will reduce site visits by carrying out inspections remotely, leading to an expected saving of 4 tonnes of CO₂ eq per inspection.

Saipem is expanding the functionalities of the current Drilling performance monitoring system by focusing on the environmental aspects of its operations: a dashboard representing specific KPIs is being developed to monitor engine fuel consumption, power production and GHG emissions. This tool, together with the Power Generation System installed on the rig, will support operative personnel in delivering high operative performance while at the same time optimising the overall environmental footprint of the asset by taking accurate decisions on the best load of the generators according to the specific phase of the operations.

 [Further information on digital drilling on page 54.](#)

chain Saipem has a recognised leadership, will be pivotal to the energy transition. The award of this contract contributes to increasing the portion of non-oil-related backlog and confirms the overcoming of the link between Saipem's share value and oil price.

CO₂ MANAGEMENT

The ability to properly manage the CO₂ value chain will be of critical relevance. Saipem can master the whole Carbon Capture & Storage (CCS) chain thanks to its solid background in capture process technology, pipeline fluid transportation over long distances, and onshore and offshore drilling for CO₂ injection. The target is to be ready for future deployment of CCS when the necessary regulatory measures will be implemented worldwide.

As regards **CO₂ capture** technology, Saipem has a noteworthy track record especially due to its world-scale experience in the urea production process and gasification of tar residues; notwithstanding that, Saipem has continuously scouted emerging technologies building a distinctive technology portfolio to deal either with purification of natural gas from reservoirs with a high CO₂ content or capture of CO₂ from combustion flue gas in power generation and industrial processes.

In this contest, Saipem has recently acquired a proprietary technology for CO₂ capture from the Canadian company CO₂ Solutions Inc. The technology, originally developed by the start-up and now further developed by Saipem, lowers the post-combustion cost

threshold for capturing CO₂ by allowing its sequestration and reuse to obtain new marketable products. It is more environmentally friendly than state-of-the-art technologies using amine-based solvents; moreover, regeneration at low temperature allows for the use of low-grade heat such as hot water rather than steam, with a significant reduction in both energy consumption and operating costs.

The technology has been demonstrated on an industrial scale (30 tonnes of CO₂ per day) and has reached the marketing stage (TRL-8) after its recent validation and accreditation. The continuity of operations and technology research and development is being ensured to expand the portfolio of ecological projects and to facilitate the energy transition for our clients.

Furthermore, **CO₂ re-utilisation** options to produce urea or, by hydrogenation with Green Hydrogen, to methanol, Substituted Natural Gas (SNG) or other e-fuels, are being intensely pursued as a first step towards industrial exploitation of capture technologies.

Regarding **CO₂ transportation**, Saipem has recently completed a FEED of the Northern Lights Norwegian CCS project for the subsea CO₂ transportation phase; in addition, Moss Maritime was involved in the liquefied CO₂ ship transport solution, also part of the same project. Currently, we are also supporting an activity funded by the Norwegian Government targeting identification of non-metallic materials suitable for use in CO₂ pipelines. In addition, Moss Maritime is part of Altera's



Infrastructure's Stella Maris CCS initiative together with Equinor, Total, DNV GL, Sintef and other partners; the Stella Maris feasibility study covers large scale transport and injection of CO₂ in subsea reservoirs/aquifers. More generally, as a leading company in the design and construction of offshore pipelines, we are involved in studies for the conversion of existing pipes for CO₂ (or also hydrogen) transport, and for defining international standards to design new sealines, also through participation in several Joint Industry Programmes (JIPs) together with some of the most relevant Oil&Gas companies.

Finally, **CO₂ storage** solutions, like CCS, has been identified as the future for Offshore Drilling since wells are a critical component of any CCS project. It is likely that a large part of the future storage of carbon dioxide will be offshore. Wells will be drilled and completed for multiple purposes, such as exploring the suitability of geologic formations, injecting CO₂ and monitoring the behaviour and location of injected CO₂.

In this overall respect, in December 2020 Saipem signed a Memorandum of Understanding (MoU) with Eni to cooperate on the identification and engineering of decarbonisation initiatives and projects in Italy. In particular, the companies intend to identify possible opportunities for collaboration in the carbon capture sector, utilisation and storage of CO₂ produced by industrial areas throughout Italy. The objective is to contribute towards the decarbonisation process of entire production chains, particularly those of the highest energy intensity by taking clear steps with immediate action to combat climate change and to achieve CO₂ reduction targets at national, European and global levels.

Through the MoU, Eni and Saipem will also evaluate participation in programmes financed by the European Union as part of the Green Deal Strategy, proposing the possible inclusion of specific initiatives within the plan for the use of funds intended to support Member States of the European Union in the post-COVID-19 phase ("Recovery and Resilience Fund").



HYDROGEN

Hydrogen has caught attention of public opinion as a possible "guiding star" that will progressively free the world from fossil fuels and from the "carbon" economy. The current production of hydrogen from natural gas, called "Grey" Hydrogen, is responsible for about 2.5% of CO₂ emissions worldwide. Decarbonising hydrogen production is a must if hydrogen is to remain in business and from the perspective of becoming a factor in the energy transition period as an energy carrier. Both **Blue Hydrogen** (hydrogen from fossil fuel with carbon capture) and **Green Hydrogen** (hydrogen from water electrolysis with renewable power) being considered by Saipem. Green Hydrogen is the final target, but Blue Hydrogen is compatible opportunity for moving this option to the market more quickly in the next two decades.

Saipem is concentrating its efforts both on onshore and offshore hydrogen production technologies and on related infrastructure issues which will be decisive in its fully successful affirmation.



"The agreements we have signed with Snam and Eni are part of our strategy to make Saipem become a global solution provider to decarbonise the energy hard-to-abate sectors. Saipem is currently concentrating on designing new solutions and enabling business cases for our clients in the fields of Carbon Capture, Storage and Re-Use, and both Blue Hydrogen production technologies using energy from fossil fuels, and Green Hydrogen from renewable sources. The key to succeed: relying on the experiences managing the whole Carbon Capture, Storage and Hydrogen value chain gained from several Upstream, Midstream and Downstream projects implemented worldwide"



**FABRIZIO BOTTA
GLOBAL STRATEGY
COMMERCIAL
AND TENDERING
MANAGER, ONSHORE
E&C DIVISION**

to succeed: relying on the experiences managing the whole Carbon Capture, Storage and Hydrogen value chain gained from several Upstream, Midstream and Downstream projects implemented worldwide"

ONGOING INITIATIVES ON HYDROGEN

We have begun to develop several projects and activities in the hydrogen field, in the intimately connected areas of technology innovation and industrial initiatives development.

The following initiatives are worth noting with regard to Technology Innovation:

- In response to the global ambition of reducing the environmental footprint from global ship transport, Moss Maritime, in cooperation with Equinor, Wilhelmsen and DNV-GL, has developed a design for a **Liquefied Hydrogen (LH₂) bunker vessel**. We are ready to support the shipping industry in implementing solutions for liquefied hydrogen for future projects.
- **Sofresid Engineering** was the winner of an Open Innovation Challenge launched by RTE (French Electric Network) with the **HyBSea** system. HyBSea is a concept for the development of a "marinised" module including sea water treatment, and electrolysed production of hydrogen and oxygen. Moreover, novel concepts are being developed for the design of self-sustaining "Energy Islands" that will generate energy from renewables, stored as electricity or hydrogen that will later be distributed to the relevant markets. In this frame, Saipem has recently developed the X-H2UB concept for offshore production, storage, and distribution of Green Hydrogen.

As far as industrial initiatives are concerned, we are also investigating other projects for the production of Green Hydrogen on offshore platforms. In addition, we have onshore projects for renewable power conversion to Hydrogen and its direct injection into the grid, and renewable power to Green Hydrogen through electrolysis for road transport or to feed fuel cells for maritime propulsion.



Snam and Saipem have recently signed a Memorandum of Understanding to start working together on new energy transition technologies, in particular to jointly define and develop initiatives for Green Hydrogen production and transport. This agreement also involves a collaborative effort to develop feasibility studies in order to find new solutions to transport both liquid and gaseous form of hydrogen by using and adapting

existing infrastructures and networks, as well as transport by ship.

In conclusion, Saipem is strongly committed in an overall effort by exploiting its own specific know-how and competences and selectively accessing new technologies, to improving cost and infrastructure issues, necessary elements that will make a real and concrete transition **to new fully decarbonised energies**.

BIO MASS CONVERSION

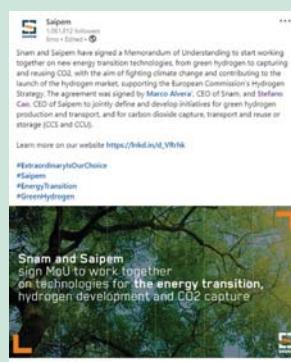
Saipem's interest embraces energy conversion of biomass for heat and electricity production, involving different combustion technologies, and also including biogas production. As regards Biomass conversion, an in-depth investigation has been devoted to Biofuel production processes and technologies with focus on 2nd Generation Bio-Ethanol and its integration with the technology for biogas production. In this frame, a Memorandum of Understanding is being finalised with a technology provider to co-develop the technology.

Moreover, several approaches for the production of Bio-Methane from different kinds of waste (landfill, municipal, agricultural, sewage sludge and energy crops) and for the production of Bio-Jet fuels (fuel used in planes) from bio-olefins are under investigation.



[Further information on Research and Development activities are included in the Annual Report 2020 and Corporate Governance and shareholding structure report 2020.](#)

SOCIAL CORNER



THE AGNES PROJECT



Offshore renewables are one of the most effective ways to reach the decarbonisation objectives, both at European and national levels. They are widely available and make it possible to overcome land availability and soil consumption constraints. In this respect, Saipem will co-develop a wind farm in the Adriatic Sea off the coast of Ravenna. The company thus confirms its increasingly active presence in the field of initiatives linked to the development of offshore wind and its presence in the

sector. To this end, it has recently signed a Memorandum of Understanding with AGNES, a company that develops renewable energy projects in the Adriatic Sea, in particular offshore and nearshore wind farms, floating solar panels at sea, energy storage systems and hydrogen production from renewable sources, and QINT'X, an Italian company specialised in renewable energy, solar, wind and hydroelectric energy and e-mobility (electric vehicles).



FRANCESCO BALESTRINO
RENEWABLES AND GREEN
TECHNOLOGIES BUSINESS
DEVELOPMENT MANAGER,
XSIGHT DIVISION



“Saipem has long launched a process to strengthen its presence in the renewable energy sector. In particular, through the XSIGHT Division, the company’s new role as developer of offshore wind farms is being defined and the Memorandum of Understanding signed with AGNES and QINT’X constitutes a new important opportunity in this direction. This agreement is consistent with the new business model adopted by the company, which is increasingly becoming a leader in the field of energy transition introduced in 2019 as part of the agreement with Plambeck to develop wind farms with floating foundations in the Red Sea off the coast of Saudi Arabia”

This project will involve the installation of about 60 turbines and will use innovative technologies such as floating solar technology based on Moss Maritime's proprietary technology. In this regard, the XSIGHT Division has already started to develop integrated solutions for the exploitation of renewable energies and the production of "green" hydrogen.

The project will be implemented in a highly industrialised area and the local industry will be involved in supporting it, representing an example of integration which might allow alternative solutions for decommissioning of Oil&Gas platforms in the Adriatic Sea.

AGNES enables the creation of an intricate renewables hub where the wind energy produced will not be used as such but can also allow the production of Green Hydrogen and Oxygen (useful for aquaculture applications). Systemic integration among different intermittent renewable energies and a hydrogen production unit will allow the best the available resources to be exploited and represents the future evolution of these complex systems. The Memorandum of Understanding signed with AGNES and QINT'X is part of the new business model adopted by the company, which is increasingly a leading player in the energy transition. Saipem also plans to launch a similar project in Sicily and Sardinia, through the XSIGHT Division, using floating foundations for wind power, thus supporting the Italian construction industry.

GROWING THE LEADERS OF THE FUTURE

SAIPEM's contribution to the SDGs



PERFORMANCE, PROGRESS AND TARGETS

MACRO TOPICS	2020 RESULTS	2021 OBJECTIVES
SAFE OPERATIONS	<ul style="list-style-type: none"> ✓ DNV renewed its group certification against the ISO 14001 and ISO 45001. 🟡 TRIFR improved to 0.36%. Delivered 1.3 million hours of HSE training, 39% of which was to employees and 61% to subcontractors. 	<p>Maintain ISO 14001 and ISO 45001 Group certification. TRIFR target will be defined by the compensation committee.</p>
HUMAN CAPITAL	<ul style="list-style-type: none"> ✓ Launch of a Mentoring programme focused on Diversity & Inclusion. ✓ Launch of a scholarship dedicated to the memory of our colleague Egidio Palliotto. ✓ Definition of a partnership with educational institutions in Mozambique for didactic support. ✓ 4 "Deep in Saipem" workshop, a series of initiatives aimed at improving knowledge of operational projects carried out by divisions around the world. Continue to attract talent, with a specific focus on women and young people. Launch of Talent4Saipem. 	<p>Continue to develop Local Content initiatives in Mozambique. Digital skills development (hard and soft) through a dedicated digital training programme. Continue to invest in cyber security culture and skills. Continue to improve HSE culture by activating specific training activities. Continue to develop compliance and governance skills through dedicated training courses. Continue the focus on project management aimed at developing technical and managerial skills applicable throughout the Saipem scenario. Enhance managerial skills in accordance with the Saipem Leadership Model. Develop new ad hoc development programmes and career paths for talents of different seniority (Millennials, Middle Managers and Senior Managers). Adopt new tools to assess the managerial competencies linked to the Saipem Leadership Model of our best talents and enhance their long-term potential. Continue to promote a meritocratic culture through development initiatives that enhance the skills and competencies of our employees. Launch the "Internal Saipem Academy" initiative whose objective is to develop and share transversal competencies and technical skills by enhancing internal teaching as a strategic asset.</p>

🟡 Overreached

✓ Reached

△ Partially reached

People are fundamental for ensuring the long-term growth of any organisation, especially in these difficult and uncertain times. At Saipem we are no different and we consider our people with their skills and knowledge the key factor for the achievements

we have obtained throughout our 60+ years of history, as well as for future achievements.
As of December 31, 2020, Saipem employed 35,023 people, 5.2% less than in 2019.
At Saipem we strive to develop and improve the

knowledge of our employees and provide them with the right skills to contribute to the energy transition in which we want to play a leading role, as highlighted in the previous chapters. In this context, the evolution of Saipem's business model, the growth of talent and the development of specific, cutting-edge skills represent our response to future challenges and an essential lever for creating value for both our clients and society as a whole.

50%

OF SAIPEM MEN

58%

OF SAIPEM WOMEN
INVOLVED INTO THE PERFORMANCE
EVALUATION

SAIPEM'S JOURNEY TO A SAFER AND BETTER FUTURE

2020 has been a challenging year in many respects, which has certainly highlighted the fundamental role that Saipem plays in protecting its workers and supporting its communities. The safety of all people involved in our operations is a priority that we constantly monitor and guarantee in the management of our company's activities. **Health and safety are fundamental, non-negotiable values for us, the core of our business model.**

During the pandemic, the human factor played a fundamental role: people and their resilience were the fuel for tackling the new market environment and preserving value while helping the Company keep its leading role in the sector. In the last few months, our lives have changed radically in ways that nobody could have ever predicted. We quickly managed to reinvent

ourselves, build a new normality around us, opening our homes to colleagues and clients on videocalls to discuss our activities and projects. Most of us have experienced remote working, time pressure, the impossibility of direct contact with colleagues and the we, sudden virtual way of working. Our capability to adapt quickly to change allowed us to protect the health of Saipem people and their families.

Over the years we have launched several awareness campaigns and promoted numerous initiatives with the aim of spreading a deeper and more embedded safety culture. This year was no different. COVID-19 did not stop us and we continued to spread the safety culture to our people, our most important resource. New ways of working, responsibility, strong teamwork and Saipem's expertise made the difference.

