

# CONSOLIDATED NON-FINANCIAL STATEMENT

in accordance with Italian Legislative Decree No. 254 of December 30, 2016

Extract of the Directors' Report  
of the Annual Report 2021

# CONSOLIDATED NON-FINANCIAL STATEMENT

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*The "Consolidated Non-Financial Statement" (hereinafter the NFS) is the report drafted by Saipem to meet the requirements laid down in Articles 3 and 4 of Italian Legislative Decree (D.Lgs.) No. 254/2016, the Italian transposition of European Directive 2014/95/EU. This document reports on the management of non financial aspects, the Group's policies, its activities, risks and related management methods, the main results and impacts generated in the year in terms of indicators and trend analysis. The document also integrates Saipem's commitment to concretely implementing the relative European Commission guidelines, in order to provide stakeholders with increasingly useful, complete and transparent non-financial information to understand the business of the Company.*

## Methodology, principles and reporting criteria

This document constitutes the "Consolidated Non-Financial Statement" of the Saipem Group (hereinafter Group, Saipem, Company) as of December 31, 2021.

The document is drawn up in accordance with Global Reporting Initiative (GRI), "Core" option GRI standards (see the "GRI Content Index" section). The Core option requires that 33 disclosures in the Organisational profile, Strategy, Ethics and integrity, Governance, Stakeholder engagement and Reporting practice areas are included and that for every material (or relevant) topic, all the requirements contained in the "Management Approach" GRI standard 103 and all reporting requirements for at least one indicator foreseen by the relevant "topic-specific" standard are met.

In order to continue to improve transparency in relation to the Company performance and facilitate the comparability of the data and information provided to stakeholders, the document also considered the indications provided by the Sustainability Accounting Standards Board (SASB) for the identification and publication of the information deemed most significant for creating long-term value for the sector. Considering the diversified operational activities of the Group, the document refers to SASB standards in two different sectors: 1) Extractives & Minerals processing sector - Oil&Gas - Services; 2) Infrastructure sector - Engineering & Construction services.

As laid down in Article 5 of Italian Legislative Decree No. 254/2016, the NFS is a separate report within the "Directors' Report", marked by a specific wording to ensure it is clearly identified. As such, it was approved by the Board of Directors of Saipem SpA on March 24, 2022. The NFS is drafted by the Corporate Sustainability function, in cooperation with all Corporate functions, companies, operational projects and sites of the Group in charge of the various topics discussed.

Specific procedures define the roles, responsibilities, activities, controls and information flows relating to the NFS reporting process. In particular, the "Consolidated non-financial and sustainability reporting" procedure defines the guidelines to be followed regarding the process of reporting and consolidating information and indicators for the Group. The procedure sets out the reporting principles, a description of the materiality analysis process, the process of identifying non-financial and sustainability indicators, the definition of the scope of consolidation of the NFS, the process of collecting and attesting data, the process of preparing, approving and publishing the NFS.

The NFS refers to other sections of the "Directors' Report" and the "Corporate Governance and Shareholding Structure Report" with regard to the content dealt with in detail therein and in turn it contains information that fulfils the obligations referred to in the first and second paragraphs of Article 2428 of the Italian Civil Code, limited to the analysis of information on staff and the environment. Moreover, the "Report on the Remuneration Policy and Paid Compensation" provides further details on the ESG objectives included in the long term variable remuneration of Directors, Statutory Auditors and Managers with Group strategic responsibilities.

In addition to the provisions outlined by legislation, the content of the document has been defined, as established by the provisions of the GRI Standards, taking into consideration the principles of materiality, stakeholder inclusiveness, sustainability context and completeness. The principles of balance, comparability, accuracy, timeliness, clarity and reliability have been followed to guarantee the quality of the information contained in the document. The section entitled "GRI Content Index" contains details of the performance indicators reported in accordance with the adopted guidelines.

The information given in the NFS refers to material topics identified and the relative indicators, which reflect the relevant economic, environmental and social impacts of the organisation or which could substantially influence the assessments and decisions of the Group's stakeholders. The materiality analysis, updated annually and with the direct involvement of the Company's stakeholder representatives, has led to the definition of the contents to be reported. The key objectives and commitments, the description of the strategic approach to the key non-financial topics and the main risks generated and incurred in these fields, including the methods for managing them, are discussed in the relative sections of this document.

In order to provide more detailed information on the issues that are of greatest interest to the company stakeholders, since 2006 Saipem has been publishing an annual Sustainability Report which has a more communicative language and approach; this year it has been published in both Italian and English. The document is available on the institutional website, along with other issue-specific documents, which we refer the reader to where necessary. In particular, for the third year running, Saipem has renewed its commitment to disclosure according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board in its document "2021 Shaping a Net-Zero future", which was published in December 2021 and is available on the company website. Moreover, since 2016 the Company has published an annual Modern Slavery Statement which describes the measures adopted to ensure, as required by the United Kingdom Modern Slavery Act 2015 - Section 54, that there are no forms of modern slavery, penal labour or human trafficking within the Company or in its supply chain. Voluntarily, the Statement considers the activities of the whole Saipem Group and not only the companies operating in the United Kingdom.

The performance indicators are gathered annually, and the report refers to the three-year period 2019-2021, unless otherwise specified. The information and quantitative data collection process has been organised in such a way as to guarantee comparability over the data and analysis of the trends over a three-year period, in order to enable correct interpretation of the information and a full overview for all the stakeholders interested in the evolution of Saipem's performance. The document also presents the Group's commitments and objectives relating to the Net-Zero Plan and other issues covered. Any changes in the collection methods from the previous year are suitably indicated in the document.

With regard to the security of data and information managed by the Company, not exclusively for the purposes of this document, Saipem has adopted security measures to ensure that all technical applications and infrastructure are completely integrated with the security systems for protection against cybersecurity threats, which also provide additional guarantees for the reporting systems.

The NFS is subject to specific conformity approval by an independent auditor, which in a specific and separate report expresses its certification of the conformity of the information provided pursuant to Article 3 (10) of D.Lgs. No. 254/2016 and of the "Global Reporting Initiative Sustainability Reporting Standards" defined by the GRI - Global Reporting Initiative ("GRI Standards"), identified as reporting standards. The limited audit did not apply the directives provided by the SASB. The audit is carried out according to the procedures indicated in the section "Independent Auditors' Report" of this document.

### Reporting boundary

The NFS contains the information and performance indicators for Saipem SpA and the fully consolidated subsidiaries in the "Annual Report", as prescribed by Italian Legislative Decree No. 254/2016. Any changes in the reporting boundary from the previous year are described in the "Principles of consolidation" section of the "Annual Report".

In some contexts there are deviations from the consolidation scope defined above, in any case guaranteeing the criterion of significant impact. As regards the safety data, it is underlined that, from 2018, these are accounted for separately for Saipem and its subcontractors. On the other hand, environmental indicators also include the data for subcontractors operating on Saipem and partner sites in activities where Saipem is responsible for HSE management. Furthermore, the significance limits for the inclusion of operating sites in the scope (No. of people on site or, in the case of offices not belonging to Saipem, the type of lease contract) are also defined for these indicators.

Please also note that companies that do not have significant business activities are excluded from relations with local stakeholders.

To ensure the understanding of the Company's activities, progress, results and the impact it has produced, as laid down in D.Lgs. No. 254/2016, i.e. to provide the information necessary to ensure the understanding of the activities of the whole Saipem Group, and also to guarantee the comparability of its performance in relation to the information published in other corporate documents, in addition to the companies consolidated boundary (referred to as the "consolidated boundary" in this document), the indicators are also given with a broader reporting boundary, including subsidiaries that are not fully consolidated and those in

joint operation, joint control or affiliated companies in which Saipem has control over the operations. These indicators are marked by the wording "Group Total".

For some material topics, the impact of Saipem's activities is manifested beyond the boundary of the organisation. As foreseen by the principle of information completeness defined by GRI Standard 101: Foundation, the organisation is bound to report the boundary for each material topic not only concerning the impacts caused directly by its own activities but also the impacts it contributes to and which are linked through business relations to its own activities, products and services. For this purpose and concerning the most significant issues, Saipem reports some significant indicators and information also referred to activities it does not directly manage. The following table identifies the external boundaries by category of concerned stakeholder, also indicating any limitations that impact each material topic.

Topics addressed in the 2021 NFS	External boundary	Limitations
Safety along the supply chain	Vendors and subcontractors, some local communities	Partial, for vendors
Safety leadership and culture	Vendors and subcontractors, some local communities	Partial, for vendors
Anti-corruption & bribery	Business partners, vendors and subcontractors	-
Human and labour rights along the supply chain	Vendors and subcontractors	Partial, for vendors
Digital transformation	Business partners, vendors and subcontractors	Partial, for vendors
Diversity and inclusion	-	-
Partnership, stakeholder engagement and satisfaction	Business partners, vendors and subcontractors	Partial, for vendors
Employee attraction, talent management & retention	-	-
Energy use and efficiency	Vendors and subcontractors	Vendors
GHG emissions control and reduction	Vendors and subcontractors	Vendors
Climate change adaptation and mitigation	Vendors and subcontractors	Vendors
Air emissions control & reduction (non GHG)	Vendors and subcontractors	Vendors
Use of alternative fuels	Vendors and subcontractors	Vendors
Cybersecurity	-	-
Renewables	Vendors and subcontractors	Partial, for vendors
Board effectiveness	-	-
ESG Governance model and ESG objectives	-	-
Company labour rights commitment	Business partners, vendors and subcontractors	Partial, for vendors

### Control activities on non-financial reporting

Over the years, Saipem's non-financial reporting system has been progressively strengthened: specific procedures have been introduced that define roles, responsibilities, tasks and information flows. In addition, specific IT systems, which are constantly evolving with a view to continuous improvement, have been set up to make the process as efficient and robust as possible.

An internal attestation system has also been developed whereby clearly identified data handlers send an "attestation letter", drafted to certify the accuracy and traceability of data and information. Finally, the NFS and the sustainability report are subject to a limited audit by an independent auditing company.

Saipem has adopted a control system for non-financial reporting, in addition to the internal attestation process and independent audit, in order to further strengthen the reliability, timeliness and completeness of the reporting process.

A dedicated unit has been created which is responsible for coordinating and planning the tasks necessary for the operation of the control system and specific internal procedures have been issued (a specific Management System Guideline and forms for each company in the scope).

The Internal Control System on non-financial reporting was developed using the principles of the CoSO Internal Control-Integrated Framework. A minimum set of controls and monitoring has been defined, broken down by macro processes, sub-processes and indicators, as well as by type of site/asset, to be implemented at Group level. The focus on the site/asset is fundamental as it determines specificities in non-financial reporting processes, in particular for the collection of primary data.

The operating phases of control system are the following:

- 1) definition of the scope of application (Group companies and non-financial indicators);
- 2) identification and evaluation of controls. Specific control activities are identified, which may include approvals, authorisations, audits, reconciliations, reviews of operational performance, confirmation of assumptions and estimates, and separation of duties. Controls may be manual or automated, depending on

the method and tools used to perform them, and may also be preventive or inspections, depending on the position of the control in the reporting flow;

3) monitoring activities and corrective actions. Monitoring is a set of tasks aimed at verifying that the Internal Control System is correctly designed and operational. Two types of monitoring are foreseen: line monitoring and independent monitoring. Line monitoring is carried out on an annual basis by the head of the organisational unit managing the phase or task on which the risk lies. Independent monitoring is carried out with the assistance of Saipem's Internal Audit function. As of 2021, the frequency of independent monitoring activities is every six months;

4) internal control system reporting and assessment. A summary report on the Internal Control System on non-financial reporting is prepared, describing the main findings of line and independent monitoring activities. In 2021, this report was shared with both the Sustainability, Scenarios and Governance Committee and the Audit and Risk Committee.

The System has been operational since 2019 with progressively broader coverage of companies and indicators.

Since the introduction of the system to date, some reporting processes have been strengthened, additions have been made to some company procedures, new indicators have been integrated into the company's IT systems and some calculations previously done manually have been automated. In addition, a major effort has been made to formalise existing control activities, but especially to design appropriate monitoring activities when not already foreseen.

To strengthen the effectiveness of its ESG operational processes, Saipem has developed an additional control tool. In 2021, the Internal Audit Function updated its work programmes, planned for audits targeting companies, by integrating a set of audits on ESG issues. The issues considered are respect for human rights, sustainable supply chain, diversity and the environment. These checks were carried out on a sample of companies included in the annual audit plan approved by the Board of Directors.

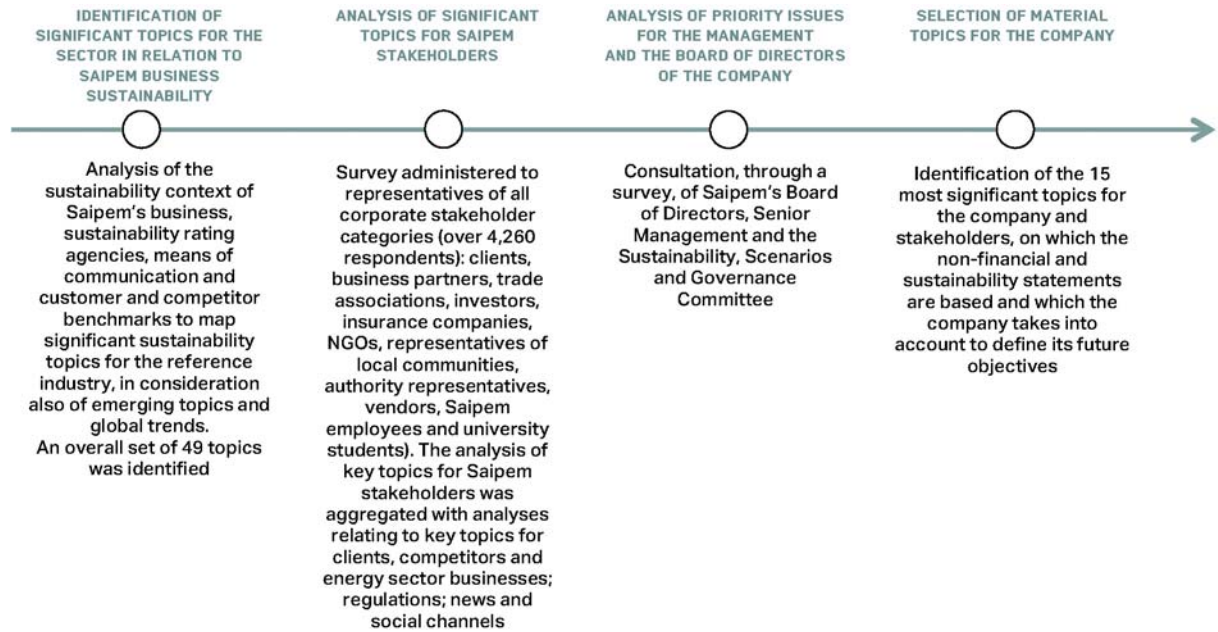
The analyses conducted, the results of which were presented to the Control and Risk Committee as part of the regular and periodic reporting on the implementation of the Audit Plan, did not reveal any particular critical issues in this regard.

### Materiality analysis and content definition

The NFS reports on the areas laid down in D.Lgs. No. 254/2016 deemed to be significant and material according to a process that considers the specific activities of Saipem and the interests of all categories of Company stakeholders, as described below.

As established by the provisions of the GRI Standards and in accordance with Saipem procedures, the Company implements a materiality analysis process every year. This is aimed at identifying and prioritising the sustainability aspects of its business that could substantially influence the assessments and decisions of its stakeholders and are considered most significant for the Company itself. The analysis is carried out with the involvement of representatives from all the main stakeholder categories (including employees), the company's management and the Board of Directors.

Following is a representation of the process in its subsequent work phases.



The analysis conducted during 2021 was characterised by a preliminary introduction of the so-called "double materiality" approach, in a proactive and anticipatory manner on national regulation, according to the first indications of the European Commission and EFRAG<sup>4</sup>, which provides for an assessment according to the impact and financial outlook, defined as follows:

- > the impact perspective assesses the relevance of sustainability issues in terms of the impacts of the company's operations and its value chain, based on the severity and likelihood of actual and potential negative impacts on people and the environment; magnitude and likelihood of positive effects on people and the environment related to the company's operations and value chain; and immediacy derived from social or environmental public policy objectives and planetary boundaries;
- > the financial perspective evaluates sustainability matters that are financially material for the reporting entity based on evidence that such matters are reasonably likely to affect its value beyond what is already recognised in financial reporting.

To enable a more precise and objective identification of the priority areas for the company's stakeholders, the sustainability issues for the business have been updated with new emerging topics within the relevant context and certain issues from the previous analysis were redefined in more detailed sub-issues. The 2021 materiality matrix therefore includes 49 topics that are analysed, from which 15 have been highlighted as a higher priority. The topic of occupational health and safety, which was found to be material for all stakeholder categories in previous materiality analyses, was considered ex ante material for 2021 and therefore not subject to assessment. The topic is therefore treated in this document in the same way as the topics identified as material with the analysis described therein. More details and a presentation of the results are available in the section "Methodology and reporting criteria" of the 2021 Sustainability Report.

The NFS also addresses the issues of board effectiveness and the governance model of ESG issues and ESG objectives as necessary to meet regulatory requirements and the expectations of financial stakeholders, who are the main recipients of the document. Finally, the topic of labour rights is also addressed to complement the human rights topic prescribed by Legislative Decree 254/2016.

The Board of Directors participated in the materiality analysis exercise at its meeting on November 17, 2021. The final results of the materiality analysis were shared with the Sustainability, Scenarios and Governance Committee, the Control and Risk Committee and the Board of Directors.

The topics that emerged from the materiality analysis become the basis for the definition of the Saipem Sustainability Plan, that is taken into consideration for the definition of the four-year action plan and company targets.

More details on the ESG objectives included in the long-term variable remuneration of Directors, Statutory Auditors and Managers with strategic Group responsibilities are available in the "Report on the Remuneration Policy and Paid Compensation".

To facilitate the reading of the NFS, the icons given in the following table help to visually identify the macro-areas of the related material topics presented in Saipem's materiality matrix.








(4) Guidelines on the disclosure of non-financial information: Integration concerning climate-related disclosures (2019/C 209/01) and Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No. 537/2014 as regards corporate sustainability report.