► Our health and safety vision

WE AT SAIPEM

With the "We at Saipem" brand identity campaign, we sought to express the strong personality of our company by telling the story of our technical expertise, professionalism and skills that bring our values and philosophy to life, putting people at the centre. In this campaign Saipem expresses itself, by involving its employees in the shots and using their workplaces as a set.



SAIPEM VS. COVID-19



DARIO GALLINARI
SAIPEM'S DIRECTOR
OF HUMAN
RESOURCES

"Saipem implemented immediately actions to cope with the critical situation linked to the pandemic, guaranteeing the continuity of its activities throughout the world. Our organisational model has proved to be adequately structured and sustainable and has been appreciated by clients, shareholders and stakeholders. It is a model strongly oriented towards protecting the health of employees in compliance with protocols and the law and, where possible, also safeguarding our productivity. The natural attention to the safety and health of its people combined with the immediate implementation of measures to prevent and combat COVID-19 has allowed Saipem to continue its activities in Italy and around the world without interruption"



At Saipem we promptly defined approaches in line with the indications provided by national and international institutions, creating and strictly following the Group guidelines for COVID-19 infection prevention, making use of tools not everyone was familiar with, striving to maintain the fundamental business continuity.

Our effort to adapt to an unpredictable emergency found in the determination of Saipem's people an unstoppable drive. Strict sanitary protocols were adopted to prevent the virus from spreading in the workplace, whether on board vessels, Operating Companies/Branches offices or at logistic bases. **Agility in reorganising and using technology have been fundamental:** we managed to avoid slowing down our operations by rethinking processes and rescheduling construction activities for major projects and staff rotation patterns, and by redefining health and emergency management protocols.

During the emergency phase, activities at Saipem continued as normal. The Group took action in early February by activating its internal crisis committee, which was coordinated with 52 local crisis units, and initiating constant global monitoring to prevent risks from the virus and ensure the health and safety of its employees, clients and suppliers. The extension of smart working to the majority of our employees as of February 25, allowed us to continue operating in the 70 countries where we are currently present.

To spread awareness among our employees and further protect them, we launched the online **COVID-19 Awareness Programme** aimed at spreading correct and scientifically based information regarding the virus, while emphasising the need for resilience and mental strength to face this unprecedent challenge. In collaboration with the Saipem Health Department, we launched an **International COVID-19 Awareness Campaign** aimed at educating and informing personnel about the hazards, risks and control measures related to the COVID-19 pandemic.

Moreover, in December 2020 we launched a campaign extended to all employees operating in Italy, offering the possibility to undergo the Ag rapid test for COVID-19 on a voluntary and free basis becoming among the first companies in Italy to offer the diagnosis of rapid test.

SAIPEM'S GLOBAL RESPONSE TO THE EMERGENCY



WORK SOLUTIONS PROVIDED

SMART WORKING

For all non - construction personnel worldwide

+**70%** OF EMPLOYEES WORKING FROM HOME



2.000 LAPTOPS DELIVERED

3.000 "BROUGHT AT HOME" DESKTOP COMPUTERS



SUSPENSION OF BUSINESS TRAVEL

CONNECTIVITY

+**900%** VPN CONNECTIONS PER DAY

+**240%** WEBEX MEETINGS

+**4632%** CONFERENCES

HEALTH AND MONITORING SOLUTIONS PROVIDED

INTERNAL COMMUNICATION



MESSAGES FROM THE TOP MANAGEMENT



MENTAL RESILIENCE CAMPAIGN



TIPS ON PROTECTIVE MEASURES



STRESS & ANXIETY MANAGEMENT

COVID-19 TASK FORCE



In contact with **52** Local Crisis Units (LCU) located in all the countries we operate.



OUR LEADERSHIP IN HEALTH AND SAFETY

When it comes to Health and Safety within the operations, our motto is **The Safer, The Better!** For us, caring for people means upholding the highest health and safety standards and contributing to sustaining a solid culture of safety. That is why our **Leadership in Health and Safety** (LiHS) programme is designed to drive a cultural change, to significantly reduce accidents and injuries and protect our people.

Discover our LiHS programme

The LHS Foundation is a non-profit organisation that was established by Saipem in 2010 with the aim of radically changing the way professional health and safety is assured and communicated in Italy and worldwide through the development of training activities, cultural change programmes and information and awareness campaigns based on unconventional and innovative communication channels. Its initiatives are aimed at industry, young people and the general public, in the belief that everyone can and should participate in building a better and safer future.

The year just ended has shown us the importance of empathy, understanding and resilience in our lives.

The importance of creating connection has never felt more vital, and the means to achieving it have never necessitated more creativity. Our main priority has been to secure the safety of all workers. In this context, Saipem and the LHS Foundation decided to launch an initiative designed to make everyone feel united during this complex and uncertain time: the 2020 edition of the **Sharing Love for Health and Safety** annual contest, which joined one of the most successful social campaigns promoted by the Italian government: #DistantiMaUniti, (#SoDistantSoClose). It consists of a symbolic gesture: a photo with an out-stretched arm as if to touch someone who is not seen but who – we know – is there. In this tough moment, when people are asked to comply with demanding restrictions such as isolating themselves, keeping a "safe social distance" and avoiding physical contact, the aim is to create a sense of community and belonging, where everybody is emotionally close to each other. More than 180 colleagues participated in the campaign by submitting their photos and personal stories.

Another initiative launched by the LHS Foundation during the lockdown period was "**FARE BENE - Safety streaming per pensare e fare**". This is a series of five online webinars born with the aim of disseminating health best practices and providing the right tools to increase the culture of health and safety, as in the case of "Everyone protects everyone" an awareness

Sharing Love for Health & Safety - #SoDistantSoClose



campaign on the correct use of measures to prevent the spread of COVID-19. The feedback was so useful and positive that (**22,000 views, 2,655 comments and reactions and more than 1,100 live viewers** during the 5 episodes) that the LHS Foundation decided to continue with this type of initiative and in October launched "**FARE BENE - Choose Life Talks**", developed in partnership with LILT, Lega Italiana per la Lotta contro i Tumori (Italian League for the Fight against Cancer). This is a series of twelve online webinars on health and wellbeing issues. The webinars, free and open to all, were held by doctors, psychologists and nutritionists and streamed on the Teams platform.

["Everyone protects everyone" video](#)

As proof of the fact that Saipem did not stop when faced with this emergency, we were able to react in a timely and constructive manner, for example by changing the delivery of courses that until the previous year were carried out in person, while in 2020 all of them were carried out in an online format, therefore adjusting to the new digital reality. An example of this is the "**Online Train the HSE Trainer**" which aims to provide and enhance the knowledge and skills of Professional HSE Trainers, or the Development and Delivery of "LiHS Online Experiences" which transforms the LiHS workshop into an online experience, offering variety and variability, aiming to foster the sense of a Health and Safety community without borders, which is

reflected in the features offered and the services provided. During all these events Saipem recorded an exceptional level of engagement from employees, and a desire to participate in the activities, even as they moved from an in person format to a virtual one.

OUR SAFETY ACTIONS AND ACHIEVEMENTS

In addition, our commitment to spreading the culture of health and safety to our people has a deep connection with Saipem's aspiration to achieve zero accidents and zero fatalities. For this purpose, we have implemented several initiatives aimed at reinforcing the assessment of the leadership in health and safety values embedded throughout Saipem's operations. We must be aware of the hazards and risks in our work and in everything we do every day. This is why we have set clear and simple rules to protect us when we work. Saipem's **Life-Saving Rules** campaign was launched back in 2015, and throughout the following years we have worked together to embed these rules within our company in a considerable step-change in our safety performance. Following a detailed review of the Life-Saving Rules by the International Organisation of Oil&Gas Producers (IOGP), we have updated them to reflect the changes implemented by the IOGP, based on an analysis of the original rules against the most recent industry fatality data. The implementation of these new rules will follow a cascading strategy. These rules are mandatory and must be followed, as failure to do so can lead to disciplinary action, accidents or even

SAFETY PERFORMANCE

Year	Million man-hours	LTI Frequency Rate	TRI Frequency Rate
2018	273	0.13	0.44
2019	235	0.22	0.54
2020	206	0.13	0.36

In 2020, there was an improvement in safety performance, recording a TRIFR of 0.36 (vs. a 0.54 recorded in 2019) attributable to the constant and continuous commitment of all the figures involved, whether they are from the HSE professional family or not. Unfortunately, 2 fatal accidents occurred in 2020.

The first fatal accident occurred in Thailand on January 9, 2020 during the construction of a pier for an LNG plant. During the removal of a working platform on board a barge, due to the wave motion, the suspended platform hit a beam, falling into the sea. The victim, who was working on the beam attached with his safety harness to the temporary handrail, fell overboard along with the beam. The emergency team was immediately activated and the victim was recovered in about 4 minutes. The attempts at resuscitation were unfortunately not successful. In addition to the immediate activation of the rescue machine, an internal investigation process was launched in parallel with the involvement of the subcontractor, aimed at identifying the causes of what happened, to draw lessons and to ensure that such accidents do not occur. The direct cause of the accident is linked to the improper fastening of the beam to the foundation piles, above which the worker was standing. Several corrective actions were identified by Saipem aimed at evaluating alternative technical solutions for the installation of the pier elements, improving supervision and communication between the working groups.

The second fatal accident occurred in Saudi Arabia on October 18, 2020 where a subcontractor technician engaged in radiographic inspections entered a 30" section of a pipe of the plant under construction. A few minutes after the technician entered the tube, the colleagues outside, not receiving a response from the colleague inside, activated the emergency team, which proceeded with the recovery activities of the technician who unfortunately had already died. Also in this case, an internal investigation was initiated with the support of the subcontractor revealing that the direct cause of the accident is linked to the deliberate violation by the worker of the procedure for entering confined spaces. Several corrective actions have been identified and implemented to avoid the recurrence of similar incidents.



[Further information on safety performance are included in the Consolidated Non-Financial Statement 2020.](#)

fatalities. We must continue to embrace the rules and share our knowledge with our colleagues, clients, partners and subcontractors and, in doing so, move closer to our desired status of zero accidents and **zero fatalities**. Our colleagues on board the Gimboa FPSO, our Floating Production Storage and Offloading vessel operating in Angola, proudly celebrate 11 years LTI (lost-time injury) free. It is a great goal, achieved as the result of our passion and commitment to safety.

[Discover the LSR campaign](#)

Hands and fingers injuries remain one of the most problematic challenges in our industry and accounts for a significant number of recordable injuries. According to the International Association of Drilling Contractors (IADC) statistics, hand and finger injuries trends comprise over 40% of total recordable injuries. The Saudi Arabian Saipem Onshore Drilling (SAS DRON) Project, as one of the Saipem's largest drilling projects in the Middle East, has launched the **Hand and Finger Injury Prevention campaign**. Its main goal is to enhance crew awareness in pinch point recognition and hazard control, identify the pinch point areas on equipment and tools and evaluate the effectiveness of hand-free protective devices in use and research for new solutions based on employee's feedback. To support projects in their continued decrease in finger and hand injury rates, the six steps Hand Injury Prevention Programme will be refreshed, along with the continuous implementation of safety campaigns (LiHS, Life Saving Rules, DROPS, Line of Fire) and the enhancement of the DRON HSE Training and awareness programme with the primary objective of zero workplace injuries.

In January 2020, the **"Perfect Days"** campaign was launched in all onshore drilling operational sites to promote days free of any events that may affect the health and safety of our personnel, the environment, and the assets. To get involved the rigs personnel and build the image of how a Perfect day looks like in

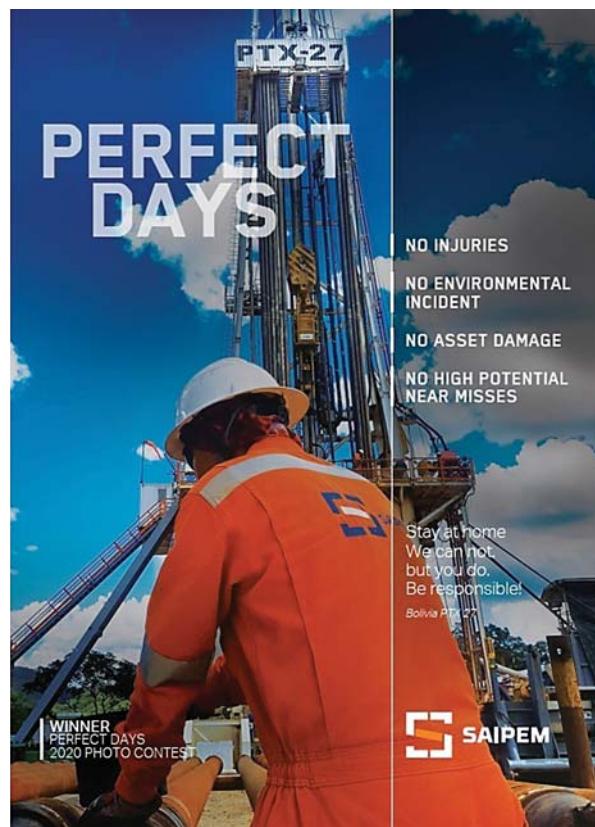


MARCO SATTA
DIRECTOR
OF HEALTH, SAFETY
AND ENVIRONMENT

is not yet achieved. Setting the bar very high especially in terms of expectation is fundamental and is my first commitment. This extraordinary journey continues”



a drilling site, a Perfect Day photo competition was launched and addressed to all personnel. The winner image, from Petrex Bolivia, best represented this year challenge of keeping a responsible attitude towards the Coronavirus COVID-19 infections disease, and a continuous awareness to health and safety at work. A "Perfect Day" is any day at work without an incident: no personal injuries, no asset damage,



"It was 2007 when we launched in Saipem the Leadership in Health and Safety programme, an innovation for our Company and for the entire sector at that time. Over the years, we've made so many progresses, we have challenged ourselves

and constantly renewed our expectations, and we have redirected our compass to control at all times where we were heading to, achieving on the way results we are particularly proud of. Our managers are people persons and team oriented, and they have clearly in their mind our safety vision and the path out to get there. But the final result

is not yet achieved. Setting the bar very high especially in terms of expectation is fundamental and is my first commitment. This extraordinary journey continues”

286
PERFECT DAYS IN 2020

78%
OUT OF THE TOTAL

+10%
COMPARED TO 2019 PERFORMANCE

no environmental incidents, no high-potential near misses, so perfectly in line with our aspiration to reach zero accidents and zero fatalities.

In June 2020, a "Safe Operations workshop" was organised involving 32 participants among Senior Managers, rigs supervisors and HSE Managers from Onshore Drilling Operating companies and Branches.

The purpose of the workshop was to reinforce the leadership in health and safety values embedded in Saipem operations, especially during the difficult pandemic period. The workshop offered an opportunity of sharing the experiences and lessons learned, raise concerns regarding the achievement of a Perfect Day; and to find a common agreed action plan to enforce the Health & Safety culture on sites.

In November 2020, "**My Perfect Day Story**" programme was launched to sustain the implementation of Perfect day campaign, as well as to promote the LiHS Leading behaviours among drilling personnel. Sharing stories is a powerful way to inform and influence people to think about their actions and behaviours, as well as to consider ways in which they could improve safety performance. Onshore drilling personnel safety stories describe how individual attitude has contributed to the safe completion of a Perfect Day. They were collected and circulated to encourage the creation of a **community of sharing and learning** from positive work experiences, and successful teamwork and communication.

DEVELOPING OUR PEOPLE

Apart from health and safety initiatives, COVID-19 has not stopped us in our people development activities either. We continued to invest in improving their skills and know-how and contributing to their development, with the aim of attracting new talents and retaining those we already have. We are aware of the need to nurture talent for the teams that will work on the innovation challenges of the future, in order to always have a competitive edge and interact with changing scenarios. Our commitment to developing skills is aimed at a continuous professional growth, updating professional credentials, together with developing new tools to ensure and optimise employee training and development, with a specific focus on critical skills. During 2020, Saipem carried out numerous training initiatives globally, adapting them to the new working environment. Our challenge was to ensure the same level of performance, engagement and participation as always in an online environment. The results speak for themselves: we did it.

We launched "**Deep in Saipem**", a series of initiatives aimed at improving the knowledge of operative projects carried out by various divisions around the globe, to spread the use of best practices, disseminating the culture of knowledge and innovation, developing the sense of belonging to a single global company, engaging our employees and disseminating the knowledge of Saipem



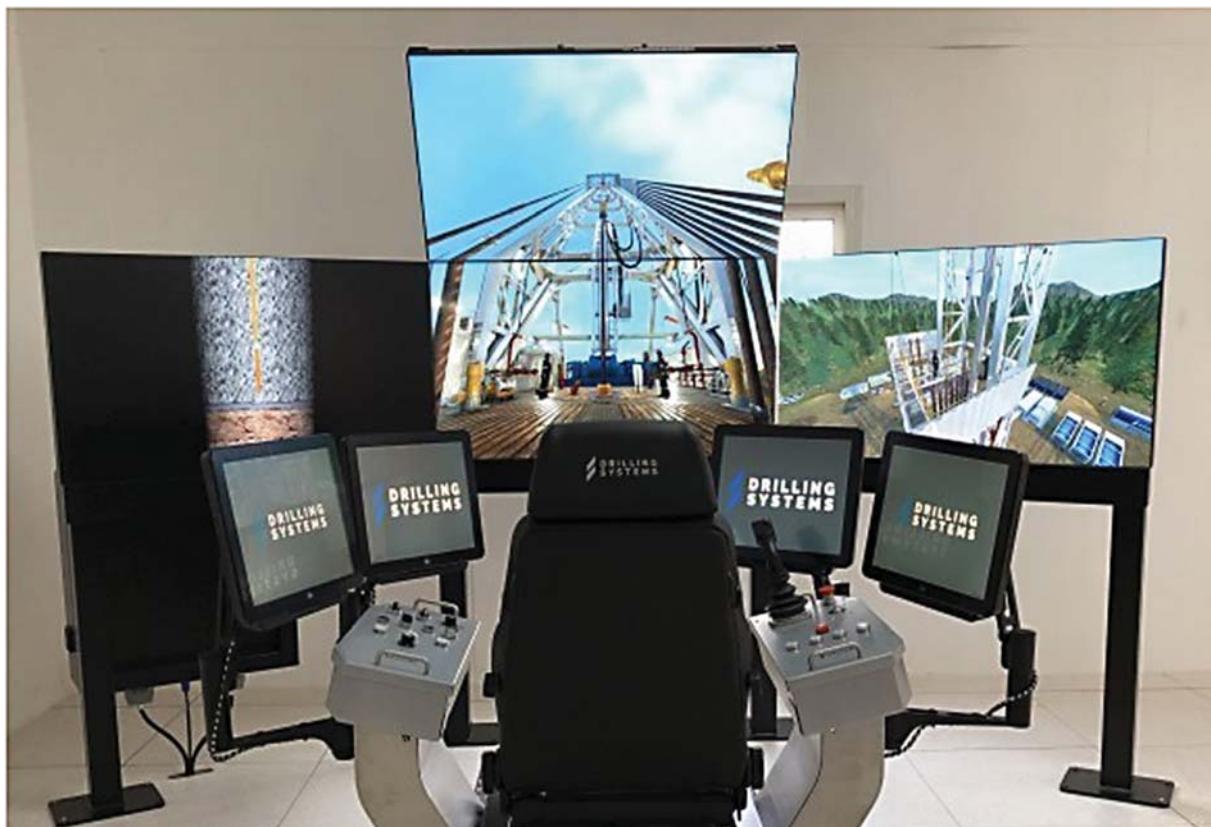
1,454,873
TOTAL HOURS OF TRAINING, OF WHICH

1,307,275
HSE (EMPLOYEES AND SUBCONTRACTORS)

8,993
MANAGERIAL BEHAVIOUR AND SKILLS

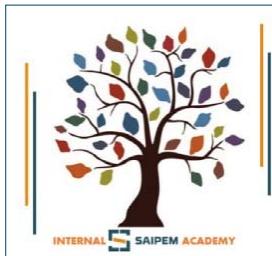
138,605
TECHNICAL PROFESSIONAL SKILLS

leadership model. Web-based seminars divided into two main streams and addressed at the entire Saipem population were introduced. One focused on operational projects aimed at involving all Saipem employees by showcasing the projects carried out all over the world. The second focused on presenting the latest IT developments, in order to spread technological awareness and prepare the company for digital transformation. More than 2,000 employees worldwide have participated in the online seminars, showing great interest especially in initiatives related to operational projects.



In line with the aim of preserving the highly distinctive know-how of our resources and of promoting cross-generational learning of a digital mindset, the company has promoted the **Reverse Mentoring** methodology, a mentoring programme based on the collaboration between Junior and Senior resources. By enforcing and supporting cooperation between colleagues this initiative created a switch in the knowledge-transfer paradigm while supporting the preservation of the distinctive know-how of the business without disregarding the importance of innovation. Another noteworthy initiative is

our **Internal Saipem Academy**, whose aim is to develop and share cross-competences and technical skills by enhancing the value of internal teaching as a strategic asset. The Internal Academy is composed of different



training paths designed to develop specific professional competences referring to several professional families, such as Procurement, Administration Finance and Control, Internal Audit, Human Resources. The programme was developed and designed in 2020 and it will be finalised in 2021. The first initiatives launched were the Procurement and Human Resources modules, in which over 200 employees worldwide took part.

Initiatives carried out were also numerous in the area of technical training. Following a significant investment, we expanded our Saudi Arabian training facility in Dammam and installed state-of-the-art simulator technology to boost skills and competency across our teams. The new **DS:5000 drilling simulator** sets the global standard in advanced drilling and well control simulation. The cutting-edge simulator technology can be programmed with well-specific conditions and various scenarios allowing our employees to simulate and practice advanced drilling operations such as well control, stuck pipe, jarring and managed pressure

SOCIAL CORNER

in

Post 1: A group photo of Saipem employees in orange uniforms standing in front of a ship named 'GIMBOA'. The post includes a caption: 'The safer, the better! Big ups for our colleagues on board the GIMBOA FPSO, our Floating Production Storage and Offloading vessel operating in #Angola. They proudly celebrate 11 years LT1 (lost-time injury) free, a great goal achieved by the project that is a result of our passion and commitment to safety. Congratulations! #ExtraordinaryIsOurChoice #Saipem #Safety #ThisIsSaipem #WeCreateValue'

Post 2: A video message from Stefano Cesa, Saipem CEO. The post includes a caption: 'When it comes to Health & Safety our motto is The Better - The Better. For us, caring for people means caring for the environment and the communities we work in, contributing to a sustainable future. That's why our Leadership in Health & Safety (LHS) programme is designed to drive a cultural change and to highlight the importance of safety in every aspect of our work. This leadership programme is considered not only an industry benchmark and best practice, but also a powerful tool that helps shape a broader health and safety culture.'

Post 3: A video message from Stefano Cesa, Saipem CEO. The post includes a caption: 'The strength of the company at the end of the day is the strength of the human factor. We have a company culture that we can be proud of, as we have shown it in the recent circumstances.'



STEFANO MARCOALDI
CHIEF EXECUTIVE
OFFICER
SAUDI ARABIAN SAIPEM

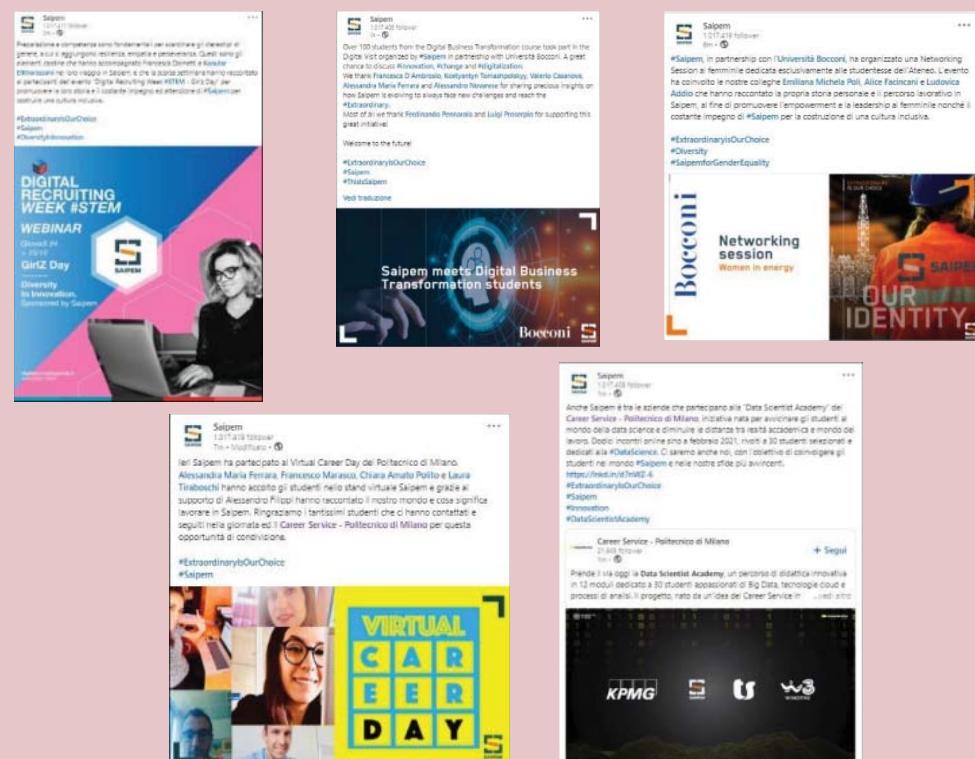
"This simulator will provide realistic learning environments that emulate drilling operations, well control and well intervention in a real-time. Personnel will have the opportunity to rehearse challenging or infrequent operations in a safe environment which ultimately enables operational excellence in the field"

drilling in a safe and controlled environment. As well as training for all drilling operations, tripping practices and well control, the simulator will be heavily utilised in the delivery of our IADC and IWCF accredited well control courses. The new simulator forms the foundation of training for all drilling personnel. By taking advantage of all applications where the drilling simulator can be used, and adding Saipem's experience, knowledge, and capabilities, an important pillar of Saipem's Competency Management Programme is being established.

-19
HOURS OF TRAINING PER EMPLOYEE
96%
OF EMPLOYEES RECEIVED
AT LEAST ONE COURSE IN 2020

RECRUITMENT AND STUDENTS NETWORKING ALSO MOVE ONLINE

This year as well we joined and organised numerous events to meet the "talents of the future" and we have revolutionised our selection process by digitalising it.



Strategies that target young people and reward and promote the growth of the best students find their highest expression in the Millennials Road, our attraction and retention strategy designed specifically for young people. It is comprehensive of the entire journey from the selection process to the onboarding and continuous development plan of the resources. The designed selection process is engaging and entirely digitalised, the compensation plan is competitive and based on the recognition of talent and the development and training process is designed to always support growth.

A NEW TECHNOLOGICAL CHALLENGE IN THE LANDS OF PATAGONIA, ARGENTINA-PTX-30 (STRIKER 800)

At the beginning of the first quarter of 2019, the Petrex (PTX) Argentinean Branch signed a 5-year contract with YPF, the main client of the country. The purpose of the project is to form part of the development of Oil&Gas production in the centre-north of Argentine Patagonia. The drill required by YPF allows to meet the new exploration, transfer, disassembly and assembly goals under the highest safety standards. At the end of the first quarter, the manufacture of the drill begins in Houston, arriving in Argentina at the end of the fourth quarter of 2019.

THE EXPERIENCE OF THE MANUFACTURING PROCESS

The drill manufacturing and conditioning process was followed by a staff formed by people from Operations, Asset-Maintenance areas of PTX Peru, PTX Argentina and with the support of Saipem Italy.

NEW TECHNOLOGY, NEW GENERATION OF TRAINED PERSONNEL FOR ITS OPERATION

During the assembly stage of the drill, a group of workers was sent to

Houston, where they received training on the correct operation of the drills. While there, the staff received training also on the correct use of the main components and the electronic system.

Such strategy allowed us to start operations with the HSE and operational excellence that sets us apart. At this moment, this experience is being progressively cascaded to the rest of the Argentine personnel who make up the entire team of people so that this new technology drill, the only one of its will be properly handled by everyone.

THE FORMATION AND CONSOLIDATION OF KNOWLEDGE FOR LOCAL AND EXPATRIATED PERSONNEL CONTINUES IN PATAGONIA

The cascade training involving all personnel continued during the assembly period in Argentina, while also taking advantage of the presence of other technicians.

**What it meant to be part of the
team in this new challenge and
professional growth**



Marcos Cruz (Argentine-Toolpusher):
in this mission, I put emphasis on being able to be there, it allowed me to make observations and suggestions in person, as well as make daily reports, which were sent daily to the operations supervisor and country management. Renzo Cuevas (Supervisor-Electronic-Peru): participating as a member of the team of people who travelled to Houston brought my colleagues and myself advantages such as the possibility to have direct contact with the manufacturer's technical, operational and engineering personnel for subsequent consultations or feedback.

Jonathan Blas (Supervisor-Mechanic-Peru):
the trip to Houston, gave me the opportunity to expand my knowledge and strengthen my capabilities where I had the opportunity to learn about new technologies and obtain the tools to be able to perform better in this new project with the PTX-30 (Striker 800) in Argentina.



PROJECT'S KEY FIGURES

Competence training in Houston

- Number of people trained:
8
- Number of hours of training:
208

Technical competence training in Argentina

- Number of people:
15
- Number of training hours:
120

Cascading training to local personnel

- Number of people involved:
23
- Total number of training hours:
8,280

3 | GENERATING SHARED VALUE



SAIPEM's contribution to the SDGs

PERFORMANCE, PROGRESS AND TARGETS

MACRO TOPICS	2020 RESULTS	2021 OBJECTIVES
ENVIRONMENTAL PRESERVATION	<p>Offshore E&C: Yard Energy and Water Efficiency Management Plans ("YEWEMP") Mapping of sites and projects operating in water stressed areas.</p> <p>YEWEMP at the following manufacturing sites: Ambriz (Angola), Arbatax (Italy), Karimun (Indonesia) and SCNL (Nigeria).</p> <p>Onshore E&C: realised feasibility studies for Marjan pack 10 project and Berry project (both in Saudi Arabia) with water saving measures and savings calculation.</p>	<p>Each Division will perform a water use and consumption analysis at a pilot site to identify critical issues and propose actions to reduce water use and increase the water reuse fraction.</p> <p>Offshore E&C: YEWEMP will continue in 2021 by developing and implementing the plan on the remaining offshore fabrication Yards/Sites.</p> <p>Onshore E&C: in the Marjan pack 10 and Berry projects (both in Saudi Arabia), implementation of the reduction measures included in the feasibility studies.</p> <p>New Headquarters in Italy (Milan): significant reduction of civil water consumption due to the efficiency of selected plant equipment, reuse of rainwater, use of high efficiency irrigation systems.</p>
ENVIRONMENTAL PRESERVATION	<p>Presentation of the "Plastic Free" Campaign in the new Saipem offices in Milano Rogoredo.</p> <p>Offshore E&C: Fleet Replacement in the catering services of all single-use plastic in part with reusable materials and in part with disposable, such as paper, cardboard or wood.</p> <p>Onshore E&C: FDS 2 vessel has been equipped with an on-board drinking water treatment plant, with relative distribution system and consequent reduction in plastic bottle consumption. This solution will soon be installed also on other ships of the Saipem fleet such as FDS and Castorone.</p>	<p>Establishment of a programme to reduce the use of single-use plastics.</p> <p>Implementing specific communication activities on waste reduction during European Waste Week.</p> <p>Each Division will identify a pilot site for the development of a waste reduction roadmap with a focus on eliminating single-use plastics.</p>
ENVIRONMENTAL PRESERVATION	<p>⚠ Coverage achieved:</p> <ul style="list-style-type: none"> O&CM (Oil&Chemical Mapping) for 38 yards/logistics bases and Offshore E&C and Drilling vessels. ✓ SRA (Spill Risk Assessment) implemented for 20 yards/logistics bases and Offshore E&C and Drilling vessels. 	<p>100% coverage of sites/projects with specific accidental pollution contingency plans.</p> <p>Increase the number of spill drills, including waterbody spill scenarios.</p> <p>O&CM Target: 100% coverage of operational offshore vessels in 2021 and operational yards in 2021, 100% coverage of onshore logistic bases and yards at least 1 onshore project. 40% of offshore drilling vessels and at least 1 onshore drilling rig.</p> <p>SRA Target: 100% of operational offshore vessels in 2021; at least 1 operational offshore yard; at least 1 onshore yard.</p> <p>At least 1 offshore drilling rig and 1 onshore drilling rig.</p>
LOCAL PRESENCE AND SOCIETAL ISSUES	<p>✓ Implemented 20 community-based initiatives, targeting more than 64,000 beneficiaries in 12 countries. €1,560,000 invested.</p>	<p>Continue to plan initiatives to contribute to the SDGs.</p> <p>Continue to contribute to the fight against the COVID-19 pandemic to support local communities.</p> <p>Continue to contribute to socio-economic development, including by hiring local people, with training and know-how transfer, and working with local suppliers and subcontractors.</p>