For a description of the risks identified by the Company in relation to the five areas for discussion laid down in D.Lgs. No. 254/2016 and the topics identified as material for the Company, in addition to what explained in the specific sections of the NFS, reference is also made to the “Risk management” section of the “Directors’ Report” for a more complete description integrated into Saipem’s overall Enterprise Risk Management system and that of its subsidiaries.

	Related to strategic positioning	Related to technological development	Related to business processes	Related to health, safety and the environment	Digital and IT risks	Risks related to the supply chain	Risks related to political, social and economic instability and to pandemics	Business integrity risks	Cyber risks	Risks related to human resources
<b>TOPICS ADDRESSED IN THE NFS 2021/RISKS DESCRIBED IN THE “RISK MANAGEMENT” SECTION OF THE DIRECTORS’ REPORT</b>										
Safety along the supply chain				■		■	■			
GHG emissions control and reduction	■			■						
Anti-corruption & bribery						■		■		
Energy use and efficiency	■			■						
Climate change adaptation and mitigation	■			■						
Air emissions control & reduction (non GHG)	■			■						
Human and labour rights along the supply chain				■		■		■		
Employee attraction, talent management & retention										■
Use of alternative fuels	■									
Safety leadership and culture				■						
Diversity and inclusion										■
Digital transformation	■	■	■		■				■	
Partnership, stakeholder engagement and satisfaction							■	■	■	
Cybersecurity									■	
Renewables	■	■	■							
Board effectiveness	■									
ESG Governance model and ESG objectives	■									
Company labour rights commitment										■



**LEGISLATIVE DECREE NO. 254/MATERIAL TOPICS/NFS CONTENT CORRESPONDENCE**

Areas laid down in D.Lgs. No. 254/2016	Saipem's material topics addressed in the NFS	GRI Standards	Icon	Sections of the Saipem 2021 NFS	Discussion in other documents
Company management and organisation model Article 3.1, subsection a	Board effectiveness. ESG Governance model and ESG objectives.	GRI 102: General Disclosures 2016 GRI 201: Economic Performance 2016 GRI 204: Procurement Practices 2016		Company management and organisation model.	"Human resources" and "Governance" chapters of the Directors' Report. Corporate Governance and Shareholding Structure Report 2021.
Policies Article 3.1, subsection b				In the specific "Management policies and system" sections of each issue discussed.	Corporate policies are available in the Documentation section on the website <a href="http://www.saipem.com">www.saipem.com</a> .
Environmental topics: - environmental impacts Article 3.2, subsection c - energy and emissions Article 3.2, subsection a Article 3.2, subsection b - water resources Article 3.2, subsection a	Energy use and efficiency. Renewables. Use of alternative fuels. GHG emissions control and reduction. Climate change adaptation and mitigation. Air emissions control & reduction (non GHG).	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 303: Water and Effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020		Energy use and efficiency. Renewables. Use of alternative fuels. GHG emissions control and reduction. Climate change adaptation and mitigation. Air emissions control & reduction (non GHG).	Chapters of the 2021 Sustainability Report "Transitioning toward net zero", "Fulfilling our vision of decarbonisation".
Human resources management Article 3.2, subsection d Impacts on health and safety Article 3.2, subsection c	Attracting employees, management and retention of talent. Diversity and inclusion. Human and labour rights along the supply chain. Digital transformation. Cybersecurity. Safety leadership and culture. Safety along the supply chain. Board effectiveness. ESG Governance model and ESG objectives. Company labour rights commitment.	GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 412: Human Rights Assessment 2016 GRI 413: Local Communities 2016		Safety. Health. Competencies and knowledge.	Chapter "Added value at our core" of the 2021 Sustainability Report.
Social aspects Article 3.2, subsection d		GRI 201: Economic performance 2016 GRI 202: Market presence 2016 GRI 203: Indirect Economic Impacts 2016 GRI 207: Tax 2017 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Vendor Social Assessment 2016		Creation of sustainable value over time. Ethical supply chain management. Security practices.	Chapter "Added value at our core" of the 2021 Sustainability Report.
Respect for human rights Article 3.2, subsection e	Human and labour rights along the supply chain. Company labour rights commitment.	GRI 406: Non discrimination 2016 GRI 407: Freedom of Association and Collective Bargaining 2016 GRI 408: Child Labour 2016 GRI 409: Forced or Compulsory Labour 2016 GRI 410: Security Practices 2016		Saipem people and all subsections. Respect for human rights.	Chapter "Added value at our core" of the 2021 Sustainability Report.
Fighting corruption Article 3.2, subsection f	Anticorruption.	GRI 205: Anti-corruption 2016 GRI 415: Public policy 2016		Fighting corruption.	



## SAIPEM'S BUSINESS

### Company profile and key operations

GRI 102-2, 102-4,  
102-6, 102-7  
SASB  
IF0301-A/B/C  
SASB  
EM-SV-000.  
A/B/C/D

The Saipem Group is a provider of global solutions for the energy and infrastructure sectors, operating in over 70 countries, with 9 fabrication yards, a sea fleet of 41 vessels and an onshore drilling fleet of 84 units, of which 83 owned and 1 owned by third parties but operated by Saipem. The Company operates in Europe, the Americas, the CIS, Africa, Middle East, Far East and Oceania. The Company has specialist skills in the management of complex projects, from design to decommissioning, in extreme environments, remote areas and deep waters.

The market conditions in which the Group operates are described in the "Market conditions" section of this Annual Report.

To foster energy transition, responding to and anticipating current and future market needs, the Group has made innovation and digitalisation key elements of its strategy. A commitment affecting both the conventional business linked to fossil fuel sources and to the development of new technologies for the emerging renewable energy markets.

The Group business model enhances the synergies between the different business areas and the external context in which it operates, aiming to constantly identify new solutions to increase operational efficiency, reduce the environmental impacts of operations and products supplied to clients, and to improve the safety of staff and vendors.

Additional information on the company profile and the operations by business Division is available in chapters "Offshore Engineering & Construction", "Onshore Engineering & Construction", "Offshore Drilling" and "Onshore Drilling" of the "Directors' Report".

Metrics of operational activities in the year	Unit of measurement	2021
Onshore drilling rigs <sup>(a)</sup>	(number)	83
Offshore drilling rigs <sup>(b)</sup>	(number)	12
Onshore wells	(number)	153
Metres drilled onshore	(metres)	497,710
Total backlog	(€ million)	22,733

(a) Of which 83 are company owned and 1 are owned by third parties.

(b) Of which 1 are on a long term lease.

### Development of the market scenario and strategy

The forecast information contained in this paragraph must be seen as "forward-looking statements", since they depend on the occurrence of events and future developments that are beyond the control of the Company; in particular, the information could be reviewed following the evolution of the on-going Russian-Ukrainian crisis and as a result of the situation in the reference market. More details can be found in Note 41 to the Notes to the consolidated financial statements "Business outlook and events after the reporting period – Effects of the Russian-Ukrainian crisis: EU restrictive measures and sanctions".

The reference context is currently characterised by a significant recovery, both in terms of the main macroeconomic indicators and the level of demand for Oil&Gas products; the latter supported by a marked increase in prices on the main markets.

More specifically, various regions in the world recorded a slow return to normality during 2021. The distribution and effectiveness of vaccines, and the fiscal and monetary support provided by certain advanced economies have contributed to a significant economic recovery. Recent estimates forecast growth in world GDP for 2021 (around 5.9%) and for 2022 (around +4.9% compared to the previous year). Economic recovery is however not consistent where the possibilities of accessing vaccines and economic support mechanisms were not available on an equal basis in different areas of the world.

In this context, the energy sector, which had been among the most impacted by the 2020 crisis, began to show signs of recovery in 2021 with the recovery in demand for energy and, in particular, oil and gas. The progressive rebalancing of market fundamentals has resulted in a significant increase in oil and gas prices, which have moved beyond pre-crisis levels. The return to production has gradually evolved in the main geographical areas, with a widespread recovery both in North America and in the Middle East.

The expectations for the Oil&Gas sector in coming years are positive in different regions (for example, Latin America, Africa and the Middle East, areas where Saipem has a historical presence), and across the different reference markets of Saipem, starting from the most reactive to the oil and gas price trend, such as Offshore E&C, Offshore Drilling and Onshore Drilling, diversified between upstream, midstream and downstream activities. A growing focus will be given to traditional, historically more attractive Offshore Construction markets for which Saipem has unique assets in the industry, while in the Offshore Wind market a multi-stage strategy will be pursued, starting from an initial repositioning towards lower risk initiatives in order to

consolidate Saipem's presence apace with the full development of the market in the coming years. A more selective commercial strategy will be pursued instead in the Onshore Construction sector than previously, both in terms of geographies and segments, while an offer will be progressively structured in modular solutions and sustainable infrastructures, through two new dedicated business lines.

An analysis of the market context shows a gradually changing world over the longer term. Global energy demand will continue to grow over the next twenty years, albeit with a different mix from the current one. The commitment by governments in the main countries to progressively reduce climate-altering emissions is expected to support a gradual shift in the use of traditional energy sources, favouring renewables and low-carbon sources. These commitments, which are also supported by the ESG choices of financial investors and pressure from public opinion, have led to the announcement of several emission reduction initiatives by countries and companies in different areas of the planet. The achievement of these objectives is mainly based on the development and use of a range of new technologies in areas such as renewable energy, the decarbonisation of various industrial sectors (e.g. agriculture, steel and cement production, transport), energy efficiency and the circular economy. The use of these innovative solutions in building new energy infrastructures and reducing carbon emissions is expected to create a significant market that is of particular interest to Saipem, which already has the skills and experience in this context, representing a competitive advantage in the new energy transition areas. In particular, Saipem has focused its efforts on certain key areas, such as:

- > technology partnerships, patents and pilot plants on various green plant technologies (e.g. CO<sub>2</sub> capture);
- > innovative robotic solutions (e.g. drones), to offer low carbon footprint monitoring and maintenance services;
- > experience and a track record with plants and technologies that will be of primary importance in hybridisation strategies for energy sources;
- > a solid reputation on the part of the main Oil&Gas operators that are playing a key role today in the implementation of the energy transition.

In the outlined context, the main focus of Saipem's energy transition strategy is divided into four main reference markets:

- > LNG and gas monetisation (e.g. blue ammonia), as transitional energy carriers;
- > carbon dioxide capture and sequestration, with long-term growth expectations and a number of initiatives already at an advanced stage in several countries, such as the UK, the USA and China. The market is also expected to open up in sectors other than Oil&Gas, such as electricity, steel and cement production;
- > hydrogen and new energy carriers, primarily if produced from zero-impact energy sources. This market is also expected to grow strongly over the coming decades;
- > the so-called Bio-X market, which includes several sectors that exploit organic raw materials, such as biofuels and bioplastics;
- > offshore wind power, where significant investments are expected from operators mostly concentrated in Europe and, towards the second half of the plan period, in North America, as well as in China (a less accessible market for foreign contractors).

In order to better seize the opportunities of the energy transition, it is a priority for Saipem to adopt a dual commercial and executive approach: (i) confirm the role of reference partner for Energy Companies in the development of complex projects on green or transition energy carriers (e.g. LNG, gas monetisation, biorefineries, etc.); (ii) develop and market standard and modular solutions with a high digital and technological content in order to respond to distributed energy generation trends, as well as the needs of new players in the energy ecosystem.

Finally, particular attention has also focused on the infrastructure market, in particular those with a high technological and sustainable content associated with the Italian Recovery and Resilience Plan (PNRR). Saipem has consolidated experience in the sector on several significant projects both in Italy and abroad, and all the credentials in place to take up interesting business opportunities over the coming years.

## Sustainable activities according to the EU Taxonomy

The EU Taxonomy for sustainable activities is a classification system established by the European Union to identify which activities and investments are environmentally sustainable.

The EU Taxonomy Regulation came into force in July 2020 and is at the heart of the European Sustainable Finance Action Plan involving all financial market participants, and is aimed at preventing greenwashing and supporting investors to make greener choices in order to redirect capital flows (both public and private) towards sustainable economic activities, contributing to the European Green Deal.

Taxonomy defines an economic activity as sustainable if: it contributes significantly to reaching one or more of the six environmental targets (SC - Substantial Contribution); does not cause a significant damage to any of the environmental objectives (Do No Significant Harm - DNSH); it is carried out in compliance with the minimum protection guarantees.

With reference to the Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021<sup>5</sup>, Saipem has identified a series of eligible economic activities, as part of the portfolio of activities carried out by Saipem (current and potential).

During 2021, Saipem carried out a series of projects that can be classified as eligible economic activities for the European taxonomy, as they substantially contribute to the mitigation of climate change.

For the main projects, the alignment analysis with the technical screening criteria was also carried out to determine those that contribute substantially to the mitigation of climate change and do not cause significant damage to any other environmental objective.

### EU Taxonomy reporting

The herein included reporting on Taxonomy is prepared in line with the EU Regulation 2020/852 and the related applicable delegated acts. The tables below include all the information required by Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021 for Saipem's activities currently aligned with or eligible for the Taxonomy.

As set forth by the Regulation, the alignment analysis to the technical scrutiny criteria is conducted exclusively for environmentally sustainable activities.

Aside from the activities specified in the tables, in order to provide corporate stakeholders with complete information aligned to the Company's business model, by virtue of the Complementary Climate delegated act presented by the European Commission on February 2, 2022, it should be noted that the share of revenues associated with E&C projects in the gas sector and potentially eligible according to the Taxonomy is 56%.

**TABLE 1. PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2021 (\*)**

Economic activities	Code	Absolute turnover (k €)	Proportion of turnover (%)	SC		DNSH								Category (enabling activity) E
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>														
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>														
Electricity generation from wind power	4.3	379,265	5.52	5.52	0.00	Y	Y	Y	Y	Y	Y	Y	Y	-
Infrastructure for rail transport	6.14	200,384	2.91	2.91	0.00	Y	Y	Y	Y	Y	Y	Y	Y	E
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>579,649</b>	<b>8.43</b>	<b>8.43</b>	<b>0.00</b>									
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>														
Manufacture of anhydrous ammonia	3.15	43,362	0.63											
Electricity generation using solar photovoltaic technology	4.1	5,336	0.08											
Manufacture of other low carbon technologies	3.6	4,455	0.06											
Construction, extension and operation of water collection, treatment and supply systems	5.1	1,892	0.03											
Manufacture of hydrogen	3.10	751	0.01											
Others (**)		1,243	0.02											
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>57,039</b>	<b>0.83</b>											
<b>Total (A.1+A.2)</b>		<b>636,689</b>	<b>9.26</b>											
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>														
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>6,237,984</b>	<b>90.74</b>											
<b>Total (A+B)</b>		<b>6,874,672</b>	<b>100</b>											

(\*) The other columns provided by the Regulation were not included because they are not applicable.

(\*\*) Other eligible activities include: 5.11. Transport of CO<sub>2</sub>; 4.13. Manufacture of biogas and biofuels for use in transport and of biofuels; 3.2. Manufacture of equipment for the production and use of hydrogen; 4.4. Electricity generation from ocean energy technologies; 5.12. Underground permanent geological storage of CO<sub>2</sub>; 4.2. Electricity generation using concentrated solar power (CSP) technology; 3.3. Manufacture of low carbon technologies for transport.

(5) Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by laying down the screening criteria for determining under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or adaptation and if it does not significantly harm any other environmental objective.

**TABLE 2. PROPORTION OF CAPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2021 <sup>(\*)</sup>**

Economic activities	Code	Absolute CapEx (k €)	Proportion of CapEx (%)	SC		DNSH						
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>												
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>												
Electricity generation from wind power	4.3	14,404	3.58	3.58	0.00	Y	Y	Y	Y	Y	Y	Y
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>14,404</b>	<b>3.58</b>	<b>3.58</b>	<b>0.00</b>							
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>												
Close to market research, development and innovation	9.1	5,093	1.27									
Installation, maintenance and repair of energy efficiency equipment	7.3	76	0.02									
<b>CapEx of Taxonomy-eligible but not Environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>5,169</b>	<b>1.29</b>									
<b>Total (A.1+A.2)</b>		<b>19,573</b>	<b>4.87</b>									
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>												
<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>382,390</b>	<b>95.13</b>									
<b>Total (A+B)</b>		<b>401,963</b>	<b>100</b>									

(\*) The other columns provided by the Regulation were not included because they are not applicable.

**TABLE 3. PROPORTION OF OPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2021 <sup>(\*)</sup>**

Economic activities	Code	Absolute OpEx (k €)	Proportion of OpEx (%)	SC		DNSH							Category (enabling activity)
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Environmental Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>													
<b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>													
Electricity generation from wind power	4.3	86,684	12.44	12.44	0.00	Y	Y	Y	Y	Y	Y	Y	-
Infrastructure for rail transport	6.14	7,135	1.02	1.02	0.00	Y	Y	Y	Y	Y	Y	Y	E
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>93,819</b>	<b>13.46</b>	<b>13.46</b>	<b>0.00</b>								
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>													
Close to market research, development and innovation	9.1	5,226	0.75										
Electricity generation from ocean energy technologies	4.4	1,474	0.21										
Manufacture of biogas and biofuels for use in transport and of bioliquids	4.13	507	0.07										
Transmission and distribution networks for renewable and low-carbon gases	4.14	401	0.06										
Manufacture of hydrogen	3.10	310	0.04										
Manufacture of anhydrous ammonia	3.15	295	0.04										
Research, development and innovation for direct air capture of CO <sub>2</sub>	9.2	244	0.03										
Construction, extension and operation of water collection, treatment and supply system	5.1	234	0.03										
Electricity generation using concentrated solar power (CSP) technology	4.2	139	0.02										
Electricity generation using solar photovoltaic technology	4.1	138	0.02										
Others (**)		141	0.02										
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>		<b>9,109</b>	<b>1.31</b>										
<b>Total (A.1+A.2)</b>		<b>102,928</b>	<b>14.77</b>										
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>													
<b>OpEx of Taxonomy-non-eligible activities (B)</b>		<b>593,894</b>	<b>85.23</b>										
<b>Total (A+B)</b>		<b>696,823</b>	<b>100</b>										

(\*) The other columns provided by the Regulation were not included because they are not applicable.

(\*\*) Other eligible activities include: 3.6. Manufacture of other low carbon technologies; 5.1.1. Transport of CO<sub>2</sub>; 3.2. Manufacture of equipment for the production and use of hydrogen.

### Accounting policy

The turnover KPIs were determined as follows:

- > **denominator:** the core business revenue (reference to income statement) and
- > **numerator:** the revenues of the eligible and aligned projects.