MACRO TOPICS	2020 RESULTS	2021 OBJECTIVES
LOCAL PRESENCE AND SOCIETAL ISSUES / ENVIRONMENTAL PRESERVATION	<p>🟡 504 suppliers assessed on social responsibility during qualification phase (local presence and societal issues) (Results 2019: 182).</p> <p>🟢 Human Rights audit of 44 suppliers during contract execution, from the beginning. (local presence and societal issues).</p> <p>🟢 Performing desktop audits of 10 subcontractors in Nigeria, during the year (local presence and societal issues). Application of the tool to estimate Saipem's carbon footprint along the supply chain in a test phase with 6 major suppliers (environmental preservation).</p> <p>⚠️ Identify additional areas/goods in which to implement a green procurement approach.</p>	<p>Continue to support supply chain improvement in terms of HSE standards and human and labour rights, including through partnerships with business associations and local institutions in the areas in which we operate.</p> <p>Identify additional areas/goods in which to implement a green procurement approach.</p>
GOVERNANCE AND ETHICS	<p>🟢 Updated 231 Model and Anti-Corruption Procedures.</p> <p>🟢 100% of countries scheduled to cover Anti-Corruption and Compliance 231 training.</p>	<p>Maintaining the adequacy of Model 231 and related Procedures.</p> <p>Continue to maintain an adequate internal control and risk management system.</p> <p>Continue to strengthen transparency in relations and communications with stakeholders.</p> <p>Coverage of 100% of the countries included in the Anti-Corruption and Compliance 231 Training Plan.</p>
HUMAN CAPITAL	Saipem CEO signed the statement of support for the Women Empowerment Principles (WEP) and the Manifesto for Women's Employment of the Valore D association.	Promote an inclusive culture that values diversity and ensures equal opportunity.

🟡 Overreached

🟢 Reached

⚠️ Partially reached

OUR HUMAN CAPITAL

The respect of human rights and human dignity is a fundamental value for Saipem. Our commitment towards upholding internationally recognised human rights, including the fight against Modern Slavery, is expressed by concrete actions, such as the adoption, in 2017, of our Human Rights Policy, or being a signatory of the UN Global Compact since 2016. Saipem's commitment to respecting and promoting internationally recognised human rights encompasses different spheres of our business: our

people, our supply chain, the local communities and the environment in which we operate. This is further demonstrated by our CEO's endorsement of the World Business Council for Sustainable Development CEO Guide to Human Rights and the ongoing and transparent dialogue and engagement on human and labour rights topics with all our stakeholders.

 [Read the World Business Council for Sustainable Development CEO Guide to Human Rights.](#)

"Our firm commitment to Human Rights is embodied in our Code of Ethics and in our "Sustainable Saipem" and "Human Rights" Policies. It translates into our far-reaching and intricate work on several fronts: from security management to a responsible supply chain, from respect for our people and host communities to the promotion of gender equality. A global company like Saipem that is simultaneously present in many territories can and must play a positive role in the development and protection of people's rights."

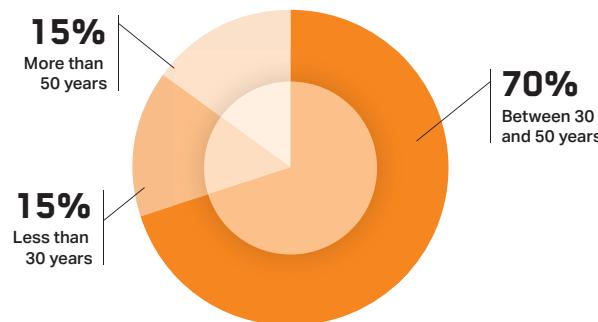
Stefano Cao, Saipem CEO

AWARENESS INITIATIVE ON MODERN SLAVERY

The Saipem Group has been publishing its Modern Slavery Statement since 2016, which describes the measures adopted to ensure that there are no forms of modern slavery within the Company or in its supply chain, in compliance with the United Kingdom Modern Slavery Act 2015. In order to reinforce the importance of the topic also in everyday life, to celebrate the International Day for the Abolition of Slavery, an information campaign was carried out on December 2, on the meaning of Modern Slavery and real cases that may emerge in daily life. The campaign was published on Saipem intranet portal available to all employees.

We strongly believe that respecting human rights goes hand in hand with respecting and promoting equal opportunities and diversity. This is why we work every day to create a work environment in which people feel appreciated and involved in the Group's future, by capitalising on differences and promoting a culture of inclusion within a business. At Saipem, the different backgrounds within our workforce, together with personal and cultural orientations are considered valued assets and a source of mutual enrichment. As a global company employing more than 35,000 people of over 120 nationalities and operating in more than 70 countries worldwide, we face diversity every day, and we manage it as one of our distinctive features. Success is always collective, and therefore we invest in the creation of fruitful and open working environments in which individuals and teams of different countries, genders and functions can collaborate and work together.

EMPLOYEES BY AGE



In February 2020, Saipem SA received the "committed to CSR label AFNOR" at "confirmed" level. This label is a recognition of the company's level of commitment to sustainable development. The two AFNOR's assessors reviewed our practices over 3 days at our premises in January 2021 and concluded: "Good practices" exist, they are systematically deployed, improved and consistent with a robust diagnosis of the organisation in line with its social responsibility objectives. We obtained the Confirmed level (3rd level out of 4) which is a good result for a first evaluation. This recognition is an opportunity to continue and improve the work started in many areas such as occupational health and safety, the environment, human resources, territorial anchoring, and ethics.



**-5%
TOTAL EMPLOYEES**
—
**+2,3%
WOMEN IN 2020 COMPARED TO 2019**

SOCIAL CORNER

in

We operate in over 70 countries and have 120 localities around the globe, our principles and values are important to us. #WeCreateValues #Inclusion #WomenEqualityOurChoice. Read more about our mission [https://bit.ly/2JdHmT3](#)

With tradition

DIVERSITY

In our diverse society, respect the different cultures and values our corporate culture.

Women in Technical Roles

Guess My Job

University of Innovation | #Saipem #WomenInTech

University of Innovation | #Saipem #University

SAIPEM FOR WOMEN

Saipem, in the person of its CEO Stefano Cao, has signed two important protocols, the declaration of support for the Women Empowerment Principles (WEP) and the Manifesto for female employment of the Valore D association (of which we became members in 2018).

18% OF SAIPEM WOMEN IS IN MANAGERIAL POSITIONS



Valore D empowers companies to turn diversity and inclusion into a major asset, promoting new models for an inclusive organisation in order to support participation, collaboration, and fruitful dialogue between different genders, ages, and cultures within the Company. The **Women Empowerment Principles**, established by the UN Global Compact and UN Women, represent the guiding principles for businesses to promote gender equality and the empowerment of women in the workplace, in the market and in the community. The Manifesto for Women's Employment is a nine-point programmatic document that summarises the principles, concrete actions and indicators useful for

ensuring gender equality and enhancing the role of women in companies.

At Saipem, women represent 10% of the workforce. The percentage rises to 19% for managerial positions.

"The signing of the Women Empowerment Principles and the Manifesto of Valore D confirms Saipem's continuous commitment in building a reality in which the different characteristics, personal and cultural orientations are considered a resource and a source of mutual enrichment.



**ADRIANA GEA
CORPORATE HEAD
OF PEOPLE DEVELOPMENT
RECRUITMENT AND
COMPENSATION**

Saipem has always paid great attention to cultural and religious values, labour and human rights, promoting inclusion and respecting diversity. Saipem values its people, who are the key to its success and a cornerstone of its identity, by carefully encouraging the development of an inclusive work environment"

OUR COMMITMENT TO DISABILITY INCLUSION

To safeguard and enhance employee inclusion and diversity, Saipem SA has launched "Mission Handicap". The initiative aims to eradicate disability bias in the workplace and to highlight that people with



[Watch the video](#)

ACTION PLAN IN KUWAIT AIMED TO IMPROVE THE MANAGEMENT AND PERFORMANCE OF ENVIRONMENTAL AND SOCIAL ASPECTS

As part of the Social and Environmental commitment and obligations and following the input from an external audit carried out in October 2020, Saipem SpA Kuwait Branch Drilling project and Rig 5864 enhanced their Environmental and Social action Plan, with initiatives and measures aimed at reinforcing the management of some environmental and social aspects, including the protection of human and labour rights. Some actions were already launched in the fourth quarter 2020, while others will be carried out in 2021. A Human Rights risk register was prepared to analyse in depth the potential risks associated with the activities of drilling projects in Kuwait and identify mitigating actions, which include, among others, the training of rig personnel, including subcontractors, on ethics and human rights.

disabilities are no less qualified than people without. Moreover, "Mission Handicap also seeks to spread a culture of inclusion for all people with the aim of creating an inclusive environment in the workplace. To better achieve the targets and implement the policies of "Mission Handicap", Saipem SA appointed

a Disability and Diversity Manager who is responsible for the recruitment policy and the wellbeing and retention of employees with disabilities within the Company, the first digital information campaign was deployed in November just in time for European Disability Employment Week.

SHARING VALUE ALONG OUR SUPPLY CHAIN

We believe that relationships with vendors, built on reciprocal trust and ethical behaviour, along with our formalised **Saipem Ethical Supply Chain Management System**, will guarantee us success in every endeavour. Our Vendor Management System adds value to the framework by also ensuring that our partners with abide by our Code of Ethics, that they respect human and labour rights, guarantee adequate health and safety standards for their employees and work to protect environment. This is especially important given that we work with many vendors in countries that are considered critical when it comes to human and labour rights, thus we assess them on critical topics such as child and forced labour, freedom of association and the right to collective bargaining, remuneration, discrimination, disciplinary practices, and legal working hours. We also conduct assessment visits to check these aspects and guarantee that workers' rights are being respected. Lastly, we also perform specific assessments for services that perform "high risk" operations in terms of health and safety by analysing our vendors' ability to manage HSE concerns.

With over our 60 years of operating across the globe and throughout various industrial sectors, we have created a consistent and profitable network of partners and vendors. We have more than 23,000 active vendors of which 6,859 qualified in 2020 and 23% of which have worked regularly with Saipem for more than 10 years. We work with local vendors in the areas in which we operate to aid in developing their technological and managerial know-how, as well as to contribute to their local economy. About 79% of total purchases are from local vendors, meaning vendors working in the same geographical area where we execute the project. This collaboration is extremely important, representing a significant contribution in generation value and wellbeing creation at country level.

Our relationship with vendors, regardless of the country in which they operate, is based on collaboration, reciprocal trust and ethical behaviour to build a resilient and responsible supply chain. All vendors are bound to comply with the principles of the Saipem Code of Ethics, and respect human rights

GREEN PROCUREMENT

A life cycle perspective provides an approach to environmental management aimed to control or influence the way the organisation's products and services are designed, manufactured, distributed, consumed and disposed. Using a life cycle perspective an organisation can prevent environmental impacts from being unintentionally shifted elsewhere within the life cycle. This is relevant also in the supply process, to identify and select materials, products and services with a lower impact on the environment and on human health. Green procurement is a fundamental step of this approach, through the definition of specific requirements for the purchase of products and services that can ensure the reduction of environmental impacts deriving from its production and utilisation.

Saipem is committed to implementing green procurement practices by considering environmental criteria in their purchasing processes and encouraging the use of low impact technologies considering their entire life cycle. In order to do so, a Green Procurement Products/Services Guideline was drafted with the identification of 10 product/service categories. For each category, a series of requirements was defined focusing on energy and water consumption during the production and/or the use phase, durability/lifespan of the product, recyclability/reuse of the product at the end of life, material use and packaging minimisation, use of toxic substances, etc.

This Guideline will be included in the documentation for bidding and support the purchasing process in identifying preferred products and services.

CCS JV ACTIVITIES TO DEVELOP AND SUPPORT THE PARTICIPATION OF MOZAMBICAN COMPANIES IN THE OPPORTUNITIES OF THE MOZAMBIQUE LNG PROJECT - 2020

Mozambique is today a country with enormous potential in terms of both resources and economic development. The prolonged political stability has encouraged foreign investors to bet on the potentials of Mozambique. It has remarkable natural and energy resources, from natural gas to renewable sources, thanks to which the country is a candidate to become the world's second largest supplier of natural gas in the next few years. In spite of this, Mozambique is still a developing country, and closing its infrastructural gap requires investments. The race to develop Mozambique is already underway and Italy is playing a leading role, ranking in 2018 as the second largest investor and business partner with investments of over \$700 million.

Saipem has been present in Mozambique for more than ten years. In 2019, Anadarko Petroleum awarded CCS JV, a joint venture between Saipem and McDermott, to build a natural gas liquefaction plant (LNG). The LNG Project will engineer and construct a 2-Train LNG Facility over a 5-year period and will self-perform most of the works, while subcontracting works such as site preparation, civil and earthworks, and some temporary services and facilities.

During 2020, Saipem's activities in Mozambique continued, always following the Local Content approach. Saipem proposed activities to develop and support the participation of Mozambican companies in the opportunities of the Mozambique LNG Project launching 25 calls for expressions of interest through the local press and website. Mozambican companies responding to such calls were 432 (between owned and registered). In order to prepare local companies to be ready for future business opportunities, in 2020 we carried out two in-presence workshops and two webinars in which we provided support and practical guidance to Mozambican SMEs (small medium enterprises) on how they can start doing business with CCS JV. In particular it is worth mentioning two initiatives carried out with local companies:

- Tio Peixe is a Mozambican company that started its operations in 2008 distributing frozen fish in informal markets. It has been selected by IFS, the catering provider of CCS JV, to provide its products for Mozambique LNG Project. Thank to this partnership, Tio Peixe invested in logistics and cold storage infrastructure and hired and trained local personnel. The initiative is noteworthy because it testifies Saipem's commitment to increasing the participation of Mozambican SMEs even at lower levels of the supply chain, and because it represents an example of how the effects for the local market of such an important project can come through various levels of the supply chain.
- During 2020, MCC (Maintenance and Civil Construction Lda) started to work with CCS JV on the LNG project in the construction of a training centre in the district of Palma, Mozambique. This collaboration, which allowed a small local construction company to participate in the project, led to the hiring of 100 Mozambican employees. It has also a symbolic meaning: it is a Mozambican company that is carrying out the work that will allow thousands of Mozambicans to have access to professional training opportunities to help create the class of professionals in the Saipem industry that is now lacking in Mozambique.

These successful initiatives testify Saipem's commitment to create employment, develop local skills and capacity, transfer know-how and collaborate with local suppliers and subcontractors. Saipem has ongoing engagement with main subcontractors on performance and alignment of Local Content strategies. Furthermore, in order to create additional engagement, during 2020 the local procurement centre ("DK3") based in Maputo came into operation, allowing a more direct connection and greater knowledge of the local market.

 Continue to read CCS JV success stories.

also in conformity with the Saipem sustainability policy, as required in the contractual clauses laid down in all contracts; we require that, in turn, they ask for the same principles and standards from their own vendors.