The CapEx KPIs were determined as follows:

- > **denominator:** the additions to ROU, tangible and intangible assets during 2021 (reference to Note 14 "Property, plant and equipment", Note 15 "Intangible assets" and Note 16 "Right-of-Use assets, lease assets and lease liabilities") and
- > **numerator:** the part of the mentioned additions referred to:
  - Taxonomy eligible or aligned projects or
  - Taxonomy-related Technology Innovation CapEx initiatives or
  - Net-Zero plan.

The OpEx KPIs were determined as follows:

- > **denominator:** the relevant direct non-capitalised costs that relate to research and development, short-term lease, maintenance and repair of assets and
- > **numerator:** the part of the above-mentioned costs referred to:
  - Taxonomy eligible or aligned projects or
  - Taxonomy-related R&D initiatives or
  - Net-Zero plan.

The Taxonomy-related KPIs were calculated on related project or job basis for each Taxonomy applicable economic activity.

For the calculation of Taxonomy-related OpEx KPIs the main and most relevant cost categories were considered such as: research and development, short-term lease, maintenance and repair of assets. The short-term lease costs include also the components related to "Variable payments" and "Low value" which pertain to the same cost nature.

The maintenance and repair costs of assets were quantified using the specific approach for each Saipem Division in order to allow these costs identification in the most coherent and effective way considering the peculiarity of each performed activity.

### Assessment of compliance with Regulation (EU) 2020/852

All the above reported KPIs related to the Taxonomy-eligible and Taxonomy-aligned economic activities are referred to the delegated act adopted pursuant to Article 10 (3) and concerning the significant contribution to climate change mitigation.

Here below the list of main Saipem Taxonomy-eligible and Taxonomy-aligned economic activities with some further details on the identified projects and their alignment analysis result.

Taxonomy activity	Saipem projects	Alignment to technical criteria
Electricity generation from wind power	Offshore wind farms projects	Yes
Infrastructure for rail transport	Rail infrastructure construction projects	Yes
Electricity generation using solar photovoltaic technology	Photovoltaic projects	On-going analysis
Manufacture of other low carbon technologies	Carbon capture and other low carbon technologies projects	On-going analysis
Construction, extension and operation of water collection, treatment and supply systems	Water pipeline construction projects	On-going analysis
Transport of CO <sub>2</sub>	CO <sub>2</sub> transport/pipeline projects	On-going analysis
Close to market research, development and innovation	R&D projects	On-going analysis
Manufacture of biogas and biofuels for use in transport and of bioliquids	Biogas plant/bioenergy projects	On-going analysis

In order to apply the Taxonomy Regulation 2020/852 and calculate Taxonomy-related KPIs the following three-step analysis process was performed:

- 1) the complete screening of all company projects and activities to identify those eligible;
- 2) for main eligible activities the verification of the technical criteria in order to identify the aligned activities through the analysis of projects' documents and performance data;
- 3) with regards to social safeguards, detailed analysis has been carried out through a self-assessment.

Any double counting was avoided through the application of the careful analysis and definition of the overall process at company level to identify and map all Taxonomy-related activities. Each value is associated with only one Taxonomy-related economic activity and referred to a single cost/revenue object clearly identified in the accounting system and considered only once in the analysis.

### Contextual information

The numerator of the turnover KPI includes exclusively the revenues from the contracts with customers.

Breakdown of CapEx KPI numerator by accounting category.

Accounting category	Percentage share
Additions to property, plant and equipment	96%
Additions to intangible assets, including:	4%
- related to business combinations	4%
Additions to capitalised right-of-use assets	0%

Breakdown of CapEx KPI numerator according to classification provided in Regulation delegated act of July 6, 2021.

Type	Percentage share
Related to assets or processes that are associated with Taxonomy-eligible or aligned economic activities	74%
Part of a plan to expand Taxonomy-aligned economic activities (CapEx plan)	26%
Related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (Net-Zero Plan)	0.37%

Saipem Taxonomy-related CapEx plan is a part of the technology plan which aims to expand the Taxonomy-aligned economic activities. The plan, a portion of the overall Company's Strategic Plan, is approved by Saipem's Board of Directors.

The plan envisages R&D activities aimed at climate change mitigation, related to the following economic activities:

- > electricity generation from wind power;
- > close to market research, development and innovation.

The concerned economic activities are expected to be expanded within five years.

The total Taxonomy-related CapEx during 2021 is about €5.1 million while the value for the entire period of the plan (2021-2024) is €29.8 million.

Breakdown of OpEx KPI numerator.

Main expenses	Percentage share
Short-term lease	56%
Maintenance and repair of assets	28%
R&D (part of Technology Plan)	9%

## Sustainable development partnerships

In 2021, several partnership agreements were drawn up as part of the sustainable development of the Company's business, especially in the field of energy decarbonisation. The most relevant ones are detailed below:

- > With regard to the development of the "Saipem CO<sub>2</sub> Solutions" proprietary technology, key aspects of the project are the development of a more robust enzyme family and a strengthening of the supply chain. In this context, Saipem and Novozymes, a world leader in industrial biotechnology solutions, have signed a collaboration agreement for the development of innovative solutions for the process of CO<sub>2</sub> capture with enzymatic technology with the aim of making it highly competitive in the market in the short term and compared to traditional processes.
- > A further significant action towards achieving Europe's CO<sub>2</sub> emission reduction targets is the launch (in May) of the "ACCSESS" innovation project, funded by "Horizon 2020" and involving 18 partners. One of the objectives is to validate the "Saipem CO<sub>2</sub> Solutions" technology for capturing CO<sub>2</sub> from gaseous effluents of industries with complex carbon footprints, such as paper, cement and waste treatment, using a small-scale (2 t/day), modular and transportable solution.
- > As part of the process of decarbonising the so-called "hard-to-abate" industries, the foundations have been laid for the sustainable conversion of energy-intensive plants in the primary industry in the metallurgical sector, through the agreement with Danieli and Leonardo signed in February 2021, aimed at cooperatively providing integrated technologies and services to reduce CO<sub>2</sub> emissions from the steel production process, creating a new sustainable model that meets the new legal requirements on environmental protection.
- > The development of the digital twin of the "Snamprogetti Urea™" fertilizer production technology, born from the collaboration with Honeywell, a key partner in the provision of digitalisation services, will expand Saipem's traditional offering by integrating remote assistance services during plant operation, also with the aim of reducing the carbon footprint and maximising revenue. The solution will be developed on the Honeywell Forge platform and Saipem will bring it to market to end customers.
- > The acquisition of Naval Energies' assets and expertise in the field of semi-submersible marine wind technologies strengthens Saipem's strategic positioning as an operator in the promising floating marine wind sector; 32 patent families, corresponding to approximately 70 patent titles, were obtained through this transaction.
- > Saipem is also participating, together with a number of other partners, in the "FLOATECH" programme, recently funded by the European Union as part of "Horizon 2020", to increase the cost competitiveness of marine wind energy by developing aero-hydrodynamic modelling coupled with active control technologies.
- > Together with the National Research Council (CNR), a 1/6 scale version of the HexaFloat™ proprietary floating solar prototype was installed in the waters in front of the CNR and University of Campania "Luigi Vanvitelli" research station in the Gulf of Naples; the test demonstrated the validity of the technology and its excellent stability in real marine conditions.
- > Saipem has signed an agreement with Alboran Hydrogen, Edison and Snam for the promotion and construction of new plants (Hydrogen Valley) in the Mediterranean basin for the production of green hydrogen, specifically in Apulia. The aim is to accelerate the distribution of hydrogen as part of the national energy mix and the achievement of European and Italian carbon neutrality targets by 2050.
- > Saipem has also signed an agreement with Versalis for joint promotion of PROESA® technology used for the sustainable production of bioethanol and chemical derivatives from lignocellulosic biomass. The PROESA® process does not use food crops, but produces bioethanol through a process of hydrolysis and fermentation of abundantly available agricultural biomass, such as agricultural waste, mowing and pruning, and specific crops for energy production.



- > The Hydrone underwater intervention drone will benefit from additional advanced functionalities that, combined with wireless underwater connectivity capabilities, will improve detailed and continuous inspection capabilities and enable efficient data collection; to this end, a collaboration with WSense has started for the implementation of IoT ("Internet of Things") technologies on the underwater drone.
- > Saipem is also participating in the "AIPlan4EU" project, funded by the "Horizon 2020" European programme, for the joint development of artificial intelligence protocols and applications for the automatic planning of autonomous drone missions, which will also be used for the Hydrone underwater drone.
- > Finally, and still in this field, the development of the SDO-SuRS (Special & Diving Operations - Submarine Rescue Ship) system for rescuing underwater operators has continued; together with Drass, leader in technologies for operators in hyperbaric and submarine environments, it was selected by the Italian Navy for the equipment of the new SDO-SuRS vessel, used for rescuing underwater operators.



## Company management and organisation model

In 2021, the continuing pandemic and the dynamics of demand and competition have transformed the context in which Saipem operates. In response to these changes, the Company has undertaken to pursue an increasingly lean, flexible and efficient organisational/operational model with the aim of developing a differentiated and innovative business offer in the traditional energy, sustainable infrastructure and energy transition sectors, also operating as a technological enabler of low-carbon strategies.

In this context, in July 2021, the "Saipem Project" was launched, whose objective is the transformation of the Company's operating model with a focus on efficiency for a rapid and sustainable recovery of competitiveness in the complex market context. The project is divided into two parts:

- > "Competitiveness", aimed at identifying and implementing simplification and efficiency initiatives to rapidly and sustainably strengthen Saipem's competitiveness. The programme involved all corporate functions and is being looked after by a dedicated steering committee chaired by the CEO. The programme has identified some 270 initiatives that reduce both structural and project costs. This enabled opportunities for improvement to be identified that can be classified according to the following four areas:
  - increase in production flexibility;
  - optimisation of overhead costs;
  - reordering of geographic presence;
  - process simplification and digitalisation;
- > "New Operative and Control Model", aimed at developing and implementing a new operational and control model that is innovative, flexible and consistent with the Company's Industrial Plan, which, as of January 14, 2022, led to the introduction of a corporate configuration that provides for:
  - organisational and geographical centralisation of staff structures, aimed at achieving higher levels of efficiency;
  - introduction of a central sales function to lead the evolution of order intake and client dialogue from a "One Saipem" perspective, while ensuring optimised management of regional and local structures on a global scale;
  - integration of the project control and risk management processes within the scope of the Chief Financial Officer, improving the risk management analysis processes over the entire life cycle of projects;
  - identification of four distinct business lines (Asset Based Services, Energy Carriers, Robotics and Industrialised Solutions and Sustainable Infrastructures), each with different dynamics, objectives and competencies for the technical and economic development of offers and the management of projects acquired in the assigned business sector.

At the same time, in compliance with Saipem's compliance requirements and governance principles, and in line with the company's current organisational set-up, a number of organisational interventions were carried out to manage transition to and/or to enable the evolution of the organisational model:

- > development of the "Net-Zero Emission" Programme in order to define innovative solutions aimed at increasing energy efficiency and achieving zero greenhouse gas emissions for Saipem's work processes, services and assets;
- > establishment of the Management Department dedicated to carrying out strategically important projects in the infrastructure sector for energy transition and sustainable development, seizing the opportunities arising from public investments envisaged by the National Recovery and Resilience Plan (PNRR) and promoting the role that Saipem can play at the service of the country;
- > reorganisation of the activities of the Sustainability, Identity and Corporate Communication function, with a view to increasing the focus of Sustainability on governance aspects and disclosure activities on Sustainability performance, as well as optimising Saipem's institutional relations;
- > establishment of a dedicated diversity and inclusion office to raise awareness and promote management strategies and policies aimed at enhancing diversity and inclusion in the workplace;
- > development, within the five Divisions, of measures to optimise and align organisational structures aimed at the continuous search for effectiveness, efficiency and operational flexibility, both in Italy and abroad.

## Supply chain management

In executing its operational projects, and in the normal course of its activities, the Saipem Group relies on numerous vendors of works, goods and services. Saipem is committed to maintaining and improving relations with the companies that work with and for Saipem to make them lasting, mutually profitable and reliable for both parties.

The Saipem supply chain has over 23,500 level 1 vendors, distributed in all the geographical areas in which the Company operates, with a prevalence (32%) of vendors from the European area. The product categories of works, goods and services required to perform Saipem's activities, classified to define uniform vendor-product combinations, total 1,700, of which almost 1,000 are classified as critical categories, i.e. deemed essential for the development of the Company's core business. In 2021, those most represented in terms of the amount purchased relate to mechanical equipment (centrifugal process compressors), pipeline pipes, civil works and personnel-related services.

The complexity and heterogeneity of the Company's supply chain lead to the need for a system guaranteeing an alignment between the Saipem standards and those adopted by its vendors, to prevent and mitigate risks and ensure an appropriate supply chain that can cope with the needs of current operational projects and potential acquisitions and developments in market conditions.

Saipem demands that its vendors apply the highest standards in relation to health and safety, combating bribery and corruption, respect for human rights and environmental protection. More details on the management of the supply chain in terms of the sustainability of their operations, with particular attention to the respect for human rights and HSE issues, are available in the "A sustainable supply chain" section of this document.

The procurement process, aiming to satisfy the needs expressed by the Group's different units, aims to maximise the overall value for Saipem, guaranteeing the availability and quality of the vendors, the correct management of contracts, logistic flows and post-order activities. The process is divided into five sub-processes which include, in order: the definition of the market approach strategy to be applied to the various supplies and the definition of project and non-project procurement plans using efficient and effective purchasing solutions; contract/purchase order processing and issue activities, including relations with vendors, and finally post-order activities and contract management. The supply chain flow described above is further divided into the sub-process relating to Vendor Management, which ensures the availability of a fleet of vendors that is quantitatively and qualitatively appropriate to the goods, works and services required to meet the Group's needs, according to the required economic, financial, ethical, professional, technical and HSE standards; finally, the sub-process relating to Reporting, control and management of documentation, which, through the management of documentation, guarantees the traceability of all phases of the Supply Chain process, making available information, key performance indicators and possible actions for improvement in relation to all supply chain activities.

### The supply chain process



According to the principle of open competition, Saipem guarantees equal commercial opportunities for all companies which may potentially provide works, goods and services for its business, selecting its vendors and subcontractors from all over the world. Vendors are assessed in terms of technical and financial reliability and organisational capacity, including conformity with the principles expressed in the Saipem Sustainability Policy and Code of Ethics, as well as the requirements laid down in the specific HSE policies and standards.

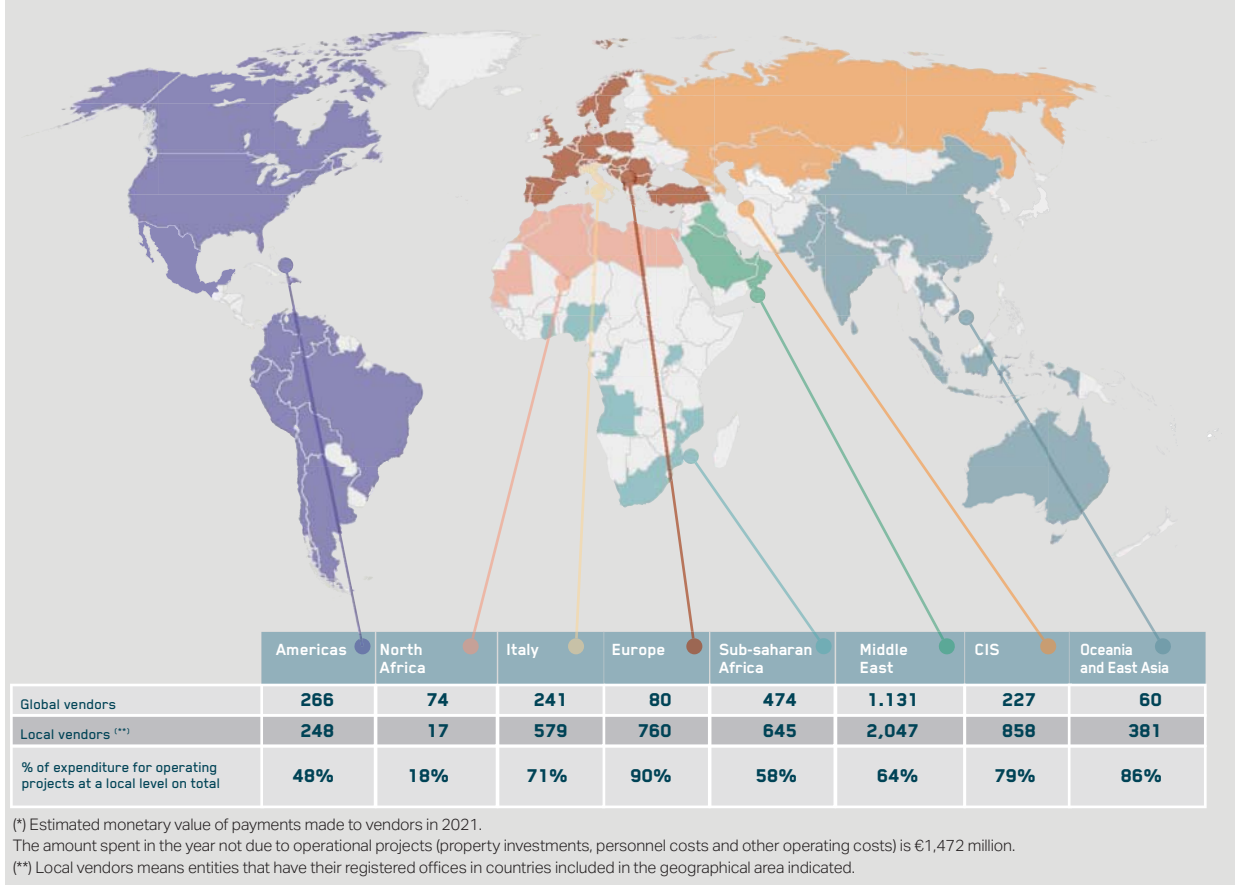
The requirements are checked during the vendor qualification phase using a questionnaire, and where required also through more specific assessments and visits to production sites in the case of critical supplies. Additional checks on technical aspects and the vendor's ethical integrity are also carried out prior to the signature of actual purchase contracts.

The monitoring and control of vendor performances are fundamental phases of the relational process with vendors, as these offer a reduction in the risks associated with the supply and provide inputs to the vendor aiming to improve their own processes and performance.



EXPENDITURE FOR OPERATING PROJECTS (\*) BY GEOGRAPHICAL AREAS

(€ million)

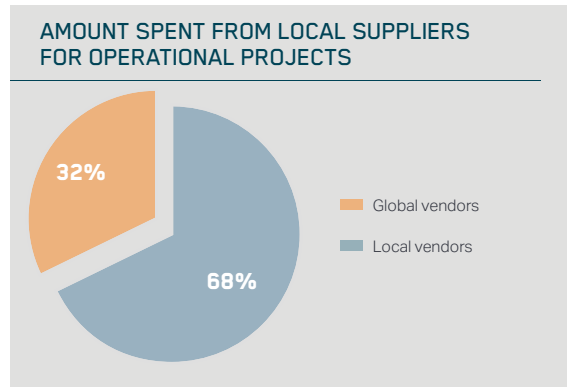


GRI 201-1  
GRI 201-4

How Saipem’s business model creates value

Knowledge of the external context, and active listening to all interlocutors, helps to create long-term sustainable value, combining economic and social growth.

Through the Company’s activities, its relations with stakeholders in all territories, its cooperations and partnerships, Saipem’s business model promotes sustainable development, fully in line with the indications of the United Nations Global Compact, of which Saipem has been an active member since 2016, which underline the importance of the increasing integration of sustainability into strategic corporate choices. More information on the business model of the organisation is available in the “Directors’ Report” of the Annual Report, specifically in the chapters “Offshore Engineering & Construction”, “Onshore Engineering & Construction”, “Offshore Drilling” and “Onshore Drilling”.



GRI 201-1



Economic value generated and distributed

Saipem produces economic value through its activities and redistributes part of that value, contributing to the economic growth of the social and environmental context it operates in.

In 2021, Saipem generated economic value worth €6,426 million, a reduction of 4% compared to the previous year. €8,893 million was distributed to stakeholders in the form of payments and other forms of transfer. The main beneficiaries of this value were the supply chain, to whom €6,839 million (77% of the overall value distributed, compared to 68% in 2020) and employees, to whom €1,651 million were distributed (€1,625 million in the previous year), equal to 19% of the total. A significant share of the value was also distributed to suppliers of capital (€333 million, equal to 4% of the value distributed, compared to €691 million in 2020).

The share destined to the public administration – in the form of taxes and charges – was €70 million (1% of the distributed value).

## Economic value generated and distributed

(€ million)	2019	2020	2021
<b>Economic value generated</b>			
Core business revenue	9,099	7,342	6,875
Revenue and other income	19	66	5
Financial income	515	465	305
Financial instruments	(82)	60	(112)
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(62)	(7)	(42)
Other operating income (expense)	-	(1)	2
Gains (losses) on equity investments	(18)	37	9
(Gross) economic value generated	9,471	7,962	7,042
Depreciation, amortisation and impairment losses	(690)	(1,273)	(616)
Economic value generated (net of depreciation, amortisation and impairment losses)	8,781	6,689	6,426
<b>Economic value distributed and retained</b>			
Economic value distributed	8,683	7,806	8,893
- of which Operating expenses (purchases, services and other costs)	6,239	5,347	6,839
- of which Wages and employee benefits (personnel expenses)	1,670	1,625	1,651
- of which to the community (*)	1	1.6	0.4
- of which Capital providers (interest on loans)	643	691	333
- of which to the Public Administration (taxes)	130	143	70
Economic value retained in the group	97	(1,117)	(2,467)

(\*) These are understood to be the local communities in the countries the Group operates in, for socio-economic development projects, environmental protection, as well as cultural, humanitarian, scientific and sporting initiatives.

## Tax transparency

GRI 207-1  
GRI 207-2  
GRI 207-3  
GRI 207-4

The disclosures and data in this paragraph have been calculated based on the Country-by-Country reporting the parent company Saipem SpA presented to the Italian Revenue Agency for the 2020 tax year, as set forth in the Decree of February 23, 2017 of the Ministry of Finance on reporting obligations relating to the automatic obligatory exchange of information in the fiscal sector.

The Tax Policy of the Saipem Group defines the guidelines and key principles the company's operations must be inspired by in the management of taxes – something the Company pays the utmost attention to – in order to guarantee the correct and prompt payment of taxes in accordance with the law, the performance of tax obligations and the limitation of tax risks.

	Revenues			Profits (Losses) before income taxes	Income taxes paid (based on cash accounting)	Accrued income tax - current year	Number of employees (units)
	Non-Related Parties	Related Parties	Total				
(€ million)							
<b>Gap between tax rates</b>							
<b>Americas</b>							
range 20%<x<25% total <sup>(1)</sup>	118.0	45.8	163.8	10.6	13.5	5.0	765
range x>25% total <sup>(2)</sup>	135.9	48.7	184.7	(118.0)	1.0	1.2	1,475
<b>Total Americas</b>	<b>253.9</b>	<b>94.5</b>	<b>348.5</b>	<b>(107.4)</b>	<b>14.5</b>	<b>6.2</b>	<b>2,240</b>
<sup>(1)</sup> Includes: USA, Bolivia, Ecuador, Guyana.							
<sup>(2)</sup> Includes: Canada, Chile, Peru, Argentina, Mexico, Colombia, Brazil, Venezuela.							
<b>CIS</b>							
range 20%<x<25% total <sup>(1)</sup>	360.3	8.4	368.7	28.9	21.7	29.5	1,583
<b>Total CIS</b>	<b>360.3</b>	<b>8.4</b>	<b>368.7</b>	<b>28.9</b>	<b>21.7</b>	<b>29.5</b>	<b>1,583</b>
<sup>(1)</sup> Includes: Georgia, Kazakhstan, Russia, Azerbaijan. Most of the taxes in this cluster are Azerbaijani income tax.							
<b>Europe</b>							
range x<10% total <sup>(1)</sup>	54.3	124.2	178.4	(755.5)	(3.6)	2.3	550
range 10%<x<15% total <sup>(2)</sup>	107.3	11.5	118.7	25.1	1.2	3.6	249
range 15%<x<20% total <sup>(3)</sup>	427.8	109.4	537.2	(453.1)	1.1	0.1	1,020
range 20%<x<25% total <sup>(4)</sup>	2,460.4	878.3	3,338.7	(165.4)	14.5	38.0	5,516
range x>25% total <sup>(5)</sup>	621.5	250.5	872.0	(64.9)	20.9	6.8	1,712
<b>Total Europe</b>	<b>3,671.3</b>	<b>1,373.7</b>	<b>5,045.0</b>	<b>(1,413.8)</b>	<b>34.1</b>	<b>50.8</b>	<b>9,047</b>
<sup>(1)</sup> Includes: Portugal.							
<sup>(2)</sup> Includes: Bulgaria, Cyprus, Albania, Serbia.							
<sup>(3)</sup> Includes: Romania, Luxembourg, UK, Poland.							
<sup>(4)</sup> Includes: Norway, Switzerland, Italy, Netherlands, Austria.							
<sup>(5)</sup> Includes: France.							
<b>Far East</b>							
range 15%<x<20% total <sup>(1)</sup>	23.8	8.9	32.7	5.5	6.2	1.2	294
range 20%<x<25% total <sup>(2)</sup>	357.1	188.8	545.8	16.3	17.5	17.1	4,734
range x>25% total <sup>(3)</sup>	2.8	15.9	18.7	(8.2)	0.0	0.0	12
<b>Total Far East</b>	<b>383.7</b>	<b>213.6</b>	<b>597.2</b>	<b>13.6</b>	<b>23.7</b>	<b>18.3</b>	<b>5,040</b>
<sup>(1)</sup> Includes: Thailand, Singapore.							
<sup>(2)</sup> Includes: Indonesia, Malaysia, India, China. The majority of the taxes for this cluster come from the Indonesian tax on revenues on construction activities with a fixed tax rate of 3% which, therefore, does not depend on the margin that is achieved.							
<sup>(3)</sup> Includes: Australia.							
<b>Middle East</b>							
range x<10% total <sup>(1)</sup>	38.7	84.7	123.4	(9.9)	0.0	0.0	1,020
range 10%<x<15% total <sup>(2)</sup>	546.7	0.0	546.7	(44.0)	0.5	0.5	1,655
range 20%<x<25% total <sup>(3)</sup>	1,442.7	139.9	1,582.6	41.0	23.6	18.7	6,490
range x>25% total <sup>(4)</sup>	17.0	0.1	17.1	(31.5)	0.1	1.0	128
<b>Total Middle East</b>	<b>2,045.0</b>	<b>224.8</b>	<b>2,269.8</b>	<b>(44.3)</b>	<b>24.3</b>	<b>20.2</b>	<b>9,293</b>
<sup>(1)</sup> Includes: United Arab Emirates.							
<sup>(2)</sup> Includes: Oman, Kuwait, Qatar. The income for this cluster was completely offset by the tax losses in previous years.							
<sup>(3)</sup> Includes: Saudi Arabia.							
<sup>(4)</sup> Includes: Iraq. Irrespectively of the ordinary tax on income, activities in Iraq are taxed on the basis of the presumed profit.							
<b>North Africa</b>							
range 20%<x<25% total <sup>(1)</sup>	166.4	65.1	231.5	33.0	0.4	0.5	563
range x>25% total <sup>(2)</sup>	0.2	0.0	0.2	0.1	0.0	0.0	1
<b>Total North Africa</b>	<b>166.6</b>	<b>65.1</b>	<b>231.8</b>	<b>33.1</b>	<b>0.4</b>	<b>0.5</b>	<b>564</b>
<sup>(1)</sup> Includes: Egypt, Tunisia, Libya, Algeria. The income of this cluster has been partially exempted.							
<sup>(2)</sup> Includes: Morocco. The drilling activities in Morocco are taxed on the basis of a presumed profit.							
<b>Sub-Saharan Africa</b>							
range x>25% total <sup>(1)</sup>	495.1	29.7	524.8	(2.2)	44.2	4.9	4,530
<b>Total Sub-Saharan Africa</b>	<b>495.1</b>	<b>29.7</b>	<b>524.8</b>	<b>(2.2)</b>	<b>44.2</b>	<b>4.9</b>	<b>4,530</b>
<sup>(1)</sup> Includes: Senegal, Congo, Nigeria, Mozambique, Angola, Ghana. The taxes for this cluster are mainly withholding taxes (Angola, Ghana) applied on revenues and are therefore independent to the actual margin achieved from the activities.							
<b>Total all areas</b>	<b>7,376.0</b>	<b>2,009.8</b>	<b>9,385.9</b>	<b>(1,492.0)</b>	<b>162.8</b>	<b>130.5</b>	<b>32,297</b>

In compliance with the Code of Ethics and Group Sustainability Policy, the Group has defined a Tax Policy, which has been published on its institutional website since 2017, that is based on principles of honesty and integrity, compliance with national and international tax regulations, transparency in relations with the tax authority and the creation of sustainable value over time.

To guarantee the implementation of these principles, the Group:

- is committed to promptly applying the fiscal regulations of the countries in which it operates, and ensures compliance with the spirit and purpose that rules or systems set forth for specific tax issues;

- does not use, at either a domestic or cross-border level, artificial schemes or structures to obtain fiscal convenience and, unless justified by operating requirements, it does not establish or localise residence of its subsidiaries in States which do not adopt international standards with regards the exchange of information on fiscal matters;
- is committed to guaranteeing a consistency between the place in which value is produced and the place of taxation, by not transferring the value it creates towards low-tax jurisdictions;
- does not make investments in tax havens for the purpose of reducing its tax burden, as it only does so for business initiatives;
- for tax purposes, it manages intragroup relations in accordance with the "arm's length principle" as defined by the OCSE, with the aim of aligning as correctly as possible the transfer conditions and prices with the places in which the value is created by the Group.

In line with the principles and guidelines contained in the Group's Tax Policy, the Tax Risk Management and Control System, called Tax Control Framework (TCF), has been included within the broader Internal Control and Risk Management System of the company, in order to ensure a fair and continuous management of taxation.

This system envisages a governance model aimed at ensuring that the tax function is involved in the preliminary assessment of the tax impacts of strategic and operational business transactions, both planned and to be implemented, and that Top Management is informed about the tax consequences of these transactions, ensuring that every decision taken is consistent with the Group's Tax Policy.

In this regard, in the course of 2021, the activities for the implementation and adoption of the TCF by Saipem SpA were concluded, and the extension of the model to the most important Group companies is expected in the short term.

The implementation of the Tax Control Framework took place through a consistent structured process:

- in a clear allocation of roles and responsibilities to the different sectors of the organisation with regard to tax risks, according to criteria of segregation of duties and decision escalation;
- by adopting effective procedures for the recognition, measurement and management of tax risks;
- by adopting effective monitoring procedures to identify any deficiencies or errors in the functioning of the model;
- by preparing a regular annual report on the results of the monitoring activities carried out and on measures to remedy any shortcomings.

In this context, the tax function was strengthened through the appointment of a Tax Risk Manager, dedicated to carrying out monitoring activities of the operations and proper functioning of the Tax Control Framework. Finally, Saipem SpA reserves the right to adopt an enhanced cooperation system with the revenue agency when it is able to satisfy the conditions set forth by the applicable regulations.

## RELATIONS WITH STAKEHOLDERS

GRI 102-43  
GRI 102-44



The Company strives to continuously involve all bearers of legitimate interests in Saipem's activities as a fundamental aspect of its sustainable business. Pursuing a constant dialogue and sharing objectives with all stakeholders are the means through which it is possible for the Company to create shared value. The approach developed by Saipem over time aims to ensure open and transparent relations between all parties involve and, promote positive and mutually advantageous interactions in relations with all of its stakeholders, including local ones, in the territories in which Saipem operates.

The principles and responsibilities at the basis of Saipem's stakeholder engagement process are defined in the "Stakeholder Engagement" Management System Guideline, a corporate governance tool applied to the entire Group, designed to uniquely define the Saipem Sustainability Model and the relations with the stakeholders in line with the cornerstones of the Group's Sustainability Policy, available on the company intranet.

This year the claims emerging from the stakeholder engagement process related to material topics. They were found to be: climate change adaptation and mitigation strategies; energy consumption and energy efficiency; leadership and safety culture; fighting corruption; supply chain management with respect to safety; human and labour rights; digital transformation and IT security; attraction of employees; talent management and retention of talented workers; diversity and inclusiveness; partnerships, stakeholder engagement and satisfaction; renewable energy; use of alternative fuels; and control and reduction of GHG and non-GHG atmospheric emissions.

In order to meet stakeholder expectations on these issues, in terms of transparency and the definition of concrete commitments, Saipem provides detailed information in this document and in the reference documents of sustainability reporting, as detailed in the section "2021 Disclosure for our stakeholders" of the 2021 Sustainability Report.

### Relations with the financial community

Non-financial information is increasingly analysed by investors and the financial market, who look more analytically at the ability of a company to develop sustainable business strategies and plans over time, with measurable objectives and concrete actions that demonstrate the company's ability to manage risks and exploit the opportunities of changing markets and scenarios.

Saipem also makes available non-financial performance data and information to its investors and financial analysts to respond to this growing interest. Furthermore, Saipem fosters continuous dialogue with financial interlocutors, also through periodic road shows and specific meetings, always guaranteeing transparency and fair access to information.

During 2021, 10 events were carried out with the financial community, including 6 roadshows, 2 international investor conferences and there were about 190 contacts with analysts and portfolio managers, as well as an analyst day in the month of March and a capital markets day in the month of October. This year, Saipem interacted on sustainability topics with 20 financial stakeholders interested specifically in ESG (Environment, Social, Governance) topics. Saipem is included in the Dow Jones Sustainability Index World and Europe as a best performer in its "Energy Equipment & Services" sector.

### Financial stakeholders

#### OUR COMMITMENT

Continuous dialogue with the financial community.

Commitment to ensuring full transparency and fair access to confidential information.

Periodic publication of information through press releases and presentations.

Periodic meetings with institutional investors and financial analysts.

Individual shareholders can liaise directly with the Company Secretariat.

Commitment to developing and maintaining long-term relations with insurers and banks. The risk transfer process identifies the insurance capacities for appropriately covering our risk profile and exposures.

Communication of security and loss prevention initiatives and their results in order to ensure competitive terms and conditions.

#### ACTIONS TAKEN

- > Organisation of 6 road show days and participation in 2 international investor conferences.
- > Engagement activities with 20 financial stakeholders on ESG topics.
- > Over 900 people took part in four conference calls and webcasts on the quarterly financial results.
- > 32 financial stakeholders involved in the Saipem materiality analysis.



## Relations with clients

Clients are one of Saipem's fundamental stakeholders, and guaranteeing their satisfaction is important both in terms of the profitability of projects and the effectiveness, efficiency and sustainability of the processes adopted for their implementation. Customer satisfaction monitoring and analysis systems are implemented in each division, to improve Saipem's operational management and performance in meeting the needs of clients and maintaining closer relations with them.

Direct assessment is regularly performed with the involvement of clients, through specific meetings and/or gathering information through satisfaction questionnaires. Furthermore, indirect assessment is performed without the explicit involvement of clients, through regular monitoring and the analysis of specific satisfaction indicators. All the results obtained through the customer satisfaction system are regularly reviewed by the Company Management to identify the critical areas and any preventive or improvement measures. In 2021, 62 operational projects were involved in direct assessment, with a 81% response rate. Satisfaction with Saipem's operations was expressed by 98% of respondents (i.e. gave an overall score of 7 or higher on a scale of 0 to 10; in 2020, the score was 97%), while 72% of respondents (compared to 58% in 2020) said they were totally satisfied with the company's activities (i.e. gave an overall score of 9 or higher on a scale of 0 to 10).

During 2021, the Customer Relationship Management system, which centralises workflows, data and insights on business initiatives, clients and markets in a collaborative digital platform, and which employs more than 400 colleagues, was further developed to enable synergies between the Divisions and Corporate functions involved in meeting clients' expectations. Specifically, the management functions of the client accreditation process and the recognition of the project opportunities subject to the Taxonomy according to the European regulations have been implemented.

In addition, qualitative telephone interviews were conducted by an independent company, a world leader in the field of reputation management, to assess the company's reputation profile as perceived by 22 decision-makers in clients' organisations, with the results returned in anonymous and aggregated form to ensure the confidentiality of the interviewees' assessment. The exercise will be repeated in 2022.