Further, our vendors are monitored from the earliest phase of qualification along the contract execution and closure. Several aspects are considered, including the ethical behaviour, respect for human and labour rights, including the protection of the



health and safety of workers, and environmental management, in addition to technical, economic and financial criteria, as well as integrity and reputation. More than 500 vendors have been analysed on human and labour rights and about 580 vendors on health, safety and environmental aspects during the qualification process, in 2020. This assessment is carried out depending on the level of risk of exposure of the vendor to issues related with human and labour rights and/or HSE aspects.

>2,000

**VENDOR QUALIFICATION
QUESTIONNAIRES
ON LABOUR RIGHTS
ANALYSED SINCE 2013**

504

**VENDORS ASSESSED
ON LABOUR RIGHTS DURING
THE QUALIFICATION PROCESS**

585

**VENDORS ASSESSED
ON HSE ISSUES**

In 2020, a specific initiative was carried out, focused on assessing the alignment of Saipem's subcontractors to Human and Labour Rights principles. A specific questionnaire was drafted based on international standards (e.g. ILO conventions) and inspired by the Worker Welfare Principles set by the Building Responsibly Initiative. In this first step, the questionnaire was applied to 10 subcontractors in Nigeria. A desktop audit was carried out to assess the questionnaire's answers and supporting documents provided. Results showed no major criticalities, with a general alignment of subcontractors to international standards. In some cases, additional supporting documentation was required to complete the assessment.

Saipem asks its vendors, subcontractors and partners to read and accept in its entirety the Organisational Model 231 containing the Code of Ethics, the principles of which are based on the United Nations' Universal Declaration of Human Rights, the Fundamental Conventions of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises.

LOCAL COMMUNITIES

Saipem's activities, carried out together with local communities, create long-term value and contribute to the local socio-economic development in the countries in which we operate. With over 60 years of experience we are present in more than 70 countries and in almost every energy market in the world, through a decentralised structure that can respond to local needs and sustainability challenges.

Wherever it operates, Saipem plays an active role in the local community, contributing to the social, economic and environmental life of each area, mainly in terms of local employment and long-term value creation. We have always been actively engaged in the development of relationships with local stakeholders, both in the communities where we have been historically present, and in areas where we have recently initiated contact.

We consider our business model sustainable: significant evidence can be seen in the real change we bring about in the communities where we develop our activities and in our interactions. We generate new jobs and spur demand for local goods and services, all while building and improving infrastructure, contributing to the education system and developing professional skills of Human Capital. During our journey we have had the opportunity to build and strengthen our relationships with the communities around the world forging the socio-economic conditions needed for the effective enjoyment of fundamental human rights and the promotion

OUR COMMITMENT IN FIGURES

20

COMMUNITY INITIATIVES IMPLEMENTED

12

**COUNTRIES WHERE COMMUNITY
INITIATIVES ARE IMPLEMENTED**

>64,000

BENEFICIARIES

€1,560,000

INVESTED IN COMMUNITY INITIATIVES

90%

**INCREASE IN COMMUNITY INITIATIVES
INVESTMENTS COMPARED TO 2019**

of growth. During 2020, the implementation of local community initiatives was hampered by the pandemic: we continued to pursue achieving our commitment to the local communities by generating shared value for them, supporting and helping the most vulnerable in fighting against COVID-19 throughout the emergency.

BOLIVIA

During an event organised by the Petrex SA Bolivia Branch, in collaboration with Repsol, the benefits of using COVID-19 prevention materials and the negative consequences that this disease could bring to the community were presented to the authorities and community members who attended the event. The Petrex SA Bolivia Branch delivered the protective medical materials to the community of Huacaya who expressed their satisfaction and gratitude for receiving support from Repsol and Petrex. This initiative reinforces Petrex SA Bolivia's commitment to Health and Safety values and has the objective of promoting proper health protection measures aimed at limiting the spread of the pandemic. The initiative sustains the company engagement and contribution to health awareness and protection of the local communities located in the areas of its operations.

Petrex SA Bolivia delivered the following material to the Huacaya community

- 40 boxes of surgical masks
- 40 boxes of disposable latex gloves
- 60 units of alcohol gel of one-liter with dispensers
- 60 units of one-liter hand sanitizer alcohol gel (95%)
- 100 units of liquid gel soap of one-liter containers
- 100 units of liquid bleach (sodium hypochlorite) of one-liter containers

EQUATORIAL GUINEA

Saipem SpA's Offshore Division stepped forward to the strengthen capabilities of the personnel of the "Mr. Pastor Torao Sicara Hospital" complex located in Baney, Bioko Island in Equatorial Guinea. Support provided included medical materials like PPE, masks and gloves, thermometers and polymerise chain reaction test kits. This initiative helped to strengthen local hospital laboratory capabilities during the pandemic, protect hospital personnel and increased the effective testing of people in the community.

Saipem SpA's Offshore Division successfully supported the Laboratory and Hospital with sanitary protection materials and polymerise chain reaction (PCR) test kits for COVID-19

INDIA

Since the beginning of the pandemic, the "Rajiv Gandhi Government General Hospital", a major state-owned hospital located in Chennai, has been treating vulnerable, economically disadvantaged patients affected by COVID-19. Saipem India (SIP) in consideration of the current pandemic crisis, fulfilling also its Corporate Social Responsibility commitments, responded to the need of the hour when the state Government requested contributions to reinforce the capability of the local health system, by donating life support equipment.

Saipem India donated Life Support Equipment

- 26 ventilators
- 20 monitors

worth around €300,000
to Chennai Rajiv Gandhi Government Hospital

MOZAMBIQUE

A joint venture initiative between Saipem Mozambique Chiyoda and CB&I (CCS JV) supported the Sant'Egidio community with the purchase of protective material, as well as to guarantee the activity of the 12 health centres related to the DREAM (Disease Relief through Excellent and Advanced Means) project.

SAUDI ARABIA

Snamprogetti Saudi Arabia Co Ltd embarked on the "COVID-19 - Together we win" initiative to provide material to promote COVID-19 infection control and prevent its wide-ranging human impact. Potential beneficiaries were identified among the people living in the communities of Al Khobar and Dammam, specifically those living in the low-income housing settlement. Protective kits, banners and pamphlets with prevention messages at identified strategic distribution points were successfully distributed thus promoting pandemic control and preventing its wide-ranging human impact.

Preventive materials distributed include

- 674 Hand sanitizers (100 ml)
- 233 Hand sanitizers (1,000 ml)
- 15 boxes of disposable hand gloves
- 35,450 Surgical masks
- 620 N95 masks
- 1,170 beneficiaries among communities people

KAZAKHSTAN

In Kazakhstan, the number of people with COVID-19 rapidly increased as soon as the pandemic started spreading. The Mangystau region had been badly affected, while its testing capability was inadequate for the population resulting in the real number of

Saipem's local content strategy



cases being much higher than detected. ERSAl, a company of Saipem Group, stood up to the occasion by delivering 10,000 tests to detect COVID-19 to the local Olymp Medical Testing Lab in the region and contributed to refurbishing the testing room where the test machine is located.

The intervention allowed to increase the COVID-19 testing capabilities of the region, thus allowing it to identify the real number of infected cases

ANGOLA

Saipem has been working on the front line for years in Angola to improve the community's protection from Malaria. Even though health services are available, they are inadequate to efficiently serve the entire community, especially due to the lack of trained personnel. "Saipem Petromar Lda" organised a **"Malaria Prevention Programme"** for the rural community of Ambriz, resulted in several important outcomes. Moreover, 10 community people from Tabi and Bea Vista received training on indoor spraying and fumigation who were also integrated into the local

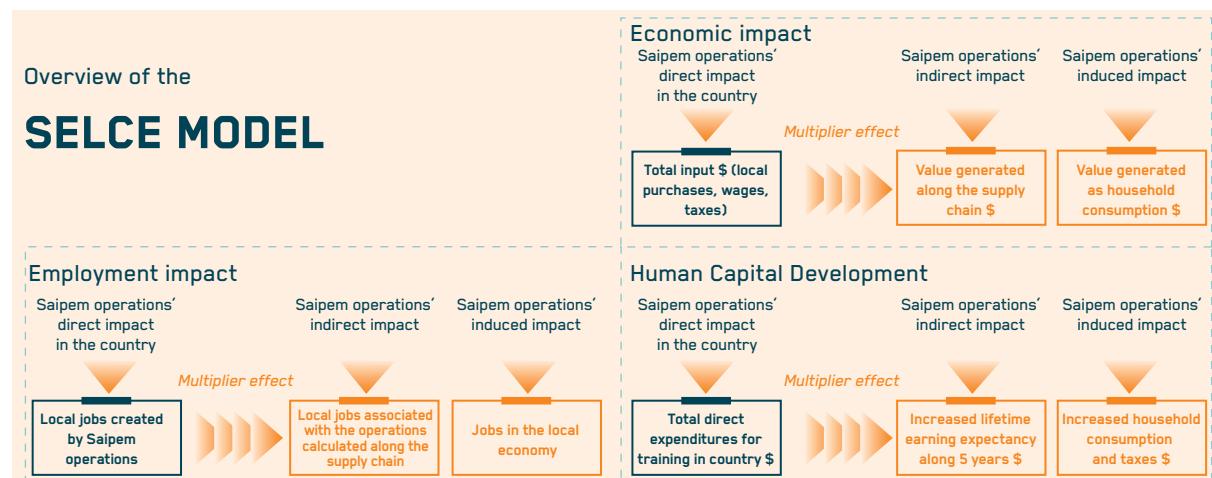
municipal team to stop the spread of COVID-19 in Ambriz Village.

Activities carried out

- Disinfestation of the local market, hospital, health centres and other public places
- Fumigation campaigns covering the entire Ambriz Village
- Indoor Residual Spraying Campaign in the "11 de Novembro" community

LOCAL CONTENT

In order to measure the beneficial effects generate by local content in a local economy, Saipem has developed the **Saipem Externalities Local Content Evaluation** (SELCE) Model. The model quantifies the positive effects of its activities on local economies and societies by calculating the direct, indirect and induced effects of operations. SELCE measures three key positive impact categories that best represent Saipem's local content strategy.



For each category, the direct, indirect and induced effects are calculated. For Saipem, local content means creating employment, developing local skills and capacity,

transferring know-how, collaborating with local suppliers and subcontractors and enhancing local entrepreneurship with its operations. In order to contribute to the creation of socio-economic value



**WALTER PEVIANI
MANAGING DIRECTOR
SAIPEM NIGERIA**

"We have local content in our DNA, wherever we operate in the world, and our footprint are proof of that. We strongly believe that there could not be successful and sustainable operations without long term engagement of the host communities"

within the host communities, **maximising local content** is one of the cornerstones of Saipem's business philosophy in all markets. This approach aims to develop a durable and sustainable relation with all local stakeholders, helping to reduce costs and risks associated with projects, improving the perception of the Company, creating the conditions for a climate of mutual trust, and thereby guaranteeing the Company's "license to operate". Saipem's local content approach has the added benefit of generating positive effects on local communities, contributing to the social stability and well-being of the local population.

Maximising local content allows the Company to develop and maintain relations with host countries. Employing local workers on Saipem projects enriches the diversity of Saipem's workforce and provides young talents from all around the world with the opportunity to grow professionally in their native country or overseas. In this way, Saipem is able to select the best talents worldwide, and keep strong links with each local community where it works while ensuring a rich, diverse and multicultural work environment. Saipem strongly invests in the development of technological and managerial expertise through:

SAIPEM FOR STUDENTS

Internship programme with the University of Guyana

Local capacity building is a priority for Saipem, which has created opportunities for young Guyanese to join the Oil&Gas industry by employing more than 180 Guyanese across various fields.

Saipem America Inc has started a training programme for Guyanese students from the University of Guyana and the Government Technical Institute on a three-month internship programme in the Saipem Guyana Office, allowing them to develop specific industrial skills and also providing them an opportunity to be recruited by the Company.

In 2020, four Guyanese students were chosen to commence internships in Trinidad and Tobago, thereafter at Saipem's Houston office in the USA.



Student Internship Programme - Senegal

With the new development of the Oil&Gas industry in the country of Senegal, a special school for postgraduate students was created in 2017 by the Senegalese government. The INPG (Institut National du Pétrole et du Gaz) will confer master's degrees to the benefit of Oil&Gas businesses which is unique to Senegal and this part of Africa. It is financially supported by two major Oil&Gas operators (Total and BP) while courses are supervised by the French school, IFP (Institut Français du Pétrole). In order to contribute to the take-off of this school and support Senegal's development of national expertise in the Oil&Gas industry, the "Student Internship programme" which continued from the previous year, provided an all-inclusive 6-month internship at Saipem SA for 2 young students from INPG with prospective employment opportunities with the Company. The aim was to provide technical expertise from professionals and transmit the industry's highest standards and culture to the students. Training commenced in October 2019 and ended in March 2020. The interns acquired knowledge in the areas of "Loss Prevention & Environment" and "Hook up and Commissioning".



**KATRIEN VERLINDEN
ONSHORE MARKETING
COMMUNICATION AND
STAKEHOLDER RELATIONS
MANAGER ONSHORE E&C
DIVISION**

“In a remarkably difficult year for everyone, we remained present and active for our stakeholders. In particular we stayed focused on continuing to make a difference for our hosting communities and for our local partners. We have worked hard to do our part in this global effort to react to the serious consequences of the pandemic situation and we are even more committed to maximising the value created by our business for the local economies. At Saipem this is a core value”

> Development and training programmes aimed at improving the quality of the local workforce, sharing know-how and developing skills and performances. An example was the “**Karimun English Workshop**” initiative carried out in Karimun, **Indonesia** with the aim of improving the community’s English communication skills to increase the prospects for job opportunities. This initiative drove the local communities in Karimun to use English as an important language for communication by improving the level of competency in English communication skills. Another initiative carried out by Saipem in Indonesia was the “**Reconstruction of Village Library**”, a programme in support of the development of the local community **rebuilding an abandoned two-story building** in West Pangke

village recording 40% progress by the end of 2020. > Scholarships, internship programmes and cooperation with local training institutions, to enhance Saipem’s recognition at universities and engineering schools and attract to Saipem the best students for potential recruitment while also enabling low-income people to access higher education. Noteworthy initiatives include the Internship programme with the University of **Guyana** and the Student Internship Programme in **Senegal**.

These investments in training and internship programmes guarantee the Company’s medium- to long-term presence in the local market and ensures critical professional skills for future projects.





SAIPEM CO-FINANCED THE CONSTRUCTION OF THE DISTRICT HOSPITAL IN KOGO, LITORAL PROVINCE, EQUATORIAL GUINEA

The Government of Equatorial Guinea has made a huge effort to build its Health infrastructure through the "National Content Plan Legislation" for Economic and Social Development. Current facilities are moderately available with limitations, with respect to the quality and access for the general population, hence fundamental aspects of social needs are not being met.

Saipem Offshore Construction SpA took the initiative to co-finance and spearhead the construction of the district hospital in the remote town of Kogo in Litoral province of which the community of Kogo town and the surrounding villages will benefit. The initiative also complies with the requirements of the "Ministry of Mines and Hydrocarbons" in terms of funding and implementation of social projects in the territory.

Saipem closely monitored the construction activities, which ended in January 2021, such as:

- Civil works, HVAC and Interior works;
- Mechanical, electrical and plumbing Installations;
- Quality Assurance and Quality Control on all construction activities;
- Construction Health and safety monitored on weekly basis;
- Waste management through control of wide-ranging hazardous waste, control on emissions to land/water and monitoring through short meeting sessions/information guides.



THE WAY WE WORK: THE DUQM PROJECT

[Watch the interview](#)

Saipem's active presence in the Sultanate of Oman dates back to the early 1980s. In 2018, Saipem was awarded a large lump sum EPC contract for the Duqm Refinery Project, an ambitious 6 billion USD investment sponsored by the Oman Oil Co and Kuwait Petroleum International that will certainly have a massive contribution to Oman's development and prosperity. For the Duqm Refinery Project, the Saipem/CB&I consortium (EPC3) is responsible for three distinct Sub-Packages: Export Terminal (Sub-Package A), 80 km Crude Oil Pipeline from Ras Markaz to Duqm (Sub-Package B), Crude Oil Import Facilities at Ras Markaz (Sub-Package C). Duqm Refinery is a national integrated project under development inside the Duqm Special Economic Zone (SEZAD). Duqm Town, 600 km south of Muscat, is located in a strategic position on the Arabian Sea and in the last decade has attracted diverse economic activities due to its identification by the Oman government as a booster for economic and social development of the region.