### Clients

#### OUR COMMITMENT

Constant reporting and frequent meetings on operational projects.

Inclusion of aspects relating to business sustainability in meetings organised with clients and potential clients.

Discussions with clients to understand their requirements and expectations from the perspective of solution providers and with a focus on energy transition, including through defining partnerships and collaborations.

Involvement in HSE initiatives, including the environmental awareness campaigns and LiHS (Leadership in Health and Safety) programmes.

#### ACTIONS TAKEN

- > Involvement of clients through a customer satisfaction monitoring system (62 evaluations of clients involved through customer satisfaction questionnaires).
- > In order to improve interactions and information sharing, the CRM tool was further developed with the implementation of new functionalities.
- > Partnerships and agreements signed with clients for the joint development of technological innovations, including those aimed at new renewable energy markets and the sustainable use of resources.
- > Clients involved in events on HSE topics through the LiHS campaigns.
- > Assessment of Saipem's reputation through interviews of 22 key people among the Company's global clients, carried out by a leading company in the field of reputation management.
- > Assessment of Saipem's reputation among the Italian public informed by 2,000 surveys, carried out by a third party, a leader in the field of reputation management.
- > 19 clients involved in the Saipem materiality analysis.

### Employees

#### OUR COMMITMENT

Commitment to recruiting and retaining talented personnel, fostering their development, motivation and competence.

Commitment to guaranteeing safe and healthy working environments and stable relations with trade unions in order to establish open and cooperative dialogue.

Commitment to guaranteeing equal treatment and inclusion.

#### ACTIONS TAKEN

- > Employee engagement initiatives, including the 15 Deep In Saipem workshops (approximately 5,000 participants), aiming to improve knowledge of operational projects, disseminate the use of best practices and a culture of innovation.
- > Training and retention initiatives of talented workers, such as the internal Saipem Academy (to consolidate transversal technical skills and stimulate knowledge sharing), Digital Academy (a comprehensive training offer to improve both technical skills and the soft skills required for a digital mindset), Reverse Mentoring





(sharing of digital, technical and managerial skills between junior and senior resources, with a focus on diversity).

- > Employees involved in events on HSE issues (LiHS programme, World Environment Day celebration, drug and alcohol prevention programme, cardiovascular disease prevention programme, etc.).
- > Initiation of voluntary work (activities in collaboration with Legambiente for the rehabilitation of a green area near San Donato Milanese, Milan).
- > Launch of People Survey on topics such as D&I, HSE awareness, skills development and professional growth, level of collaboration in teams, etc. Over 13,000 employees participated in the survey.
- > Raising awareness on D&I issues in partnership with the Valore D Association.
- > Key figures within the organisation involved in the "Meet the CEO" programme to become agents of change.
- > Approximately 4,200 employees and senior managers involved in the Saipem materiality analysis.

## Authorities and local governments

### OUR COMMITMENT

Saipem does not need to establish institutional relations to promote its interests. Nevertheless, Saipem encourages dialogue with Institutions, governments, local authorities and with organised associations of civil society in all the countries where it operates. Institutional and official relations with the authorities, as well as cooperation with public bodies to launch initiatives aiming to create local value.

### ACTIONS TAKEN

- > Institutional relations and pro-active cooperation to jointly implement local development programmes.
- > Contribution to consultative processes at the institutional level in 2021.
- > Cooperation with health ministries, hospitals or local medical centres for projects to raise awareness on health issues, conducting vaccination and health campaigns, supporting healthcare facilities.
- > As part of the open innovation activities and initiatives of the Saipem Innovation Factory, two channels of collaboration were opened with the Embassies of Canada and Israel in Italy, scouting for and being introduced to the most promising startups in their respective countries.
- > 8 representatives of local authorities involved in the Saipem materiality analysis.
- > In 2021, Saipem did not provide direct or indirect contributions, in any form, to political parties, movements, political and trade union committees or organisations, their representatives and candidates, with the exception of those provided by specific laws or by the applicable national bargaining agreements.

## Local communities

### OUR COMMITMENT

Contribution to the progress of the local communities, to the social, economic and cultural development and improvement of their living conditions. Every operational company or project adopts a targeted approach considering the role of the Company and the specific context.

Open and transparent dialogue with the communities living in the territories where the company operates.

Active involvement of local communities in the implementation of local development projects.

Proactive support in situations of crisis and emergency.

### ACTIONS TAKEN

- > 28 development initiatives for local communities in 15 countries (Angola, Argentina, Saudi Arabia, Azerbaijan, Bolivia, Brazil, Equatorial Guinea, India, Indonesia, Italy, Kazakhstan, Nigeria, Oman, Peru, Senegal) which reached a total of more than 33,000 beneficiaries. The sum of €400,000 was invested in these initiatives.
- > Provide support with disease control (e.g., support fighting COVID-19 in Bolivia, Peru and Oman, Malaria Control Programme in Nigeria and Indonesia).
- > HSE awareness events involving local communities (in Angola, Argentina, Indonesia, Peru and Senegal).
- > Promoting environmental awareness and the importance of conservation of the environment and pollution reduction (e.g. in Saudi Arabia, Azerbaijan, Indonesia, etc.).
- > Improving the well-being of local communities and promoting their economic development (e.g. in Angola, Indonesia, etc.).
- > Cooperation with local schools and universities in many countries to encourage the development of human capital (e.g. training courses, internships, research projects, lectures at universities, provision of scholarships in Saudi Arabia, Italy, Indonesia, Brazil, India, Nigeria, Kazakhstan, etc.).
- > Partnerships and agreements with research centres and universities for sharing knowledge and the joint development of technological innovations.
- > 6 representatives of local universities, institutions and associations involved in the Saipem materiality analysis.

## Local organisations and NGOs

### OUR COMMITMENT

Regular publication of information, objectives and results through the Saipem institutional channels.

Identification of organisations with proven experience and integrity for short- and medium-term relations



facilitating the implementation of specific value creation and local development projects.

#### ACTIONS TAKEN

- Community initiatives developed through partnerships and cooperation with non-governmental organisations (e.g. FACE and AGEFIPH in France, Legambiente in Italy, Environmental Friends Society in Saudi Arabia).

#### Vendors

##### OUR COMMITMENT

Commitment to developing and maintaining long-term relations with vendors. Through the vendor management process it is possible to assess their technical, financial, organisational and ethical reliability. Pro-active commitment to HSE initiatives, like environmental awareness campaigns or safety programmes.

#### ACTIONS TAKEN

- Subcontractors involved in HSE initiatives (Saudi Arabia and Indonesia, training on human rights issues for security companies in Peru, Safety forum in Thailand and Nigeria).
- Engagement and dialogue initiatives on various issues related to business sustainability and Green Procurement.
- 172 vendors and business partners involved in the Saipem materiality analysis.

#### Future generations

##### OUR COMMITMENT

Investing in education and training through investments in the education system and programmes in the places where the Company operates.

Commitment to offering talented youths opportunities for joining the company and personal and professional growth through empowerment and tutoring initiatives.

Commitment to building a concrete and lasting partnership with schools and universities, encouraging the integration of knowledge with work experience.

Helping young people with career guidance and facilitating the dissemination of enterprise culture.

#### ACTIONS TAKEN

- Events for attracting talented people that foster a meeting between the world of work and the world of education, with a specific focus on STEM (e.g. Sinergia programme and Barcolana Job Fair in Italy).
- Partnerships with many universities in countries where the Company operate (e.g., Archimeds project in Brazil, award of scholarships to attend the University of Trieste in Italy, ERSAL scholarships in Kazakhstan, various activities carried out in collaboration with the Milan Polytechnic in Italy).
- Vocational training courses for young people to help them enter the labour market (e.g. in Brazil, Nigeria, Kazakhstan).
- Improvement of educational facilities to ensure a safe and effective learning environment (e.g. in India, Indonesia and Oman).
- 100 university students involved in the Saipem materiality analysis.

## Relations with institutions and trade associations

Saipem has always been engaged in constructive dialogue with institutions and industry associations in the countries where it has a presence. The activity of interest representation is carried out by the Company with the will to create a climate of effective collaboration in a logic of constructive and beneficial dialogue for all parties involved, often on relevant issues of general interest, direct and/or indirect.

The Company manages its local, national and international stakeholder relations in line with the provisions of its Code of Ethics and its Business Integrity Guidelines and Policies, which require the adoption of behaviour based on correctness, transparency and traceability. These relations are exclusively handled by the relevant Company functions and positions identified, in compliance with approved plans and internal regulatory documents.

Saipem does not make direct or indirect contributions in whatever form to parties, movements, committees, political organisations and unions, to their representatives and/or candidates, unless required by local law.

The Corporate Institutional Relations department is responsible for institutional dialogue, guaranteeing uniform and coherent relational strategies and communication to external parties.

By virtue of the strong international orientation of the Group, which is present in 73 countries, Saipem collaborates and maintains close relations with the Italian diplomatic network, ensuring a constant dialogue with the Ministry of Foreign Affairs and International Cooperation and with the embassies in Italy of the countries where it has a presence.

In host countries, Saipem guarantees dialogue and constant interaction with central and local institutions, as this is deemed fundamental for ensuring relations based on criteria of transparency and correctness, founded on a lasting, shared value creation strategy. In this constructive institutional context, Saipem



supports local initiatives in communities, mainly in projects focusing on education, health and culture. For this purpose, stringent due diligence processes are applied to check the effective beneficiaries of initiatives put in place.

Saipem is convinced that it is essential for its sustainable growth to find an adequate balance between market and local needs, combining its industrial missions and services for the common good by working with the various institutional levels. Indeed, dialogue with institutions and the mutual commitment of all public and private stakeholders operating in the various local areas are the pillars on which the well-being of local communities can be based.

With this in mind, Saipem believes it is important to make its operations and its achievements in industry known to institutions. Among the various initiatives in this vein, in August 2021, Saipem hosted a delegation of local and national institutions at its technology base in Trieste, which included, among others, the Minister of Economic Development and the President of the Autonomous Region of Friuli-Venice Giulia. The purpose of the visit was to illustrate the work of the marine robotics hub that Saipem has created between Trieste and Marghera, taking the opportunity to demonstrate the operation of the latest generation of underwater drones developed by the Company.

Saipem also supported and actively participated in the organisation of the visit by national and local institutions to the site of the Brescia-Verona high-speed/high-capacity track, being built for the client RFI as part of its majority shareholding in the CEPAV Due consortium.

In addition to direct involvement in specific events, during 2021, Saipem collaborated with other national institutional stakeholders, including the Ministry of Ecological Transition and the Ministry of Economic Development, participating in discussions about technical issues and the sector.

With regard to the AGNES project, an integrated marine district for renewable energies off the coast of Ravenna, in collaboration with Qint'X, Saipem maintains constant contact with all the institutions involved and, in particular, with the Municipality of Ravenna, the Emilia-Romagna Region and local authorities. Following the approval of bipartisan parliamentary amendments that recognised its value, as did the Government, which gave a favourable opinion, this project is the recipient of specific funding from the resources of the Fund for Development and Cohesion, as part of the bill converting Decree Law No. 59/2021.

Saipem is a member of numerous trade and employer associations, which – among other roles – represent their members before institutional interlocutors on business aspects. The association activities provide services to the Company, in terms of information and the analysis of developments in the laws and regulations of the referred country or sector, also guaranteeing opportunities for trade promotion and discussion with other companies. Saipem is one of the founders of the Italian Association of Industrial Plants (ANIMP), and has been its President for 4 years, since 2018. Through the ANIMP sections and working groups, it collaborates in the development of methodologies and “best practices” for the plant engineering sector, dedicating its own qualified resources to Project Management training and certification. Through promotion and active participation in working groups for sustainability and the circular economy, free and independent guidelines for ESG assessment of the supply chain were defined. As president of the ANIMP, Saipem represents general contractors in the ANIE General Council. Saipem is also a member of Assorisorse, Confindustria Energy, Confitarma, Confindustria Africa and Mediterranean Association, and contributes to industrial and economic dialogue with international stakeholders through its membership of ISPI and Italy’s association with the ASEAN.

Saipem is also a member of the World Energy Council (WEC) Italy, where it is represented by its Vice-President, and of various associations and networks active on the energy transition issue, such as the Global Carbon Capture & Storage Institute (GCCSI), and the associations CO<sub>2</sub> Value Europe, IHS and Hydrogen Europe and the European public initiative Clean Hydrogen Alliance.

**Cooperation with international organisations and associations on the topic of climate change**

As a key player in the energy sector, Saipem is an active member of specific trade associations in the countries in which it has a well-structured presence, taking part in events and discussions on environmental and climatic issues.

Saipem is a member of EVOLEN (the French association of energy sector companies and professionals), which aims to disseminate technical and scientific knowledge among its members and anticipate changes in the business, fostering cooperation and a long-term vision and supporting innovation and partnerships.

This allows Saipem to be involved in a dynamic network, promoting its own technological excellences and sharing information and experience on different topics, including sustainability, energy efficiency and climate issues.

Recently Saipem became a member of Renewable UK, the main renewable energy trade association in the United Kingdom, specialised in onshore and offshore wind, wave and tidal energy.

Furthermore, Saipem takes part in the Norwegian Solar Energy Cluster, which aims to foster cooperation and support the development of solar energy skills.

Saipem also takes part in the DeRisk-CO project, run in Italy by the Eni Enrico Mattei Foundation (FEEM), a



scientific research and dissemination project aiming to raise awareness of the risks and opportunities associated to climate change, which has the objective of studying instruments to analyse scenarios and promote communication among Italian businesses on this strategic topic. Through its international network, FEEM integrates its research and dissemination activities with those of top academic institutions and think-tanks worldwide. As part of this collaboration, Saipem supported the organisation of a seminar focused on the analysis of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, with particular reference to the identification of risks and opportunities and the scenario analysis of certain climate-related disclosure events, the recommendations of the TCFD and the revision of the European "Non Binding Guidelines on Non-Financial Reporting", as well as on the implementation of Science Based Targets, and the financial quantification of climate-related risks. In this context, in 2020, Saipem gained the status of Supporter of the Task Force on Climate-related Financial Disclosure (TCFD) and has adopted its recommendations.

## Relations with institutions and trade associations

### OUR COMMITMENT

Continuous and transparent dialogue with national, local and international institutions in order to establish an effective collaboration to create shared value also for the benefit of the communities in which the Company operates.

Active participation in national and international associations joined by the Company, convinced of the added value of joint representation of sector interests and of the opportunities that arise from discussions of associations in terms of proposals and solutions for the field of competence, and with regard to sustainability.

### ACTIONS TAKEN

- > In 2021, the Saipem Group was an active member of 113 national and international business and trade associations.
- > In particular, the parent is a member of 44 associations and organisations, including: ANIMP (Italian Association of industrial plants), Assorisorse, BNOW (Business Network for Offshore Wind), Confindustria, Assolombarda, IADC (International Association of Drilling Contractors), IMCA (International Maritime Contractors Association), Renewable UK, UN Global Compact, WEF (World Economic Forum), WEC (World Energy Council), Windeurope.
- > In 2021, Saipem involved ten representatives of business associations as relevant stakeholders in its materiality analysis.
- > Total membership fees spent in 2021 amount to €1,141 million, including in detail:
  - approx. 13% to Confindustria and approx. 17% to Assolombarda, with the main purpose of these membership fees being to receive support in the management of industrial relations, including at the local level, and for updates on operational issues for the sector, aside from increasing awareness of the company and its services within the entire Confindustria systems;
  - 15% to the World Economic Forum, whose membership is mainly aimed at strengthening the relationship with the highest levels of relevant international stakeholders (business, government and civil society). In 2021, the Company participated in events such as Davos Agenda, Sustainable Development Impact Summit, Energy Transition Dialogue on Nigeria, Accelerating Clean Hydrogen Initiative and other ones;
  - 8% to associations active in the energy transition.
- > Furthermore, the Company actively participates in the Gas Industry Advisory Committee and its Technical, Economic and Regulatory sub-committees, within the East Mediterranean Gas Forum, whose purpose is to promote cooperation and investment in the area and to initiate a structured and systematic political dialogue on natural gas.



# CORPORATE GOVERNANCE



## The Governance Model

Saipem adopts a system of Corporate Governance that is based on the general and special regulations applicable to the Articles of Association, the Code of Ethics, the recommendations contained in the Corporate Governance Code promoted by the Corporate Governance Committee of the Italian Stock Exchange – which came into force on January 1, 2021 – and the best practices on the subject.

Saipem’s system of Corporate Governance is based on the central role of the Board of Directors, on transparency and the effectiveness of the internal audit system.

It should be noted that the Sustainability, Scenarios and Governance Committee and the Control and Risk Committee are responsible for examining the “non-financial disclosures” required by Legislative Decree No. 254 of December 30, 2016.

In particular, the Sustainability, Scenarios and Governance Committee is responsible for: *“verifying the general approach of the non-financial statement and the articulation of its contents, as well as the completeness and transparency of the information provided with the same statement, reporting the outcome of its assessments, through its Chairman, to the Control and Risk Committee, which is called upon to assess the suitability of the periodic non-financial information to correctly represent the company’s business model, strategies, the impact of its activities and the performance achieved”*.

Consequently, the Audit and Risk Committee has the task of assessing *“the suitability of periodic financial and non-financial information to fairly present the company’s business model, strategies, the impact of its activities and the performance achieved, cooperating, for periodic non-financial information, with the Sustainability, Scenarios and Governance Committee”*.

For a more detailed description of the governance of the aspects required by Italian Legislative Decree No. 254/2016, refer to the “Corporate Governance and Shareholding Structure Report” and the sections regarding the Board of Directors, its internal committees and risk management. The above-mentioned document is present in the “Governance” section of the Company’s website.

## Governance of business sustainability

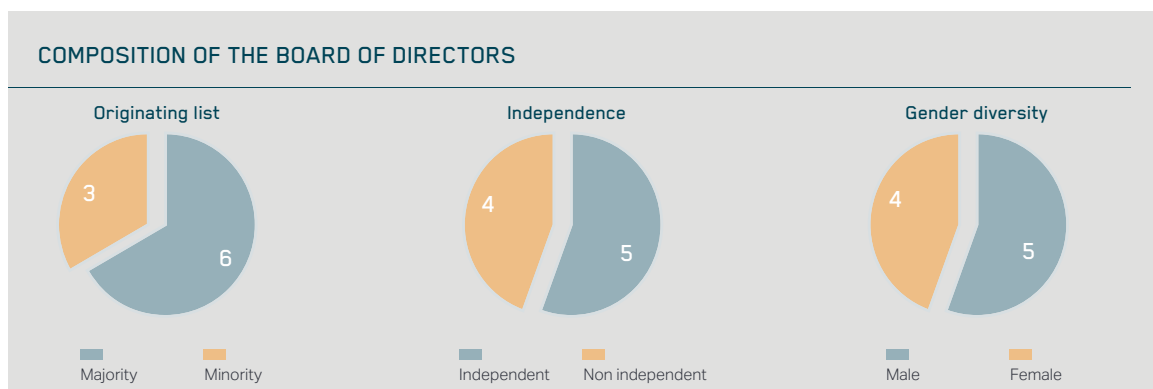
GRI 102-18  
GRI 405-1

The Board of Directors was appointed by the Shareholders’ Meeting on April 30, 2021 for three financial years and will expire on the date of the Meeting called for the approval of the financial statements for the year ending December 31, 2023. The appointment of Directors occurs pursuant to Article 19 of Articles of Association, through voting from a list, so as to allow the appointment of minority interest representatives and to ensure gender balance. The majority of directors are aged over 50. The curriculum with the personal and professional characteristics of the directors is available on the website [www.saipem.com](http://www.saipem.com) in the “Governance” section.

The responsibilities of the Board of Directors include the definition, at the request of the Chief Executive Officer-CEO, of the strategic lines and objectives of the Company and the Group, including their sustainability policies.

The Board of Directors appointed by the Shareholders’ Meeting of April 30, 2021 has in its background competences related to evaluations and decisions linked to sustainability issues, including environmental, social & governance matters, connected to the exercise of company business and its dynamics of interaction with all stakeholders.

The new Board, 89% of which is made up of members over 50 years of age and 11% of which is made up of members between 30 and 50 years of age, is also adequately equipped with expertise in the field of the Code of Ethics, national and international regulations and best practices.



With regard to the formation and information to the members of the new Board of Directors appointed by the Shareholders' Meeting of April 30, 2021, the Company has prepared and implemented a "Board Induction" programme, in order to allow the directors to progressively deepen their knowledge of the Company from both an industrial/operational/commercial standpoint and from a financial and governance compliance perspective. The programme, which also involved the Board of Statutory Auditors, consisted of the following sessions:

- > April 30, 2021: in-depth study of HSE issues and COVID-19 emergency;
- > May 18, 2021: introduction to Saipem businesses. More details on Onshore and Offshore Drilling. Market, competition, strategy, financials;
- > May 27, 2021: Corporate & key facts and figures (including financial statements of 2020 and first quarter 2021. Competitive positioning); financials, organisation and sustainability; risk, governance and internal audit; risk & integrity; governance and internal audit;
- > June 16, 2021: E&C Offshore Businesses. Market, competition, strategy, financials; business Onshore E&C. Market, competition, strategy, financials and XSIGHT Division - Tech innovation and digital and Industrial plan.

In the 2021 financial year, the usual off-site induction sessions could not be held due to the regulatory requirements to contain the spread of the COVID-19 pandemic.

Further details on the composition, appointment, responsibilities, activities and formation of the Board of Directors can be found in the section "Corporate Governance and Shareholding Structure Report 2021".

To perform its tasks more effectively, the Board has appointed its own internal Compensation and Nomination Committee (made up entirely of non-executive and mostly independent directors); the Audit and Risk Committee (made up entirely of mostly independent non-executive directors) and the Sustainability, Scenarios and Governance Committee, made up of four non-executive directors – including two independent directors – and chaired by the Chairman of Saipem. The Committee is tasked with assisting the Board of Directors with advisory, preparatory and consultative functions, for its evaluations and decisions relative to issues of sustainability, even intended as environmental, social and governance, connected to the performance of the company's activities, to the dynamics of interactions with all the stakeholders, to the company's responsibility to society, to the review of scenarios for the preparation of the strategic plan, based also on an analysis of issues relevant to the generation of value over the long term and to the Company's and Group's corporate governance. The Sustainability, Scenarios and Governance Committee and the Chief Executive Officer and General Manager promote sustainability issues within the Board of Directors, which during the year discussed among other issues key topics in this sense, including disclosure on Saipem's approach to "Climate Change", its implications on the business strategies and the initiatives taken by the Company in this area, aside from an analysis of the situation linked to the positioning of the Company with regard to various sustainability ratings.

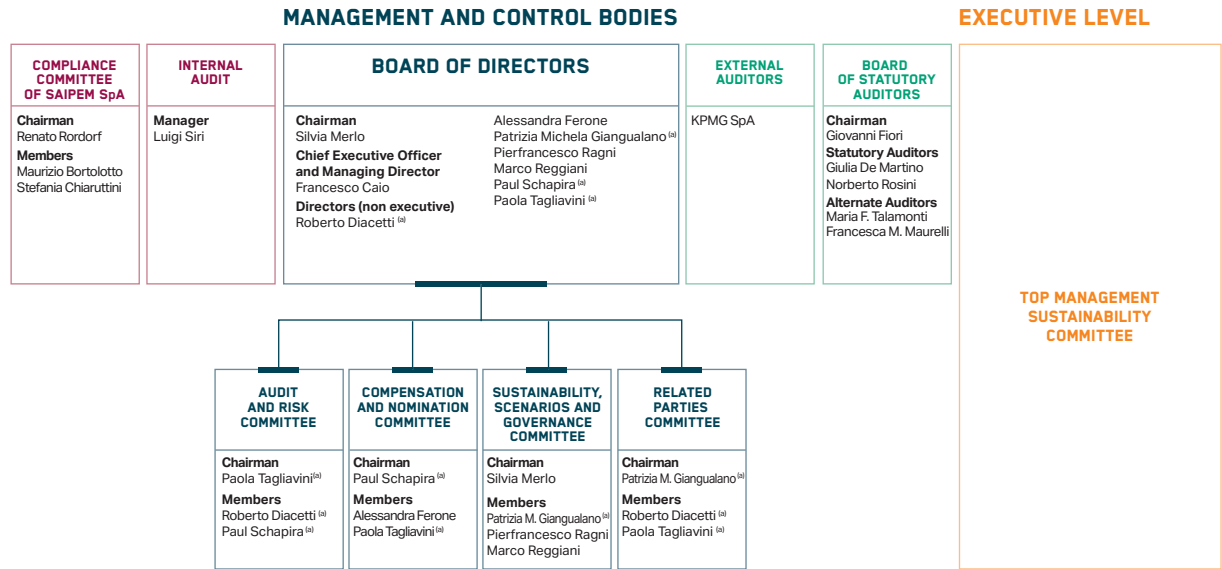
Since 2007, Saipem has set up a Sustainability Committee, a body comprising top management and chaired by the Chief Executive Officer and General Manager. The Sustainability Committee has the task of drafting sustainability policy guidelines and strategies for subsequent review by the Board's Sustainability, Scenarios and Governance Committee, and also provides indications and directives for the sustainability planning and reporting process.

Given the transversal nature of this topic, the sustainability objectives are defined, and must be disseminated within the Company, consistently with the various operational contexts and the requests emerging from stakeholder consultations and other contextual evidence. The Board of Directors approves the management performance plan, at the proposal of the Compensation and Nomination Committee, through which the Company's objectives are assigned to the CEO and General Director. The plan is drafted on the basis of the company's strategic plan and, for the part concerning objectives on ESG issues, considers the areas that were deemed to be of highest priority by the company's stakeholders. The objectives are then reported within a cascade process to the Company management and described in the short-term variable incentive plan. For the 2021 Plan, which is described in detail in the "Report on the Remuneration Policy and Paid Compensation 2022", following on from the previous year, a growing attention will be confirmed for objectives relating to ESG issues. Specifically, a reduction in greenhouse gas emissions, safety performances, gender diversity and innovation are some of the main issues the 2021 objectives for the Board of Directors and CEO and General Manager are focused on.

The active and regular involvement of stakeholders in the determination of priorities (including, for example, through materiality analyses) and the creation of an advanced monitoring system to monitor and report on company ESG performances also confirm that ESG/Sustainability factors represent a commitment the Company adopts towards stakeholders with a view to creating shared value in the long term. In terms of the Company's position to be an energy transition leader, the objective to reduce Scope 1 & 2 GHG emissions by 50% by 2035 (the reference value is calculated compared to 2018), and Carbon Neutrality in Scope 2 by 2025 is paramount.

**THE MAIN SUSTAINABILITY TOPICS FACED BY THE BOARD OF DIRECTORS IN 2021**

- > Consolidated Non-Financial Statement 2020 (includes the materiality analysis)
- > Remuneration Report and definition of objectives for the next year, which include business sustainability objectives
- > Performance and achievement of objectives included in the HSE Plan
- > Modern Slavery Statement 2020 in accordance with the UK "Modern Slavery Act"
- > Document "Ready for the transition - Enabling a green future - 2020 Sustainability Report"
- > Document "2021 - Shaping a Net-Zero future" drafted this year also in the Italian version "2021 - Costruire un futuro a zero emissioni", according to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)



**The Organisation, Management and Control Model of Saipem SpA**

**"Model 231" (including the Code of Ethics)**



At its meeting on March 22, 2004, the Board of Directors of Saipem SpA resolved the adoption of an organisation, management and control model pursuant to Italian Legislative Decree No. 231/2001 (hereinafter, "Model 231"), aimed at preventing the commission of offences specified by Legislative Decree No. 231/2001.

Later, through specific projects, Model 231 was updated to reflect changes in the legislation and in the corporate organisation of Saipem SpA.

In particular, the subsequent updates of Model 231 have taken into account the following:

- > changes in the corporate organisation of Saipem SpA;
- > changes in case law and jurisprudence;
- > the considerations arising from the implementation of Model 231, including case law indications;
- > practices of Italian and foreign companies with regard to these models;
- > the results of supervision activities and the findings of internal audit activities;
- > the evolution of the legislative framework and the Confindustria Guidelines.

Most recently, in December 2021, Model 231 was updated based on:

- > regulatory updates;
- > organisational changes that have taken place;
- > jurisprudence and most recent case law;
- > best practices.

At the end of these updates, on December 23, 2021, the CEO of Saipem SpA approved the new Saipem SpA "Model 231 (including the Code of Ethics)".

After the various timely updates made over the years, Model 231 of Saipem SpA has also been updated, inter alia, in accordance with the following regulations:

- > Italian Legislative Decree No. 24 of March 4, 2014 intervened in the context of the trafficking of human beings and the protection of victims amending Article 600 of the Italian Penal Code (reduction or maintenance in slavery or servitude) Article 601 Italian Criminal Code (trafficking of persons);

- > Italian Legislative Decree No. 39 of March 4, 2014, which introduced the crime of "grooming minors" into the crimes set out in Italian Legislative Decree No. 231/2001;
- > Law No. 68 of May 22, 2015, "Provisions related to crimes against the environment" (so-called "Ecoreati", "Eco-crimes Act"), which introduces new cases of environmental crime;
- > Italian Law No. 167 of November 20, 2017, "Provisions for fulfilling the obligations arising from Italy being part of the European Union - European Law 2017". The provision aims to bring domestic regulations in line with EU regulations, also intervening on the liability of legal entities. In regulating the fight "against some forms and expressions of xenophobic racism by means of criminal law", the new Article 25-*terdecies* "Racism and Xenophobia" provides for this as a crime within Italian Legislative Decree No. 231/2001;
- > Law No. 179 of November 30, 2017 on "Provisions for the protection of those reporting crimes or irregularities that they may have become aware of in the context of their public or private employment";
- > Italian Legislative Decree No. 107 of August 10, 2018, "Rules on the adaptation of national law to the provisions of Regulation (EU) No. 596/2014, relating to market abuses, repealing Directive 2003/6/EC and Directives 2003/124/EU, 2003/125/EC and 2004/72/EC";
- > Italian Law No. 3 of January 9, 2019, "Measures to combat crimes against the public administration, and relating to statute of limitations for those crimes and the transparency of political parties and movements";
- > Italian conversion Law No. 157 of December 24, 2019 of Decree-law No. 124/2019 containing "Urgent provisions on tax and requirements that cannot be postponed";
- > Italian conversion Law No. 133 of November 18, 2019 of Decree-law No. 105 of September 21, 2019, "Urgent provisions on the national cybersecurity perimeter";
- > Italian Legislative Decree No. 75 of July 14, 2020, "Implementation of Directive (EU) 2017/1371, relating to the fight against fraud harming the financial interests of the Union through criminal law" which implemented the so-called "PIF Directive";
- > Legislative Decree No. 184 of November 8, 2021, "Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of April 17, 2019 on combating fraud and counterfeiting of non-cash means of payment and which replaces Council Framework Decision 2001/413/JHA" on combating fraud and counterfeiting of non-cash means of payment;
- > Legislative Decree No. 195 of November 8, 2021, "Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of October 23, 2018 on combating money laundering by means of criminal law".

In addition, on January 14, 2022, Model 231 was updated to incorporate the resolution of the Board of Directors of Saipem SpA to appoint the new Saipem SpA Supervisory Board.



## COMMITMENTS, RESULTS AND OBJECTIVES

### SAIPEM MATERIAL TOPIC

ENERGY USE AND EFFICIENCY  
 RENEWABLES  
 GHG EMISSIONS CONTROL & REDUCTION  
 CLIMATE CHANGE ADAPTATION AND MITIGATION  
 AIR EMISSIONS CONTROL & REDUCTION (NON GHG)

### COMMITMENT

Saipem Net-Zero:

- > 50% reduction in Scope 1 and 2 emissions by 2035 (based on 2018 GHG emissions).
  - > Carbon Neutrality in Scope 2 emissions by 2025.
- Optimising energy consumption, using the best available technology and increasing operational efficiency.

### 2021 RESULTS VS. 2021 OBJECTIVES

Achieve 2020-2024 strategic plan objectives for 2021 (specific for each Division) in terms of savings on emissions (36,500 t of CO<sub>2</sub> eq): avoided atmospheric emissions: 36,976 t of CO<sub>2</sub> eq; 426.9 t of NO<sub>x</sub>; 16.9 t of SO<sub>2</sub>; 121.2 t of CO; 24.2 t of NMVOC and 13.6 t of PM<sub>10</sub>.

- Define carbon neutrality Strategy (Net-Zero) for the Divisions and the Group: defined and approved manifest and strategic lines.
- Define the implementation Plan for carbon neutrality (Net-Zero) for the Divisions and the Group: defined and approved implementation plans.
- Third party validation of the documentation produced (strategies and implementation plans) for carbon neutrality (Net-Zero): obtained.
- Assessment of all assets connected to the power grid to explore the possibility of obtaining 100% certified electricity from renewable sources: all sites connected to the power grid (54 in total) were analysed to assess the possibility of obtaining 100% of electricity from renewable sources. 38 sites do not have the possibility to access renewable sources in the immediate future. 11 sites are already supplied with 100% of electricity from renewable sources (20% of the total) for a total of 10,874 MWh of electricity.
- Definition of a set of asset-specific KPIs (vessel, rig, temporary construction facility (TFC), yard and offices) for the assessment of GHG reduction initiatives and implementation of associated reporting: several KPIs were developed for individual assets and operations to measure GHG intensity (e.g. tonnes of GHG/rig operating day).

### 2022 OBJECTIVES

- > Implementation of a monitoring system to improve information on Scope 3 emissions from the supply chain and a market survey to set Scope 3 targets.
- > Evaluation of Science-Based Targets initiative (SBTi) membership.
- > Adoption of internal carbon pricing.
- > Exploration of offsetting and insetting initiatives.
- > Savings in cumulative GHG emissions associated with energy efficiency initiatives (target reductions equal to 153,120 t of CO<sub>2</sub> eq in the period 2022-2024).
- > Increase the number of sites connected to the power grid using 100% renewable energy (target 6 new sites).
- > Finalise the definition of intensity KPIs for each business line.

### SAIPEM MATERIAL TOPIC

USE OF ALTERNATIVE FUELS

### COMMITMENT

- > Evaluate the use of sustainable fuels obtained from renewable and alternative raw materials to replace fuels deriving from oil.

### 2021 RESULTS VS. 2021 OBJECTIVES

Evaluation of the possibility of use of sustainable aviation fuel (SAF) for a quota of flights acquired by the end of 2021: contact with airline companies to evaluate possible use of SAF and analysis of the related reduction of GHG Scope 3 emissions and related costs. Design of a pilot project with an identified airline.

### 2022 OBJECTIVES

Use of sustainable aviation fuel for a pilot project with an identified airline.

**SAIPEM MATERIAL TOPIC**

WORKPLACE HEALTH AND SAFETY  
SAFETY LEADERSHIP AND CULTURE

**COMMITMENT**

- > Implementing measures to prevent injuries, negative health impacts and damage to assets.
- > Designing and implementing initiatives to provide the knowledge and skills needed to enable everyone to do their job safely.
- > Continuously improving the way the Company works, the efficiency of procedures and the management system, in line with the highest international standards and through digital transformation and innovation of our processes, to be able to meet future challenges.
- > Protecting the health of workers and guaranteeing the continuity of health services and, more generally, the continuity of the company's operations in the various areas of the world, with particular reference to the health management of the pandemic with the aim of reducing its impact.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Renewal of the Group's certification based on ISO 14001 and ISO 45001 Standards.
  - The TRIFR was maintained at 0.37 below the target value of 0.40.
  - The high-level frequency rate (HLFR) indicator, which is intended to measure all near misses with a high potential for personal injury, was introduced and calculated at 0.76, below the target value of 1.07.
  - Confirmation of the monitoring of the injury frequency rate (TRIFR) and the high-level frequency rate (HLFR) in order to better understand the most critical areas and implement programmes to limit triggering causes: Saipem constantly monitors performance indicators in order to promptly identify any critical issues, their underlying causes and take corrective action. For example, in the period from May to August 2021, the trend of the TRIFR increased from 0.32 to 0.37. The HSE function immediately undertook a detailed analysis, identified the causes and implemented preventive actions. In recent months performance has returned to 0.36, in line with the first quarter of the year.
  - In addition to the tried and tested pandemic containment measures, to promote Sars-CoV-2 COVID-19 vaccination of people coming to company sites through campaigns and information: since the start of the pandemic, a total of 224 epidemiological bulletins have been issued by the Health department; continuous updating of the Health Risk Assessment, internal COVID-19 Management procedures and implementation of the most suitable preventive measures has been maintained. 9 memos issued by the Health and Medicine Task Force on current and emerging issues related to disease prevention.
- Monitoring of COVID-19 vaccination coverage of the people coming to Saipem sites at the end of 2021: 18,630 employees fully vaccinated; 3,280 employees given the first dose.