Read below the interview with the DUQM Project Manager, Roberto Catani.

The Duqm refinery is part of one of the most ambitious development projects in the Middle East. The project vision is to create a structure that will benefit many generations to come, both as an energy supplier on the international market and as a driver of economic growth in the Duqm area itself. What role do the companies, including Saipem, working in the EPC phases of the project play with respect to this vision?

R.C. Saipem's project strategy is based on sustainable development aimed at generating long-term value for the communities and the society in which we operate, with a special focus on people, and a commitment to the environment and health and safety. Some of the key drivers are, for example, Omanisation and maximisation of In-Country Value, creation of employment opportunities, contributing to the development of the local SMEs and establishing and nurturing good, long term relationships with all our local stakeholders. Since the start of the project, Saipem and its subcontractors developed a successful model achieving 10 million LTI-free working hours, protecting all 19 archaeological sites along the pipeline, preserving endemic species, providing two training programmes for 77 Omani nationals on essential labour market topics, hiring 57 of them, and sponsoring 23 scholarships. Moreover, we are committed to supporting the basic needs of key social communities through the weekly supply of water, even drilling two water wells, providing



support to local authorities with ambulances and essential material to fight the COVID-19 pandemic, and keeping transparent and positive communication with our client, the local authorities and the other stakeholders.

The Client is strongly committed to ICV (In-Country Value) policies for the benefit of the development of the area and of the entire country. The project has received recognition in this regard and has a structured and challenging programme. What are the skills and relations with the territory and with the subjects interested in the project that allow Saipem to meet and exceed the client's requests and meaningfully contribute to achieving its objectives?

R.C. Our commitment is to constantly contribute to the sustainable socio-economic development in Oman. Saipem's model respects and is aligned with both the client's and the government's ICV standards and targets. Through the project, the ICV programme aims to build the capacity of local SMEs, Omani recruitment, training programmes, scholarships, skills development and progression and local sourcing of subcontracted "Made in Oman" goods and services. The project is strongly committed to supporting job creation in Duqm, far exceeding contractual targets for Omanisation, and employment of the national workforce (37% at present time), nurturing motivation and skills improvements by following Saipem's people management model in addition to training and scholarships programmes. Another point that illustrates our commitment is the remarkable portion of project equipment, subcontracts and services procured, manufactured and supplied in Oman, positioning EPC 3 at a dominant global performance with 300 million USD of local procurement of "Made in Oman" goods and services, well beyond the project contractual target. Project achievements are continuously updated and pushed beyond the targets, always aiming to exceed requirements, maximising benefits for society and investing in local content and in responsible relations with all stakeholders.

The Duqm refinery is a project linked to traditional extractive energy, but it was designed with the ambition of becoming a long-term sustainable development engine and a real enabler of sustainable growth in the region. The five guiding pillars of the project's social responsibility strategy – women's empowerment, heritage and culture conservation, capacity building among young people, training and education, environmental protection – highlight the importance the private sector plays in the development of the country and its people, whose skills will be the basis of the future managerial classes. What contribution is Saipem making to this?

R.C. The greatest ambition is in the vision behind the project itself, which is considered the enabling factor and the booster for long term social and economic development of the region. In this framework our ambition is to achieve excellent performance through the successful integration and active participation in the specific local context where we operate. With this approach and the goals set by our Project Social Management Plan, we carried out rigorous studies and an assessment in order to identify the stakeholders, their needs and the challenges, followed by a plan of action encompassing the strategies, the possible initiatives specific for each key location and communities, as well as a communication strategy and plan for an effective dialogue with the stakeholders.

Women employment plays an important role in the development of the project, enabling it to meet the planned objectives. Saipem currently has 25 female employees working in almost all operational and administrative departments. 18 of them are young Omani talents who play an important part and add good value to ICV's objectives. The protection of the environment and cultural heritage are considered to be the main challenge of the project, particularly with regard to the construction of the 80 km pipeline (sub-package B) which crosses an area with 19 archaeological sites, 1 nature reserve and sensitive areas inhabited by endemic species and Bedouin communities. Prior to starting construction activities, Saipem protected the entire archaeological site as per Omani Ministry of Heritage and Culture (MHC) standards, installing protective measures specifically for the "Trilith", considered a highly sensitive find, for which a challenging pipeline rerouting was designed and implemented.

Do operational efficiency, compliance with project timelines, safety requirements and environmental and cultural heritage preservation still determine a differential between companies in the Oil&Gas sector? What distinguishes a company that succeeds in creating value for the client in the



integrated management of a project from one that sticks to mere contractual requirements?

R.C. Our ambition is to achieve excellence in performance throughout the project, applying our Company's experience to work responsibly, meet and exceed the contractual targets. The multi-disciplinary project team works with the common goal of excelling in Health, Safety, Environmental and Social (HSES) Standards in the Oil&Gas and infrastructure sector. The project has an Assurance Management Plan aimed at ensuring the implementation of HSES standards. The HSES System was recently audited by an external third party for renewal of our ISO 45001:2018 and ISO 14001:2015 certifications. In addition, we are cascading our know-how to subcontractors and local suppliers in order to strengthen their capabilities, reinforce their HSES culture and compliance, with the aim of increasing their reliability and contribution to project delivery. Given the proximity of the works to the Al Wusta nature reserve, the Ecological Management Plan has an essential function, which includes strict control measures to be followed, such as pre-work surveys, avoiding the storage of pipes in sensitive areas, providing mandatory training and permanent surveillance and, more importantly, the mandatory greenlight from our environmental team prior any Permit-to-Work issuance. In addition, Saipem carried out a dedicated independent Ecological Survey aimed at updating and completing the planned mitigation measures. One of the main results of the study were the "5 Km Ecological Maps" providing the positioning of sensitive species and areas for each kilometre. These maps became a useful reference and guide during construction activities.

These activities have been recognised by the client, lenders, authorities and external auditors as best practices and help to enhance Saipem's reputation in Oman by contributing to potential tangible future returns.

BUILDING ITALY'S FUTURE



Saipem is one of the largest and most important companies contributing to the Italian economy.

We are aware of the importance of our presence in Italy and we hope to continue to play an increasing role in the growth of our country. With our company's high-level skills, knowledge and experience, excellence in terms of technological innovation and research and development that set us apart from other Italian companies, we are proud that our resources make a tangible contribution to the sustainable development of the "Italian system".

Our historical presence in some areas of the country, such as Fano and Marghera, has had an exceptional impact on their engineering and industrial development, creating innovation poles of significant importance for the whole country. Further, Saipem has a long-lasting relationship with a large number of Italian suppliers that work with Saipem also on projects executed abroad, boosting their prospects for internationalisation. Among the 2,800 Italian suppliers qualified in the Saipem Vendor Database, 50% of them have a stable relationship duration with Saipem of more than 10 years.

The Saipem Intermare Sarda manufacturing site, established in Arbatax in 1972, is the best example of effective and consolidated integration within the Italian territory. Over the years, the yard has managed to grow through the diversification of products and a progressive transformation from a simple assembly yard to a Company able to offer increasingly complete products such as platforms for the extraction and treatment of oil and gas and now is as a reference point in the renewable energy sector as well within an extremely competitive market. Intermare, thanks to the commitment of its approximately 140 employees and a number of specialised local subcontractors, represents a flagship in Saipem's broader strategy. It aims to play a leading role also in Italy in the recovery phase



from the effects of the pandemic, with a growing specialisation in renewables (in particular offshore wind power). The latter are at the heart of Arbatax's activities and make the shipyard a centre of excellence at international level while it is perfectly integrated in the local context, with a positive impact on the territory not only in terms of induced activities but also in terms of the development of new highly qualified professionals. The career of many Saipem managers started at Arbatax. The Alternanza-Scuola-Lavoro project, started in 2019 with the IANAS institute in Tortoli, with 550 teaching hours and 480 internship and training hours, wants to give this kind of chance to the young talents involved.

Over the 2017-2019 period, Saipem directly contributed to the Italian economy with an amount of €4.3 billion, representing the total spent on goods and services in Italy, the wages paid to Italian employees and taxes paid in Italy and contributing about 0.1% to the Italian GDP. 73% of this total direct contribution to the Italian economy (an annual average of about €1.1 billion) consists of the expenditure for goods and services purchased from Italian suppliers to carry out activities and projects both in Italy and abroad.

This direct contribution has a multiplier effect of 1.77 meaning that each euro Saipem has added to the local economy has generated an additional €0.77. Therefore, Saipem's total impact on the Italian economy amounts to €7.5 billion (2017-2019), considering the multiplier effect of its direct contribution. During 2020, Saipem made further efforts to identify even more ways for the primary actors of Italian development to participate and signed important agreements to research and implement new solutions for the sustainable development of the country.

As already previously mentioned, Saipem has signed numerous agreements and partnerships

3 FOCUS ON

with both national and international partners aimed at promoting **sustainable development**. As far as national partnerships are concerned, it is worth mentioning the MoU signed with **CDP**. The initiatives for decarbonisation, the circular economy and energy efficiency mainly involve the development and implementation of infrastructures for the production of energy from renewable sources, the development of circular economy projects and the implementation of intervention models for the promotion, development and implementation of infrastructures for the supply, transformation and use of Liquefied Natural Gas (LNG) in maritime transport. In August 2020, a MoU was signed with **Fincantieri**, to analyse the development potential of the **Deep Sea Mining** (DSM) market, i.e. the sustainable use of resources from the seabed

at depths of over 3,000 metres. This strategic collaboration will lead to the definition of sustainable feasibility, development and business opportunities in the design, engineering, construction and operation of DSM systems. It is also worth mentioning the collaboration agreement signed with CNR (Consiglio Nazionale delle Ricerche) for the use of the HexaFloat concept, the MoU signed with Eni on decarbonisation initiatives and projects in Italy, and the MoU signed with Snam. The latter, which states collaboration between the companies on new technologies focused on the energy transition, also provides for cooperation on the development of feasibility studies aimed at identifying new solutions for the transport of hydrogen in liquid or gaseous form and the capture, transport, storage or valorisation of CO₂.

€4.3 BLN

**TOTAL DIRECT CONTRIBUTION
OF SAIPEM TO THE ITALIAN
ECONOMY (2017-2019)**

0.1%

**CONTRIBUTION TO THE ITALIAN
GDP BY SAIPEM GROUP IN 2017**

1.77

**MULTIPLIER EFFECT GENERATED
BY SAIPEM IN THE ITALIAN ECONOMY**

€7.5 BLN

**TOTAL IMPACT OF SAIPEM
ON THE ITALIAN ECONOMY
(2017-2019)**

8,800

**JOBs DIRECTLY AND INDIRECTLY
RELATED WITH THE ACTIVITIES
OF SAIPEM IN ITALY IN 2019**

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EFFECTIVE ENGAGEMENT OF LOCAL STAKEHOLDERS FOR A SENSITIVE IMPORTANT PROJECT HS/HC BRESCIA-VERONA.

The new Milan-Verona high-speed/high-capacity (HS/HC) railway line is an integral part of the Mediterranean Corridor that will connect the ports of the southern Iberian Peninsula with the Ukrainian border, passing through southern France, northern Italy, Slovenia and Croatia.

The project was awarded by Rete Ferroviaria Italiana (part of the Italian State Railways Group) to the General Contractor CEPAV Due, a Consortium led by Saipem (Saipem 59%, Impresa Pizzarotti 27% and ICM Group 14%).

The Milano-Verona railway length is around 150 km. In 2016, the section between Milan and Brescia was completed and entered into operation, while in 2018 the section between Brescia and Verona was also awarded and is presently under construction.

The completion of the line will reduce interference between different transport flows, making traffic flow more fluid and increasing traffic capacity at the Milan, Brescia and

Verona railway junctions, with benefits for the long-distance and regional services, as well as freight transport.

The line will cross the regions of Lombardy and Veneto and 11 municipalities in the provinces of Brescia, Verona and Mantua. The construction of the line, given its large size and interregional interest, is highly complex and requires constant and continuous dialogue with institutions and local communities. In this regard, there are various initiatives aimed at providing local communities with extensive, systematic and transparent information on the project, its progress, its environmental and social impacts and how it will be carried out.

One of the most important events of the year was the start of work on the Lonato del Garda site where one of the most important railways works on the route, the Lonato tunnel, will be built. The event hosted important institutional representatives, including government officials, local administrations, trade associations and both local and national press. Other events aimed at illustrating the





project were meetings with Brescia entrepreneurs and industrialists and the presentation of the Brescia exit project to Brescia stakeholders. In addition, during the course of the year there were frequent contacts with the press for interviews or the sharing of information on the progress of the works, but also on railway works and environmental issues.

It should be noted that the CEPAV Due Consortium pays particular attention to ensuring maximum protection of the surrounding environment by the entire chain involved in the execution of the works.

There are constant and constructive relations with the Environmental Observatory, set up at the General Directorate for Environmental Assessments and Authorisations of the Italian Ministry of the Environment and Protection of Land and Sea. In this regard, on the occasion of the European Waste Reduction Week, the Consortium organised a seminar on the recycling of waste for environmental

sustainability with the aim of raising awareness throughout the industry on the issue of reducing and reusing waste and its importance for the creation and consolidation of a circular economy that generates benefits for the environment, the territory and businesses. It is also worth mentioning agreements such as the memorandum of understanding signed with the national and territorial trade unions of Brescia and Verona, which commits the parties to the correct application of trade union and employer relations; the conventions with the Regional Agencies for the Protection of the Environment (Arpa Lombardia and Arpa Veneto) which regulate control activities during the execution of works; the legality protocol with the Prefectures of Brescia and Verona in order to guarantee maximum administrative transparency and control of all those awarded the works; and the operational protocol for financial monitoring, aimed at ensuring the legality, transparency and safety of the works.

CREATING LOCAL VALUE AROUND THE WORLD

Saudi Arabia

Saudi Arabian Saipem is acknowledged as one of the key Oil&Gas players in Saudi Arabia. Since the beginning of Onshore Drilling operations, the focus on working responsibly has been a key driver of the Division's business strategy. The sustainable business model is focused on the creation of employment opportunities and a robust and widespread capacity-building effort aimed at know-how transfer for local workers. In line with its business strategy, even in 2020, the Onshore Drilling Division has been upkeeping the local employment rate where possible. The Onshore Drilling Division is characterised by a strong commitment to local content: about 89% of the total workforce is local and just 5% is Italian. One of the most important initiatives carried out by the Onshore Drilling Division in Saudi Arabia is the **In-Kingdom Total Value Add** (IKTVA) programme. The programme, promoted by Saudi Aramco, is designed to drive domestic value creation and maximise long-term economic growth, hire and develop Saudi talents and build subcontractors aptitudes via training. By supporting the IKTVA and the **National Transformation Programme**, Saipem will target the creation of 1,137 jobs for Saudi citizens by 2021. This will increase the national presence in the labour market and create technical and qualified personnel in the Oil&Gas sector, which is currently in short supply. Results achieved so far have been satisfactory: the recruitment of Saudi nationals has led to a sustainable and diverse work environment, as well as a well-developed working environment for our subcontractors, who have taken their skills to a new level. Through continuous training programmes, the advancement of the skills of trained personnel has been constant. We also maintained the growth of recent years in the IKTVA score (which takes into account, among the other things, the amount of local content in goods and services, salaries paid to Saudi nationals and the training development of Saudis), reaching 52% in the last edition, 7 percentage points above the target.



Within the IKTVA programme, Saipem has conducted two other initiatives worth mentioning. The **Hands-on Training Programme** is a one-year skills training programme carried out in collaboration with Aramco and targeted at young Saudis. It aims to develop young Saudi Arabian personnel who, through direct experience on Saipem rigs, acquire and develop their technical expertise and management skills in drilling operations.