**2022 OBJECTIVES**

- > TRIFR target: 0.42.
- > HLFR target: 0.97.
- > Launch of a new initiative focusing on Mental Health of employees.
- > Continue the weekly information campaign throughout the year until the end of the pandemic (target: 50 bulletins).
- > Update management guidelines and information material where necessary to ensure up-to-date management of COVID-19.
- > Continue information campaigns to support COVID-19 vaccination coverage among the Saipem population, with the aim of achieving coverage of 20,000 employees by 2022.

**SAIPEM MATERIAL TOPIC**

HUMAN AND LABOUR RIGHTS ALONG THE SUPPLY CHAIN  
SAFETY ALONG THE SUPPLY CHAIN

**COMMITMENT**

- > Respecting international best practices on the subject of human and labour rights and monitoring compliance.
- > Cooperating with vendors to contribute to the development of their own business sustainability and to reduce/minimise sustainability risks within the supply chain.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Continuing to support the improvement of the supply chain in terms of HSE standards and human and labour rights, also through partnerships with local business associations and institutions in the areas the Company operates in.
- > Saipem reconfirmed its adherence to the UN Global Compact and has joined the Building Responsibly initiative;
- > implementation of human rights risk assessment in 23 countries;
- > about 600 suppliers analysed during qualification on human rights and the same number on HSE aspects;

- > 5 subcontractor safety forums in Thailand and Nigeria;
  - > e-learning training for 2 employment agencies in Malaysia and Indonesia.
  - Identified further areas/assets where a green procurement approach can be implemented.
- As part of the Net-Zero programme, a green procurement roadmap has been defined; to achieve its goals, a green procurement stream has been created that includes 30 functions across the company from supply chain, HSE, digital, sustainability and others.

**2022 OBJECTIVES**

- > Implementation and enforcement of a supplier code of conduct.
- > Improve monitoring of supplier-related emissions for specific commodity codes and assess the possible impact of ESG requirements on suppliers.
- > Achieving SA8000 social accountability certification for Saipem SpA.

**SAIPEM MATERIAL TOPIC**

ANTI-CORRUPTION & BRIBERY

**COMMITMENT**

- > Operating in conformity with the best ethical business practices.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Maintaining the adequacy of the 231 Model and related procedures: Saipem's 231 Model was updated on December 23, 2021 in order to incorporate the regulatory and organisational updates that took place during 2021; on January 14, 2022, a further update was required in relation to the new composition of the Supervisory Board.
- 100% coverage of the countries envisaged by the training plan for Anti-Corruption and 231 Compliance. 100% of countries singled out for AntiCorruption and 231 Compliance training.
- Continue to maintain an adequate internal control and risk management system. The internal control and risk management system is integrated into the organisational and corporate governance structures at Group level.

**2022 OBJECTIVES**

- > 100% coverage of the countries envisaged by the training plan for Anti-Corruption and 231 Compliance.

**SAIPEM MATERIAL TOPIC**

EMPLOYEE ATTRACTION, TALENT MANAGEMENT & RETENTION

**COMMITMENT**

- > Maintaining an alignment between employee skills and business requirements and improving the Company's image in order to retain and attract talented people.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Continue to attract talent, with a specific focus on women and young people. Employer branding and attraction activities dedicated to talented young people with interventions for internal role models.

**2022 OBJECTIVES**

- > Continue to promote an inclusive culture through specific initiatives to enhance the skills and competences of employees and attract candidates with diverse skills.

**SAIPEM MATERIAL TOPIC**

DIVERSITY AND INCLUSION

**COMMITMENT**

- > Promoting the creation of an inclusive company culture.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Launch of a mentoring programme with the aim of fostering the Diversity and Inclusion process: a mentoring programme dedicated to women's empowerment was implemented. Employer branding activities were carried out to promote Saipem as an equal opportunity employer. A training activity involving 80 employees dedicated to overcoming unconscious bias has begun.
- Monitor the voluntary turnover rate of women.

**2022 OBJECTIVES**

- > Continue to promote an inclusive culture through specific initiatives that value diversity and ensures equal opportunity.

**SAIPEM MATERIAL TOPIC**

## PARTNERSHIP, STAKEHOLDER ENGAGEMENT AND SATISFACTION

**COMMITMENT**

- > Maintaining a collaborative and transparent relationship with all stakeholders, continuously monitoring and improving their perception and the overall reputation of Saipem.
- > Seeking and maintaining partnerships and agreements with technology partners, international and local institutions and others to support the company's strategy and objectives.

**2021 RESULTS**

- > +4,500 people involved in the materiality process, including targeted university students for the first time:
  - 161 external stakeholders;
  - 3,915 employees;
  - 269 senior managers;
  - 9 members of the Board of Directors.
- > 18 cooperation/licence agreements signed with start-ups, universities, clients and other partners.
- > Saipem's reputation assessment conducted with 22 key people from global clients.
- > Saipem's reputation assessment carried out in Italy, among the general public informed through 2,000 surveys.
- > Participation in the World Economic Forum initiatives (Davos Agenda, Governors Meeting, Community of Chairpersons, Sustainable Development Impact Summit, Resource and Logistics Sharing Hubs, Accelerating Clean Hydrogen Initiative, Energy roundtable, Dialogue Series - Value Model for Carbon).

**2022 OBJECTIVES**

- > Continue engagement with stakeholders for materiality assessment.
- > Maintain the number of active partnerships and collaborations in place for innovation.
- > Continuous monitoring of Saipem's reputation.
- > Continue engagement in current and future World Economic Forum initiatives.

**SAIPEM MATERIAL TOPIC**

## CYBERSECURITY

**COMMITMENT**

- > Building and developing an integrated security model fully embedded in business processes and aligned with the Company's values and applicable legislation in order to:
  - provide a safe and secure workplace and protect all employees, subcontracted workers and third parties;
  - protect all company information and know-how;
  - protect the integrity and reputation of management and stakeholders.
- > Maintain an IT security model based on a preventive and defensive security strategy that minimises physical and IT security risks.

**2021 RESULTS**

- > Saipem SpA has obtained certification of its Information Security Management System in accordance with ISO/IEC 27001.

**2022 OBJECTIVES**

- > Keep on integrating systems like the Identity Governance solution and the PIM solution into the security platform.
- > Implementation of 1 breach simulation solution.
- > Selection and implementation of a Network Behaviour Analysis solution on at least 1 vessel to better protect the OT environment.
- > Integration of 1 Hardware Security Module to protect keys and certificates used for the encryption of data.
- > Reinforce the IT security requirements on our supply chain and verify the compliance of suppliers through dedicated audits (target: 2 audits).
- > Simulation of phishing campaigns (target: 3 simulations of phishing campaigns).
- > Maintain the detection and response process in accordance with ISO/IEC 27001 with renewal in the year 2022.

**SAIPEM MATERIAL TOPIC**

## DIGITAL TRANSFORMATION

**COMMITMENT**

- > Ensure the development and adoption of digital solutions, with particular reference to digital transformation solutions that relate in an integrated manner to engineering, procurement and construction

(EPC Integration) processes, of our assets and transversal business processes, in order to optimise the effectiveness and efficiency of the organisation and work processes.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Implementing 6 new digital solutions in the EPCI area and 5 in the asset management area: 6 solutions (of which 3 already in the industrialisation phase) were implemented for EPCI and 7 solutions for asset management.
- Scaling up 4 industrialised digital solutions on EPCI projects: 7 industrialised digital solutions are being adopted by business projects.
- Extend the field of application of new working methodologies (e.g. agile methodology, design thinking, data science); new working methodologies extended over several initiatives on different business areas and staff.

**2022 OBJECTIVES**

- > Continue to develop, industrialise and adopt digital solutions in business and staff areas.

In order to provide comprehensive information and ensure continuity of its disclosure to corporate stakeholders, in addition to results and targets related to the material issues of the 2021 analysis, the section also presents results and targets for the issues of water resources management, recycling and waste reduction, and spill prevention and recovery and support and development of local communities, which are key components of the environmental management of operations and their impact on territories. Furthermore, in view of the strategic importance of the issue, results and objectives are also reported on the subject of advanced technologies and innovation.

**TOPIC ADDRESSED IN THE 2021 NFS**

MANAGEMENT OF WATER RESOURCES

**COMMITMENT**

- > Fair and knowledgeable management of water resources focused on maximising the reuse of water where possible and reducing to a minimum water consumption in all operating sites and projects, especially when these are located in areas characterised by a particular scarcity of water.

**2021 RESULTS VS. 2021 OBJECTIVES**

- Each Division will conduct in a pilot site an analysis of the use and consumption of water in order to identify criticalities and propose actions to reduce consumption of water and increase the share of reused water.
- Offshore E&C: YEWEMP will continue in 2021 to develop and implement the plan on the remaining offshore yards/fabrication yards.
- Onshore E&C: in the Marjan pack 10 and Berri projects (both of which are in Saudi Arabia) implement the reduction measures envisaged by the feasibility studies.
  - All the Divisions have implemented specific analyses and/or activities on water consumption, such as technical improvements in water treatment in the rigs in Saudi Arabia, studies and initiatives carried out to reduce water consumption in some projects (Bonny, Berri and Marjan), and the implementation of yard energy and water efficiency management plans (YEWEMP) and the definition of reduction KPIs on offshore projects; for example, FDS 2 has introduced a system to reuse water from air conditioning as technical water.
  - New Headquarters in Italy (Milan): significant reduction in drinking water consumption thanks to the efficiency of the equipment selected, the reuse of rainwater, the use of high-efficiency irrigation systems combined with the plant species chosen that require less water. The new premises in Milan were designed with high-efficiency equipment, rainwater reuse system, high-efficiency irrigation systems combined with chosen plant species that require less water.

**2022 OBJECTIVES**

- > Setting site-specific targets for water reuse.
- > Assessing existing best practices to be implemented at site/project level.
- > Reducing water consumption at the company's Milan site thanks to the efficiency of selected equipment, the reuse of rainwater, the use of high-efficiency irrigation systems combined with selected plant species requiring less water (50% reduction in water consumption expected at the site).

**TOPIC ADDRESSED IN THE 2021 NFS**

RECYCLING AND REDUCTION OF WASTE FROM OPERATIONS

**COMMITMENT**

- > Managing waste responsibly through a hierarchy of interventions that aim to give the utmost priority to the reduction and reuse of waste to the greatest extent possible.

**2021 RESULTS VS. 2021 OBJECTIVES**

■ Definition of a programme to reduce the use of single-use plastics: many offices have restricted single-use plastics. Some offices (Mexico City, Abu Dhabi) have water dispensers instead of plastic bottles. The reusable bottles were distributed on the NLNG Train 7 Project, Bonny Island. A study was conducted in India to reduce single-use plastic in offices as part of a Plastic Management Plan. Offshore vessels have contracts with caterers requiring them not to use single-use plastics; some sites and projects have developed initiatives and proposals to reduce single-use plastics (e.g. Castorone and FDS vessels).

■ Implementation of specific communication activities on waste reduction during European Waste Week: European Waste Reduction Week campaigns were celebrated at several sites such as the Al-Zour Refinery project in Kuwait, the Arctic Project in Russia, Berri Project in Saudi Arabia, PTTLNG Nong Fab Project in Thailand.

■ Each Division will identify a pilot site for the development of a roadmap for the reduction of waste, with a focus on the elimination of single-use plastic.

Study launched in new projects: Bonny, Berry and Marjan: on the basis of these studies, specific project actions were identified to reduce waste quantities (e.g. installation of a composting plant to reduce waste production by the Marjan project).

Analysis at onshore drilling sites (e.g. Rig 5946, Rig 5913 in Kuwait, PTX12 in Peru) to understand the different sources of plastic waste and the type of plastic used. The results of the analysis will identify possible actions to be implemented in order to reduce plastic waste.

All offshore vessels have catering contracts that prohibit the use of single-use plastics. Some sites and projects have developed specific reduction initiatives and proposals (e.g. Castorone and FDS).

**2022 OBJECTIVES**

- > Establishing site-specific targets for the re-use of waste.
- > Assessing existing best practices to be implemented at site/project level.
- > Extending the ban on single-use plastics for catering activities on project sites.
- > No single-use plastic in the distribution of bottles and glasses in the new company headquarters.

**TOPIC ADDRESSED IN THE 2021 NFS**

SPILL PREVENTION AND RECOVERY

**COMMITMENT**

- > Reducing and mitigating the environmental risk associated to oil and chemical spills, guaranteeing the adoption of appropriate prevention and recovery measures.

**2021 RESULTS VS. 2021 OBJECTIVES**

■ 100% coverage of sites/projects with specific accidental pollution emergency plans: 100% of sites/projects have an accidental pollution plan.

■ Increasing the number of spill response drills, including scenarios of spills in water bodies: number of drills carried out 338 (96% achievement of target).

■ O&CM target: 100% coverage of offshore vessels operational in 2021 and operational yards in 2021, 100% coverage of onshore logistics bases and yards and at least one onshore project 40% of offshore drilling vessels and at least one onshore drilling platform. Results achieved:

- > 100% of offshore vessels (operational in 2021) and sites;
- > 100% coverage of onshore sites and logistic bases;
- > mappings carried out: 6 out of 11 offshore drilling vessels (54%);
- > a PTX12 onshore drilling rig in Peru.

■ Spill Risk Assessment: 100% of offshore vessels operational in 2021; at least 1 operational offshore site; at least 1 onshore site. At least one offshore and one onshore drilling platform.

Results achieved: 100% of offshore vessels and sites; 1 onshore platform PTX12 in Peru. A Perro Negro 7 offshore drilling rig.

**2022 OBJECTIVES**

- > To continue spill mapping and risk assessment tasks. In particular: at least 2 mappings and risk assessments for drilling activities; 1 mapping and risk assessment for an energy carrier project.
- > Assessment on at least 2 offshore vessels to evaluate the possibility of replacing mineral oil with biodegradable oils.
- > Risk assessment of spills and presence of hazardous substances for the new headquarters.

**TOPIC ADDRESSED IN THE 2021 NFS**

ADVANCED TECHNOLOGIES AND INNOVATION

**COMMITMENT**

- > Aligning Saipem's business offering with new business needs and with the market scenario through innovation.

**2021 RESULTS VS. 2021 OBJECTIVES**

■ Identify and develop decarbonisation technologies enabling a selective access to commercial development projects; launch of innovative approaches to explore new areas of opportunity for the Company:

- > advances in CO<sub>2</sub> management technologies (launch of the Access EU project using proprietary CO<sub>2</sub> Solutions technology);
- > consolidating its position in the sector of offshore floating wind (including through the acquisition of Naval Energies) and floating solar energy production;
- > on-going development of projects in the hydrogen sector;
- > 18 cooperation/licencing agreements signed, of which 15 were specific to energy decarbonisation projects and 2 to diversification.

■ Further developments and application of methodology for mapping sustainable innovations value creation. A methodology for assessing value creation throughout the life cycle of innovation projects has been completed.

**2022 OBJECTIVES**

- > Consolidate our technological position in the offshore floating wind and solar sector.
- > Consolidate the technology developed in recent years to bring them to the business development stage.
- > Continue technology scouting in emerging decarbonisation sectors (e.g. circular economy, etc.) and maintain the number of active partnerships.

**TOPIC ADDRESSED IN THE 2021 NFS**

SUPPORT AND DEVELOPMENT OF LOCAL COMMUNITIES

**COMMITMENT**

- > Working responsibly and cooperating with stakeholders to create shared value, while constantly minimising the potential negative impacts the operations and presence of the Company could produce.

**2021 RESULTS VS. 2021 OBJECTIVES**

■ Continue to contribute to socio-economic development, including through the use of local staff, training and transfer of know-how and by cooperating with local vendors and subcontractors.

■ Continue to contribute to the fight against the COVID-19 pandemic to support local communities in some of the countries affected.

■ Continue to plan initiatives to contribute to the SDGs:

- > 28 initiatives for the territory carried out;
- > 15 countries involved;
- > more than 33,000 beneficiaries;
- > €398,000 spent on local initiatives;
- > 8 SDGs covered;
- > in particular, local initiatives were carried out on issues related to the COVID-19 pandemic in Peru, Bolivia and Oman.

Local initiatives to support socio-economic development have been implemented in Indonesia, Kazakhstan, Nigeria, Brazil, Angola, India, etc.

**2022 OBJECTIVES**

- > Continue planning initiatives to contribute to local value generation and the SDGs, with a particular focus on some strategic areas, including Italy.
- > Aim for community energy security and support ecosystem restoration programmes.
- > Continue to promote corporate volunteering initiatives.



## THE CONTRIBUTION TO MITIGATING CLIMATE CHANGE

**Since 2020, Saipem has been an official supporter of the recommendations of the Task Force on Climate-Related Financial Disclosure.**

As described in the Corporate Governance chapter, the Board of Directors is always involved in the internal strategic discussion on issues related to climate change and its implications on corporate strategy and programmes.

The sustainability/ESG targets for 2021, corresponding to 30% of the Short-Term Variable Incentive Plan, included a number of climate change objectives, including:

- > reduction of greenhouse gas emissions;
- > definition of the Saipem Group's strategy and Action Plan for achieving carbon neutrality.

All objectives were achieved with a saving of approximately 36,976 t of CO<sub>2</sub> eq thanks to the implementation of energy efficiency and energy saving initiatives, and the implementation of a Group Net Zero Action Plan, validated by an independent third party.



### Analysis of the climate-related scenario

Saipem is aware that climate change can have a significant direct and indirect impact on its business activities. Due to the nature of these impacts, the effect can be analysed in the short, medium (strategic plan range) and long term, also depending on the socio-economic, energy and climate scenarios that can be considered. For Saipem Group, the assessment of the long-term drivers (2050) of the external context is based on the analysis of various scenarios: each of these represents a possible path towards a different market structure.

Saipem considers a range of scenarios including a 2 °C reference scenario. The scenario analysis, presented on October 27, 2021 to the Board of Directors, is confirmed as a fundamental element for the definition of the four-year Strategic Plan.

This analysis considers the macroeconomic, social and demand trends of the various energy sources which are deemed may have a visible impact on the main drivers of the business for the entire Saipem Group.