Moreover, as a founding partner and board member of SADA, the **Saudi Arabian Drilling Academy**, Saipem is developing its future talent with a tailored approach for the Saudi Arabia Oil&Gas industry. The goal of the Academy is to provide a training hub to serve the drilling and workover industry in the region. Under the current scope of training that began in September 2016, SADA's comprehensive programme lasts 20 months and ensures job readiness of workers ranging from rigman and junior service operator to qualified engineers, heavy equipment operators and riggers. The initiative dates back to 2014 when it was initially proposed to achieve the two fold goals of generating knowledge economy jobs that meet Saudi Aramco's needs, and creating a more efficient training model that reduces costs and increases competitiveness for stakeholders.

Nigeria

Our long-term presence in Nigeria dates back to mid-1960s and the Nigerian Content Development has always been a major and embedded concept in Saipem. Over the past 40 years, we have been

INTERNAL TRAINING

609

NUMBER OF PEOPLE TRAINED

12,541

HOURS OF TRAINING

EXTERNAL TRAINING (INSIDE KINGDOM)

90

NUMBER OF PEOPLE TRAINED

1,233

HOURS OF TRAINING

13,774

TOTAL HOURS OF TRAINING

committed to adding value to the Nigerian economy and society through our operations and many successful projects. Our strength point has always been a 'willingness to stay' strategy, made of promotion and development of Local Content by maximising project value, local employment and procurement activities in the country, as well as creating long-term investments and partnerships with local companies.

The LNG Train 7 Project is part of this strategy. At the current stage of the Project, mainly Engineering in terms of EPC is ongoing. The P & C scopes will commence in full effect during 2021. The milestones of our strategy, that will lead to a development of the Nigerian engineering industry, maximising local competences and the local supply chain, will be:

- First consideration for Nigerian Companies with in-country capability and facilities for manufacture, assembly, fabrication for the procurement of valves, pumps, cables, pressure vessels, line pipes etc.;
- engineering know how transfer from Saipem to two indigenous Engineering Firms - Dover Engineering and KOA Oil and Gas (both companies already mobilised in the Lagos Operating Centre (LOC);
- foster and promote technology transfer to Nigerian and in-country companies which have made significant in-country capacity development into

functional facilities. Plan to encourage synergy with its Subcontractors for the execution of the Project, with Nigerians undergoing a significant process of mentorship, coaching and knowledge transfer on site through the Advance Work Package (AWP).

- facilitate the connection of the Nigerian Manufacturers with approved OEM (original equipment manufacturer) to develop ways to increase in-country capability through other means such as technology transfer, know-how transfer to Nigerian vendors and resources;
- the implementation of a comprehensive training and development plan including engineering, procurement, fabrication, construction, testing, commissioning and project management covering accredited training programs, for the development of skills and competence amongst the Nigerian workforce.

On the other hand, Saipem has committed itself to assess and meet social impact needs, defining a Social Investment Strategy and identifying some of the development associated challenges for the community. Some examples include conduct induction for expatriates on local culture and tradition, support of public hospitals, provide needed infrastructure for children, public campaign on the prevention of breast cancer.

PROTECTING ENVIRONMENT

EUROPEAN MOBILITY WEEK

Since 2002, European Mobility Week, promoted by the European Commission and dedicated to "Sustainable Mobility" is celebrated every year in mid-September. This year's theme "Zero-emissions mobility for all" motivated everyone to take steps to understand the importance of accessibility to zero-emissions transport, to achieve an inclusive

structure involving everyone and to promote a carbon-neutral and inclusive urban environment.

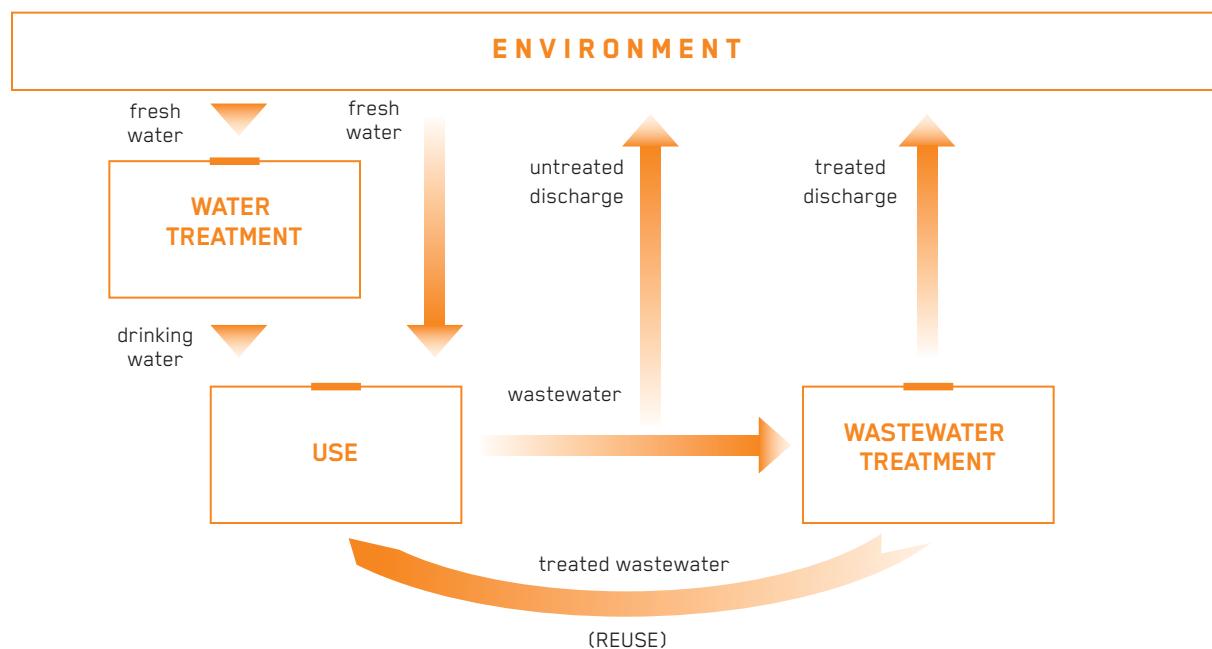
The theme encourages people and local authorities to take steps to achieve "the goal of a carbon-neutral continent (Europe) by 2050"



Saipem has always been committed to reducing emissions owing to the transportation of people, promoting sustainable mobility and optimising transportation. On the one hand Saipem is committed to setting up its offices in strategic areas, easily accessible to sustainable modes of transport, such as in the case of the Moss Maritime Office in Norway or GPS and Sigurd Rück Offices in Zurich. On the

other hand at Saipem we encourage our employees to adapt new behaviours to reduce emissions caused by commuting. This is why numerous initiatives and campaigns are already in place at different sites, such as the appointment of Mobility Managers in specific sites, the implementation of bike to work schemes, or the use of multi passenger vehicles at construction sites, as well as smart working initiatives for employees.

Saipem encourages to **REDUCE** the use of fresh water and **REUSE** treated wastewater



WATER MANAGEMENT

Saipem's water management strategy is an integral part of its environmental strategy and is outlined in the Environmental Management system documentation and is also an objective of the Group HSE Plan. It is oriented at **maximising the reuse of water**, where feasible, and at **reducing water consumption** in all its operational sites and projects, especially those operating in water stressed areas. The awareness of water flows and water stressed areas is the basis of any initiative for consumption reduction and impact mitigation.

As a Saipem general guideline, treated wastewater is generally reused for dust suppression, irrigation, or hydrotesting (when meeting regulatory limits). Water management plans and water assessments are focused on identifying criticalities and proposing actions to reduce water consumption and to increase the percentage of water reuse.

Water recycling in Saudi Arabia

The onshore drilling fleet moves to different locations on a regular basis, and this process implies manipulation and vibrations of the components of

the platform and the accommodation camps, as well as pressure on the equipment for timely drilling, which may generate leaks of water due to mechanical damage. For this purpose water discharge systems and processes were implemented on drilling rigs in Saudi Arabia.

5,818.54
THOUSAND CUBIC METRES
TOTAL WATER WITHDRAWAL

-15%
IN COMPARISON TO 2019

802.5
THOUSAND CUBIC METRES
VOLUME OF RECYCLED
AND REUSED WATER

WORLD WATER DAY CAMPAIGN

In 2020, Saipem celebrated World Water Day (March 22) as a further occasion to reinforce worldwide awareness and launch initiatives on the topic.



2020 Water and climate change

SAUDI ARABIA

Hawiyah Gas Plant Expansion Project: World Water day was celebrated by displaying posters at strategic locations in offices and at worker rest shelters. As mass gatherings were prohibited to prevent the spread of COVID-19, a brief training session was conducted at project offices with department sections. The focus of the training was emphasis on the global water scenario, the link between water and climate change, water management at Saipem and specifically at the Hawiyah Gas Plant Expansion Project - KSA, and how individuals can reduce their personal water footprint.

SGCP Pipelines Project: mini-tool box talks were organised onsite to involve personnel at different locations. Initially, campaign posters were posted at strategic locations in the camp and construction sites, followed by promoting the event through emails to all personnel. Key points of the discussions were the value water and how the management of water should become a daily task to build more resilient communities, economies and ecosystems

IGCC Project-Jazan PKG1 & PKG2: followed by promotion of the event through emails to personnel and toolbox discussions delivered to personnel with minimum groups at different site locations. Emphasis was on the impact of climate change on water, the need for sanitisation and hygiene.

KUWAIT

AI Zour New Refinery Project EPC 0059: a specific Toolbox Talks topic was communicated to subcontractors, along with posters and banners that were displayed throughout the site location. During the campaign, subcontractors introduced two green initiatives with numerous benefits for the workplace: reusing the water from hand washing and reusing air-conditioning discharge water. The systems were built with no-cost by reusing discarded materials such as pipes, abandoned tanks, containers, etc. The water collected/saved was used to irrigate indoor and outdoor plants, clean office floors and for car-washing. A poster-painting competition was also organised to encourage subcontractors to express their ideas on the theme of "Climate Change".

KOC Feed pipeline New Refinery Project: an awareness programme was conducted for all the employees and subcontractors on site, with posters being displayed at strategic locations. Water conservation initiatives like planting drought resistant plants, reuse of overflow-drinking water for irrigation and washing cars using a bucket of water rather than a hosepipe were also implemented in the site area.

MEXICO

Saipem Services Mexico/Saimexicana: banners were displayed in strategic points on the building. Information with tips and actions for reducing water use and fighting climate change were placed around the office area (these were made with recycled materials). As a part of our "Green Action" goal, water bottles were distributed among the staff to promote refilling and reusing them to avoid one-time use disposable water cups. An invitation was circulated by internal Communications to Saipem colleagues to share their everyday actions to combat climate change.

NIGERIA

SCNL sites and base: meetings with SCNL company management and the yard management were carried out. The WWD banner was displayed at all SCNL sites and at the PHC base. Toolbox talks were conducted among the workforce across the project sites of the PHC yard & base, SSAGS project, Okpai II IPP Project, and Dangote Fertilizer Plant Project.

This is an operational control implemented for the transfer of drilling cuttings from the shale shaker tank to the waste drilling mud pit, which recirculates and re-uses the drilling wastewater generated from the first drilling section onwards. The system consist of a pump that transfer clarified water (approx. 3 m³/min) from the Mud Drilling Pit and then it is sprayed over the drilling cutting collector trays generating a hydraulic transfer of cuttings and water mixture that flows through a discharge channel to the mud drilling pit again. A monitoring tool was developed to detect water leaks in a timely manner and carry out the subsequent repairs or adjustments in the plumbing

lines. The process was incorporated into the **Asset Management Operating System** (AMOS) for the timely release of work orders to prevent, control and minimise the water waste, one of the most valuable natural resources in a desert.

The use of the pumps to recirculate drilling wastewater has reduced the consumption of fresh ground water to a minimum for this cleaning purpose which is now limited for the cleaning of shale shaker screens only. As result of this wastewater recirculation and reuse, client wastewater disposal trips have also been indirectly reduced.

WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

The European Week for Waste Reduction (EWWR) is one of Europe's biggest communication campaigns aiming to increase awareness about reusing and recycling, with an emphasis on waste minimisation at source. The 2020 EWWR edition focused on the so called "**invisible waste**", the large amount of waste generated during the product manufacturing stage and not visible to the end customer. Even if it is a European event, every year Saipem takes the opportunity to spread awareness worldwide and invites all its employees to actively promote and participate in the campaign, both at work and in their personal life. It was an occasion to highlight the ongoing plastic reduction initiatives at Saipem sites and projects such as a sustainable catering service for offshore fleets, installation of water dispensers at sites to reduce the use of plastic water bottles, the distribution of ceramic mugs, reusable bottles and reusable bags to Saipem employees at various sites and project locations. The EWWR Campaign also presented the pledge of making the Headquarter Offices in Milan "plastic free" by the end of 2021.

**With regard to the Milan Headquarters,
the 2020 EWWR Campaign is an
occasion to present to all the employee
the following pledge from 2021 on:
the Headquarter Offices will become
plastic free by the end of 2021**



Plastic free new Headquarters

1,057.9
THOUSAND TONNES TOTAL WASTE,
OF WHICH RECYCLED

16%
MORE THAN DOUBLE
IN COMPARISON TO 2019

In recent years plastic pollution has become one of the most pressing environmental issues. The production of plastic products has increased exponentially from 2 million tonnes in 1950 to over 350 million tonnes at present globally. Data from a significant OECD (Organisation for Economic Co-operation and Development) summary reports that the recycling rates of plastic are very low all throughout the world and are only between 9% and 30%. In 2020, Saipem tested a new technology for the disposal and reuse of plastic. Originally designed for applications in the Oil&Gas sector, the technology is particularly suited to solid urban waste disposal, in particular unsorted plastic which includes non-recyclable mixed plastic waste or **Plasmix**, as named in the Italian market. This waste is a mixture of residue plastic waste containing polymers that are not recognised during the sorting, the polymers that are not suitable for recycling, and is considered foreign matter (biowaste, cellulose, composites, paper, metals, multi-layered). Saipem signed a license agreement with ITEA SpA, an Italian company that owns the patent for the application of the technology in a variety of settings. The new technology involves a particular process of plastic decomposition called "flameless oxy-combustion". This process produces water, energy, and pure CO₂, which is not emitted into the atmosphere, but rather is ideal for use as a product destined for the market. Furthermore, the process is very flexible, relatively simple and can be exploited even in small-sized facilities. It is hoped that it will lead to a noteworthy increase in the percentage of sustainable recyclable material in the future. Another advantage of the technology is that it affords the possibility to process Plasmix along with sewage sludge deriving from the treatment of wastewater, a material which at present is difficult to dispose of.

WORLD ENVIRONMENT DAY



The World Environment Day (WED), celebrated on June 5, is the global event promoted by the United Nations' Environmental Programme and celebrated annually since 1974. Over the years it has grown to become a global platform encouraging worldwide awareness and actions to protect the environment and it is now widely celebrated in over 100 countries. 2020 marks the Decennial of World Environment Day at Saipem. Every year since 2010 Saipem has joined the World Environment Day celebration to spread further awareness to all its employees and among their work teams, families, friends and all their areas of influence. The activities on this occasion have expanded each year with a considerable increase in people's participation. 2020's theme was **Protect biodiversity**. Together with climate change, being also

SAIPEM'S ONGOING COMMITMENT TO THE CIRCULAR ECONOMY



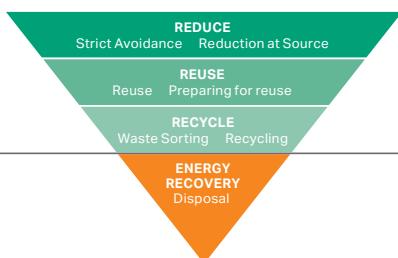
**CHIARA
PETRELLA
CORPORATE
ENVIRONMENTAL
MANAGER**

“Reduce, reuse, recycle are three keywords when it comes to environmental protection. Saipem’s commitment to a more sustainable future is concrete and embraces every sector of our business, from the development of new technological solutions to the reduction of waste in our offices around the world”

Saipem's sustainable business model has always envisaged and promoted responsible waste management practices and considers the circular economy to be a relevant and priority issue within its strategy. For his reason, also in

2020, we decided to join the **European Week for Waste Reduction** supported by the European Commission: a communication campaign whose objective is to raise awareness in the European population and, in particular, increase attention to minimising waste at source.

Saipem's commitment, however, goes beyond Europe and is not limited to this week but is constant and daily. Our awareness campaign is based on the **3 Rs: reduce, reuse and recycle**.



We carry out waste reduction projects all over the world. For example, our offshore fleet, working in sensitive marine environments, is replacing all single-use plastic cups, cutlery and glasses in catering services partly with reusable materials and partly with single-use materials such as paper, cardboard or wood. This will result in a significant reduction in plastic at source.

In addition, our FDS 2 vessel has been equipped with an on-board drinking water treatment system, with a corresponding distribution system and a consequent reduction in the consumption of plastic bottles. This solution will soon be installed on other ships in the Saipem fleet.

Reuse and recycling are also central aspects of Saipem's activities and actions, as they are perfectly in line with our philosophy of sustainability and value creation. By reusing materials in subsequent production cycles and reducing waste, it is possible to create ever greater wealth, not only in economic terms but also, and above all, in terms of quality of life for an increasingly environmentally friendly future and culture.

Added to these concrete actions is the rapid development of digitalisation processes which, in addition to innovating internal processes and increasing productivity, will lower costs and mark a major step forward in reducing waste.

The pandemic crisis has made it even clearer that digitalisation is crucial for the innovative progress of mankind. It is thanks to digitalisation that companies have been able to ensure the continuity of production in a very complex environment. Another positive aspect of the digital shift is dematerialisation, which, by reducing the use of paper, helps to protect the environment and reduce CO₂ emissions into the atmosphere.

dramatically affected by it, biodiversity is currently one of the main global issues as it is drastically decreasing. As per Saipem's Sustainable Policy, an essential component of the Company's sustainability approach is the protection of the environment and ecosystems. The XSIGHT Division chose to tackle this year's theme in a unique way, by promoting the reduction of meat consumption and raising awareness on the impacts of intensive breeding on climate change and biodiversity. The campaign was also endorsed by our Health team, which dedicated

a special edition of the Humanitas newsletter to the health benefits of a plant-based diet and how to keep a healthy and balanced diet. XSIGHT's QHSE Team challenged all Division colleagues to count meat free days for approximately a month's time, and to share them through a dedicated questionnaire, together with meat free recipes, links and other useful contents. The campaign had an overall good response among the Division, a total of 383 meat free days were counted, with an estimated saving of approximately of 1.1 t of CO₂.



Further information on environmental performance are included in the [Consolidated Non-Financial Statement 2020](#)

METHODOLOGY AND REPORTING CRITERIA

REPORTING PRINCIPLES

"Ready for the transition. Enabling a green future - Sustainability Report 2020" provides complete and detailed information about the matters of greatest interest to the Company's stakeholders. This report has been prepared in accordance with the GRI Standards: Core option.

The following principles have been used to identify the contents of the document: stakeholder inclusiveness, sustainability context, materiality and completeness. To guarantee the quality of the information contained in the report, the principles of accuracy, balance, clarity, comparability, reliability and timeliness were followed, again as per GRI guidelines. More details on management approach are included in the Consolidated Non-Financial Statement 2020 and in the Management Report of the Annual Report 2020.

The report is published annually and is approved by the managerial Sustainability Committee, the Sustainability, Scenarios and Governance Committee and the Board of Directors. It is distributed at the Shareholders' Meeting convened to approve the Annual Report.

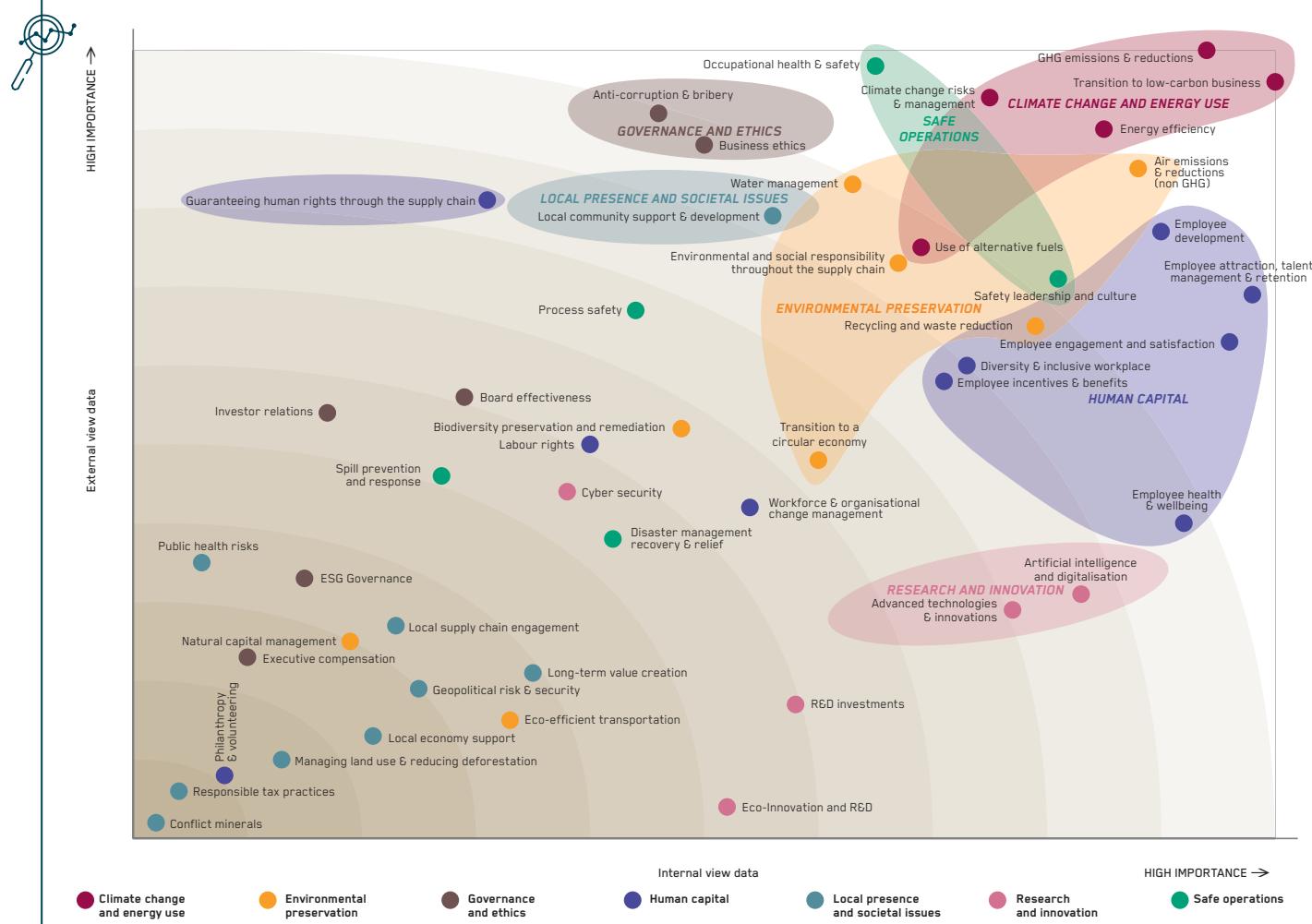
MATERIALITY MATRIX

External view:

clients, financial stakeholders, suppliers, local communities representatives, insurance partners, business partners, benchmarks, newflows, regulations, social media.

Internal view:

CEO, Sustainability and Governance Committee, senior managers.



Macro topics	Material topics	Corresponding GRI Standards Aspects
Climate change and energy use	Transition to a low-carbon business Climate change risks & management Use of alternative fuels Energy efficiency GHG emissions & reduction	GRI 201: Economic Performance 2016 GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016
Environmental preservation	Air emission & reduction (non GHG) Environmental and social responsibility throughout the supply chain Transition to a circular economy Recycling and reduce waste Water management	GRI 305: Emissions 2016 GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment 2016 GRI 306: Waste 2020 GRI 306: Effluents and Waste 2016 GRI 306: Waste 2020 GRI 303: Water and Effluents 2018
Governance and ethics	Anti-corruption & bribery Business ethics	GRI 205: Anti-corruption 2016 GRI 201: Economic Performance 2016 GRI 406: Non-discrimination 2018 GRI 410: Security Practices 2016 GRI 412: Human Rights Assessment 2016 GRI 415: Public policy 2016
Local presence and societal issues	Local community support & development	GRI 202: Market presence 2016 GRI 203: Indirect Economic Impacts 2016 GRI 204: Procurement practices 2016 GRI 413: Local Community 2016
Human capital	Employee engagement and satisfaction Employee health & wellbeing Employee incentives & benefits Employee attraction, talent management & retention Diversity & inclusive workplace Guaranteeing human rights the supply chain	GRI 404: Training and Education 2016 GRI 403: Occupational Health and Safety 2018 GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and equal opportunity 2016 GRI 407: Freedom of Association and through Collective Bargaining GRI 408: Child Labour 2016 GRI 409: Forced or Compulsory Labour 2016 GRI 412: Human Rights Assessment 2016
Safe operations	Occupational health & safety Safety leadership and culture Employee development	GRI 403: Occupational Health and Safety 2018 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016
Research and innovation	Artificial intelligence and digitalisation Advanced technologies & innovations	n.a. n.a.

INTERNAL BOUNDARY

The above topics are material for all business units. As regards financial data, in line with the drafting of the financial statements, the reference perimeter corresponds to the area of consolidation. Alongside financial performance, sustainability reporting also describes social and environmental performances and hence includes numerous topics for which perimeters differing from those used in financial reporting are applied. For HSE data, the reporting perimeter includes all activities in which Saipem is responsible for setting HSE standards and for ensuring and overseeing their application. As regards other thematic areas, Saipem reports 100% of operations in which Saipem SpA or one of its subsidiaries exercises operational control. Companies included in the reporting boundary are

listed in the "Saipem Group Structure" in the Annual Report.

 [Further details are available in the Annual Report.](#)

EXTERNAL BOUNDARY

For some material topics, the impact of Saipem activities occurs beyond organisation boundaries. In the 'External boundaries' column the stakeholder categories impacted by Saipem operations are specified for each material issue. The limitations that arose which refer to the boundaries of each material issue were also reported (when needed) in the table below under the 'Limitations' column.

Material topics	External boundaries	Limitations
Transition to low-carbon business	-	-
Climate change risks & management	Vendors and subcontractors	Partial for vendors
Use of alternative fuels	Vendors and subcontractors	Vendors
Energy efficiency	Vendors and subcontractors	Vendors
GHG emissions & reduction	Vendors and subcontractors	Vendors
Air emission & reduction (non GHG)	Vendors and subcontractors	Vendors
Environmental and social responsibility throughout the supply chain	Vendors and subcontractors	Partial for vendors
Transition to a circular economy	-	-
Recycling and reduce waste	Vendors and subcontractors	Vendors
Water management	Vendors and subcontractors	Vendors
Anti-corruption & bribery	-	-
Business ethics	Business partners, vendors and subcontractors	-
Local community support & development	Vendors, subcontractors and a group of local communities	The models for calculating the value generated were applied to some operating situations
Employee engagement and satisfaction	-	-
Employee health & wellbeing	-	-
Employee incentives & benefits	-	-
Employee attraction, talent management & retention	-	-
Diversity & inclusive workplace	-	-
Guaranteeing human rights through the supply chain	Vendors and subcontractors	Partial for vendors
Occupational health & safety	Vendors, subcontractors and a group of local communities	Partial for vendors
Safety leadership and culture	Vendors, subcontractors and a group of local communities	Partial for vendors
Employee development	Subcontractors (for HSE training)	-
Artificial intelligence and digitalisation	-	-
Advanced technologies & innovations	-	-

With regard to the material topics for which reporting has not been extended to the external scope (GRI Standards - limitations), Saipem will assess the feasibility of increasing the reporting boundary. More details are described in the GRI and UN Global Compact Content Index.

ASSURANCE STATEMENT

To ensure the reliability of the information provided and to improve the reporting process, "Ready for the transition. Enabling a green future - Sustainability Report 2020" is subject to limited assurance by KPMG SpA.

ANNEX

The GRI and UN Global Compact Content Index Annex is attached to "Ready for the transition. Enabling a green future - Sustainability Report 2020" and can be found here



 [Annex I can be also found in the Sustainability Documents section on the Saipem website.](#)

ASSURANCE STATEMENT



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Independent auditors' report on the sustainability report

*To the board of directors of
 Saipem S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2020 Sustainability report (the "sustainability report") of the Saipem Group (the "group") excluding the "Saipem and the Italian system" section thereof.

Directors' responsibility for the sustainability report

The directors of Saipem S.p.A. (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as described in the "Methodology and Reporting Criteria" section of the sustainability report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the parent's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

Società per azioni
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 Euro 10.415.500,00 i.v.
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 20124 Milano MI ITALIA



Saipem Group
Independent auditors' report
31 December 2020

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

- 1 Assessing the reasons for preparing both the consolidated non-financial statement required by articles 3, 4 and 7 of Legislative decree no. 254/2016 and the sustainability report and the elements differentiating the two documents.
- 2 Analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally.
- 3 Comparing the financial disclosures presented in the sustainability report with those included in the group's consolidated financial statements.
- 4 Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics, we carried out the following procedures:

- at group level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;



Saipem Group
Independent auditors' report
31 December 2020

- through remote communication tools, we held discussions with personnel of the Duqm (Oman), Khurais (Kingdom of Saudi Arabia) and Saipem 10000 (port of Palermo) sites, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Our procedures did not cover the information set out in the "*Saipem and the Italian system*" section of the sustainability report.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 Sustainability report of the Saipem Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Methodology and Reporting Criteria" section of the sustainability report.

Other matters

Additional information

In the "*Saipem and the Italian system*" section of the sustainability report, the directors provided data and information on the Saipem Externalities Local Content Evaluation (SELCE) model and REVALUE measurement model, to quantify the comprehensive economic value generated in the local economies by group activities, which supplements the information required by the GRI Standards.

Our conclusion does not extend to such data and information.

Comparative figures

Other auditors performed a limited assurance engagement on the group's 2018 sustainability report and expressed an unqualified conclusion thereon on 3 April 2019.

Milan, 7 April 2021

KPMG S.p.A.

Cristina Quarleri

Cristina Quarleri
Director of Audit

MORE ON SAIPEM SUSTAINABILITY

Our new website saipem.com offers news, information and stories about the sustainability of our business in terms of commitments, projects and challenges. You can access all the HSE and Sustainability Reports we have published since 2000, which are also available as downloads.

It also includes our annual Consolidated Non-Financial Statement (Italian Legislative Decree No. 254/2016), Annual Reports, Interim and Quarterly Financial Reports, Corporate Governance and Shareholding Structure Reports, Remuneration Reports, Policies and the Code of Ethics.

Take a look at our documents and tools for more information on the sustainable value we create:



INTERACTIVE TOOL TO EXPLORE THE TRENDS IN MORE THAN 100 KPIs OF OUR SUSTAINABLE BUSINESS

INTERACTIVE VERSION OF SUSTAINABILITY REPORT 2020

LET'S KEEP IN TOUCH



Headquarters: San Donato Milanese (Milan), Italy

Via Martiri di Cefalonia, 67



Società per Azioni

Share capital: €2,191,384,693 fully paid-up

Tax identification and Milan, Monza-Brianza, Lodi

Companies' Register No. 00825790157

Feedback

What you think of the Saipem Sustainability Report matters to us.
As we are constantly striving to improve our reporting, we would very
much welcome your feedback. We will also be pleased to answer any
questions you may have.

You can submit your comments by email to:
sustainability@saipem.com.

Special thanks to all those who contributed to the drafting of this
report.

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LANGS (Language Services Department) - Saipem SpA
Layout and supervision: Studio Joly Srl - Rome - Italy

Most of the pictures included in this report are the work of Saipem
colleagues who participated in the in-house Sustainability
Photographic Award.



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