Both long-term and medium-and short-term scenarios are analysed in the context of the planning process and are considered amongst the elements for defining the Strategic Plan; these are updated every year and discussed with the Top Management and are covered by dedicated meetings of the Board of Directors and make use of different external sources (forecasts from analysts, companies from the sector, intergovernmental organisations and other stakeholders and consultants).

As detailed in the chapter on the development of the market scenario and strategy, although hydrocarbons will continue to play an important role in the medium term, their contribution to the global energy mix is destined to decline gradually in the long-term (with a timing that is likely to be faster for oil than for natural gas in the various scenarios). In this context, large-scale investments in hydrocarbons, particularly in gas infrastructures will remain necessary in the medium and long term, and it is expected that traditional clients will continue to invest in long-term strategic projects, particularly in some key regions like the Middle East. Cutting-edge technological solutions with lower environmental impact will increasingly be in demand, and this is a huge opportunity for Saipem. In what is likely to be a long phase of energy transition, different scenarios have highlighted the role of certain technologies, like the capture and storage of carbon dioxide (CCUS), that will allow the use of hydrocarbons to be more compatible with climate requirements. As well as "hybrid" solutions involving the integrated use of fossil fuels and renewable sources in situations where this is possible. Through CCUS technology it is possible, on the one hand, to significantly reduce direct emissions of CO<sub>2</sub> into the environment from various industrial processes and, on the other, enable the production of "Blue Hydrogen", to promote mobility with a lower environmental impact. In the medium- and long-term, the objective naturally remains that of replacing Blue Hydrogen with "Green Hydrogen" produced from renewable sources through increasingly efficient economies of scale and technologies.

The commitment towards technological development, the constant adaptation of the mix of expertise and innovation initiatives and its support to clients in defining the best technical and operating solutions from the perspective of the entire life-cycle of plants, are the most effective instruments Saipem is using to deal with the challenges linked to climate change which the industry is facing. Diversification in less carbon-intensive business segments and, where possible, adjacent sectors in which Saipem can exploit its expertise (such as the largest and most complex infrastructure projects), will remain a strategic pillar in coming years.

An analysis of scenarios, risks and opportunities focused on climate change (based on pre-COVID scenarios) is available in the Saipem document "Shaping a Net-Zero future", which was drafted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.



## The climate change reduction strategy

Saipem expects to gradually reduce its dependence on the fossil fuel sector, reducing its CO<sub>2</sub> emissions and continuously extending its range of services in sectors with less impact on climate, working as a provider of innovative solutions to support clients in identifying the best technological choices with reduced carbon emissions. The Company has published the third edition of the document “Shaping a Net-Zero future” prepared in accordance with the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD), where, among others, issues related to the governance of the topics relating to the impacts of climate change, the identified climate related risks and opportunities, in the short, medium and long term.

The Company strategy is based on the following three pillars:

- extending its range of services to its clients in sectors with less impact on the climate, investing in renewable technologies, developing solutions for a more sustainable use of fossil fuels and diversifying its activities. This implies strengthening its presence in existing markets with reduced carbon emissions (e.g. offshore windfarms, biofuels, concentrated solar power, etc.) and creating access to new markets (e.g. wave and tidal energy, ocean thermal energy conversion, energy storage, hydrogen and hybrid solutions). Furthermore, Saipem aims to diversify on the market, focusing on opportunities not linked to energy, such as infrastructures for sustainable mobility, water resource management and environmental services for the circular economy. Finally, particular attention is paid to less carbon-intensive energy sources, particularly the use of natural gas as an energy source in the transition period (for example LNG);
- becoming a key partner for its clients in the decarbonisation process. Major energy companies, as well as other high-carbon intensive industries, including steel and cement, are decarbonising their activities and working towards large-scale digital transformation throughout the value chain, involving key EPC vendors who invest in decarbonisation and digitalisation technologies. Saipem aims to become the “preferred partner” of clients working towards energy transition;
- improving the efficiency of its business activities and operations to reduce greenhouse gas emissions.



## Climate-related risks and opportunities

Climate-related risks are identified and assessed through integration into the company’s enterprise risk management model. The company’s activities are inherently exposed to both physical and transitional risks resulting from climate change.

Below is a presentation of the main risks identified for which it was possible to make a quantitative assessment of the magnitude (in financial terms) resulting from an internal assessment focused exclusively on the climate-related component of the risks.

#### CLIMATE-RELATED RISKS

Type of risk	Risk description	Evaluation	Financial impact	Mitigation measures
Physical risk: ➤ acute	Significant incidents occurring to strategic assets due to weather events.	Time horizon: ➤ medium term Likelihood: ➤ unlikely	This risk may lead to impacts in terms of increased operating costs, delays in operational activities and project margins.	The main risk mitigation actions are: ➤ insurance coverage; ➤ inclusion of contract clauses related to weather events; ➤ HSE and vessel management system; ➤ specialised training for employees on technical and HSE topics.
Transition risk: ➤ technology	Inability to develop a sufficiently adequate technological innovation position for the business associated with energy transition.	Time horizon: ➤ medium term Likelihood: ➤ likely	Impacts in terms of increased cost of capital related to technology development initiatives.	Analysis and identification of market and technological trends. Innovation Factory with its diversified activities. Benchmarking and alignment of Saipem with the open innovation efforts of clients and competitors.
Transition risk: ➤ regulatory	Increased operating costs due to changes in legislation concerning greenhouse gas emissions.	Time horizon: ➤ medium term Likelihood: ➤ likely	Erosion of project margins due to increased operating costs related to CO <sub>2</sub> emission fees.	Monitoring of GHG emissions regulation, launch of programme Net-Zero, implementation of initiatives to increase energy efficiency, regular maintenance and upgrades of Saipem's assets to continuously improve environmental performance.
Transition risk: ➤ reputation	Negative assessment of sustainable business strategy and sustainability/ESG performance by financial stakeholders.	Time horizon: ➤ short and medium term Likelihood: ➤ likely	Impacts on the cost of capital.	The main risk mitigation actions are: ➤ engagement activities with financial stakeholders; ➤ materiality analysis to identify priority sustainability issues; ➤ drafting of sustainability report; ➤ control process to ensure reliable information to external stakeholders.

## Climate-related opportunities

Opportunities associated with products and services are primarily assessed and managed in terms of business development, taking into consideration Saipem’s competitive positioning, the identification of the main future challenges in the reference sector and the possibilities of diversifying the business portfolio as analysed in the Company’s Strategic Plan.

The main opportunities listed concern “products and services” and efficient use of resources.

### CLIMATE-RELATED OPPORTUNITIES

Type of opportunity	Description	Evaluation	Financial impact	Method for managing opportunities
Products and services	Increased revenues in decarbonisation and circular economy projects.	Time horizon: ➤ medium term Likelihood: ➤ very likely	Impact associated with the existing backlog and potential new acquisitions related to decarbonisation and circular economy projects in the strategic plan horizon.	Commercial focus tailored to decarbonisation and circular economy projects. Cooperation with relevant clients and institutions. Innovation and R&D activities also through collaborations and partnerships.
Products and services	Increased revenues in the offshore renewables business segment aimed at reducing climate-related impacts (e.g. offshore wind).	Time horizon: ➤ medium term Likelihood: ➤ very likely	Impact associated with the existing backlog and potential new acquisitions related to offshore wind projects in the strategic plan horizon.	Commercial focus tailored to renewable energy projects, particularly offshore wind. Cooperation with relevant clients and institutions. Innovation and R&D activities also through collaborations and partnerships.
Products and services	Increased revenues in low-carbon business segments such as rail and other infrastructure.	Time horizon: ➤ medium term Likelihood: ➤ very likely	Impact associated with the existing backlog and potential new acquisitions related to infrastructure projects in the strategic plan horizon.	Creation of a new business line focused on infrastructure projects. Commercial focus tailored to rail infrastructure. Collaboration with partners and suppliers to develop innovative solutions in terms of digitisation and sustainable infrastructure. Collaboration with key clients/institutions to develop new sustainable infrastructure solutions.
Efficient use of resources	Offering more efficient and cost optimised solutions through the use of energy efficient solutions on ships, at sites and on drilling rigs.	Time horizon: ➤ medium term Likelihood: ➤ very likely	Reduction of fuel and electricity consumption costs through the implementation of energy efficiency solutions already identified in the four-year Strategic Plan to reduce greenhouse gas emissions.	Carrying out energy assessments to identify appropriate solutions and maximise savings; designing and implementing measures and actions to reduce energy consumption and greenhouse gas emissions.

The strategy of mitigating risks and maximising opportunities focuses on two main lines of business:

- expanding the range of climate-friendly solutions and supporting clients’ decarbonisation process;
- improve the efficiency of assets and activities of the Company to reduce its greenhouse gas emissions.



## Technological innovation and digitalisation

Across all its technological innovation activities, Saipem registered 16 new patent applications in 2021, including 3 for new decarbonisation technologies, in addition to 32 parent patents, corresponding to about 70 patent titles, were achieved through the acquisition of Naval Energies. In total, Saipem has a portfolio of 2,827 patents and new patent applications. The research and development activities involved 183 FTE (full-time equivalent) resources.



The new energy panorama emerging in coming years will be a mosaic of many competing forces, which is difficult to forecast today. What is clear however is that the speed of innovation and the adoption of new

technologies will be fundamental for making conventional developments more sustainable in the energy transition process.

Saipem has identified many opportunities for providing cutting-edge and increasingly sustainable solutions to help clients meet the demands for a future with reduced carbon emissions. In 2021, the Company spent €22 million on research and development and the application of decarbonisation technologies, out of a total of €60 million spent on technological innovation.

Detailed information on technological research and development activities, artificial intelligence and digitalisation, as well as partnerships and collaborations in these areas, is available in the section "Research and development" of "Directors' Report".



GRI 302-1  
GRI 302-3  
GRI 302-4  
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## Energy efficiency

Direct energy consumption in 2021 decreased by approximately 6% compared to 2020 for the Group perimeter, remaining mostly constant when compared to hours worked (-3%), in line with the contraction of activities due to the continuing COVID-19 pandemic. In particular, the sites with most consumption were the Tangguh LNG Expansion Project (30 ktoe) and Arctic LNG 2 (21 ktoe) and the Saipem 7000 vessels (20 ktoe), Scarabeo 8 (14 ktoe) and Constellation (14 ktoe).

In this context, direct fuel consumption was constant compared to 2020, confirming the limited operation of various assets during the year.

We report that from 2020, vessels in the fleet will no longer use Heavy Fuel Oil and Intermediate Fuel Oil, so the consumption for these two fuels will no longer be reported. Indeed, on January 1, 2020, a new limit was introduced for the content of sulphur in fuels used on board ships, known as "IMO 2020". This regulation sets the sulphur limit outside designated areas for emission control to 0.5%, which represents a significant reduction compared to the previous limit of 3.5%. Within specific areas designated for emission control the limits were already more stringent (0.1%). This new limit became obligatory following an amendment to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL).

The increase in electricity consumption is mainly attributable to an increase in activities related to the Arctic LNG 2 project, which is mainly supplied by the power grid.

Despite this, in the Net-Zero Programme, Saipem continues to implement numerous initiatives aiming to reduce its own energy consumption and, consequently, its CO<sub>2</sub> emissions. The initiatives implemented are divided into four areas:

- > **energy monitoring**, with the objective of keeping under control flows of energy to identify improvement actions and assess the benefits;
- > **energy saving**, aiming to reduce energy consumption by eliminating useless wastes of energy and improving process management and efficiency;
- > **energy efficiency**, aiming to reduce energy consumption by installing more efficient equipment;
- > **renewable energy**, producing the same amount of energy from a source with lower emissions.

In 2021, these initiatives led to a reduction in energy consumption of 580,376 GJ at Group level.

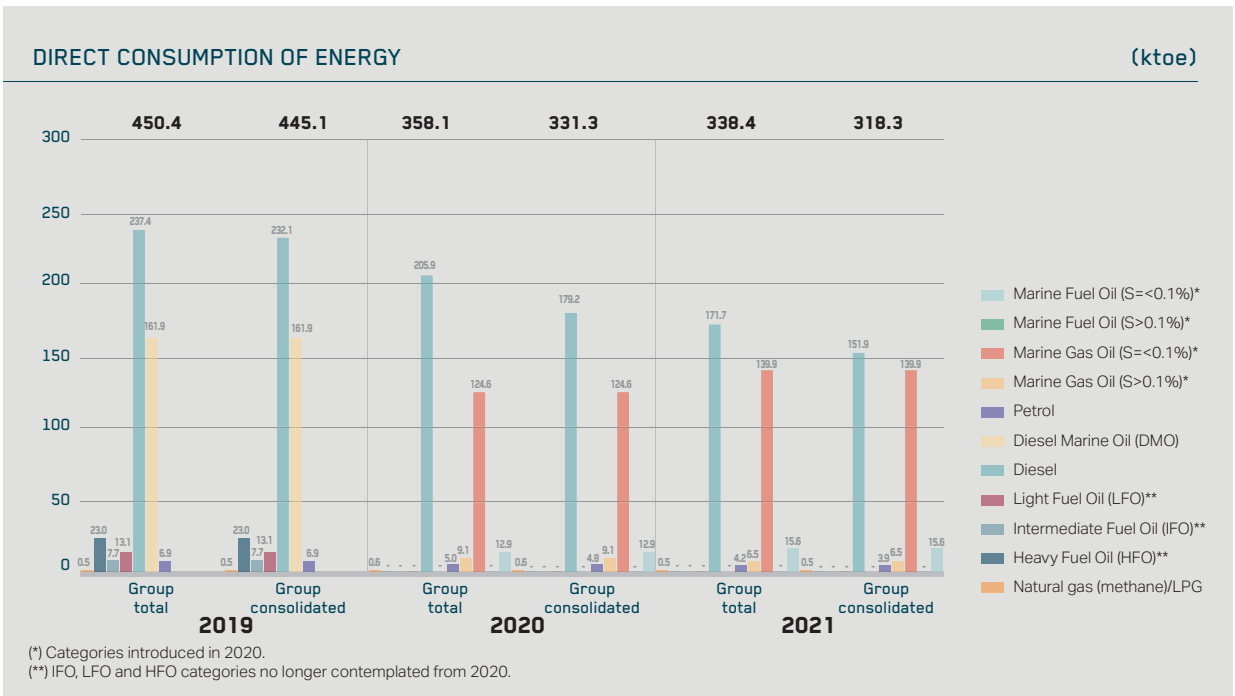
Examples of initiatives implemented during the year include: the continual improvement in the luminous efficiency in numerous onshore and offshore sites, improvement in the efficiency of Saipem vessels (initiatives for the optimisation of routes and the Saipem eco Operation campaign), the installation of photovoltaic installations for the production of electricity at offshore sites, a better management of energy in offshore rigs (Saipem 12000 and Scarabeo 8), the purchase of renewable and certified electric power, etc.

More information can be found in the chapter "Transitioning toward Net-Zero" in the 2021 Sustainability Report.

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Total indirect consumption of energy</b>	(MWh)	<b>80,539</b>	<b>78,545</b>	<b>55,097</b>	<b>44,687</b>	<b>71,868</b>	<b>37,975</b>
Electricity consumed	(MWh)	80,171	78,177	54,797	44,387	71,569	37,676
Electricity produced from renewable sources	(MWh)	368.3	368.3	299.6	299.6	298.9	298.9

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Total direct consumption of energy</b>	(TJ)	<b>18,857</b>	<b>18,635</b>	<b>14,992</b>	<b>13,870</b>	<b>14,171</b>	<b>13,325</b>
<b>Total indirect consumption of energy</b>	(TJ)	<b>290</b>	<b>283</b>	<b>531</b>	<b>430</b>	<b>692</b>	<b>366</b>
<b>Total consumption of energy</b>	(TJ)	<b>19,147</b>	<b>18,918</b>	<b>15,523</b>	<b>14,300</b>	<b>14,863</b>	<b>13,691</b>
Energy intensity	(TJ/mln €)	2.1	-	2.1	-	2.1	-

The calculation of energy consumption in Joule is made by applying the following conversion factor: ktoe = 41,867 GJ. The value of the energy intensity is calculated through the ratio between the total consumption of direct energy and the total revenues, expressed in millions of euro.



## GHG emissions

Among the Company’s environmental priorities is the reduction of greenhouse gas emissions, including through energy efficiency initiatives. In particular, including in relation to that which is set forth in the Paris Agreement (COP21 in 2015) on the fight against climate change, Saipem has set itself the target of accelerating the pursuit of medium and long-term strategies and implementation plans to reach Net-Zero emissions of greenhouse gases.

Saipem’s strategy can be broken down into 2 main pillars:

- > improve the efficiency of its assets and operations to reduce its greenhouse gas emissions;
- > support clients in their decarbonisation journey, acting as a facilitator of low greenhouse gas impact strategies and technologies while playing a key role in the energy transition, as described in the “Climate change reduction strategy” sections of this document and in the “Transitioning toward Net-Zero” e “Fulfilling our vision of decarbonisation” in the annual Sustainability Report.

In relation to the first pillar, Saipem has defined a GHG emission reduction plan in the context of the Net-Zero Programme, with respect to Scope 1, Scope 2 and Scope 3 emissions.

GRI 305-1  
 GRI 305-2  
 GRI 305-3  
 GRI 305-4  
 GRI 305-5

## GHG reduction strategies related to Saipem's assets and operations

### Net-Zero Programme

Given that climate change has long been considered to be a material issue by stakeholders involved in the materiality analysis, year after year Saipem has increased its commitment to improving its performances in terms of GHG emissions.

Saipem's commitment to preventing climate change is reflected in its governance, principles and policies. The Board of Directors has become increasingly proactive on climate issues and these have been integrated into the company's business strategy. Climate-related objectives have been included in the company MBO since 2018.

In February 2021, Saipem publicly disclosed its long-term decarbonisation objectives, linked to its Net-Zero Programme at the end of a long and structured process that had begun in recent years.

In particular, between the end of 2020 and the start of 2021, the following long-term targets were identified:

- > 50% reduction in Scope 1 and 2 emissions by 2035 (based on 2018 GHG emissions);
- > Carbon Neutrality in indirect emissions from purchased energy (Scope 2) by 2025.

In this process Saipem has adopted a "holistic" approach to decarbonisation which involves many company functions at both the Group and Division level: to reach its stated objectives cross-divisional and cross-functional working groups were created by bringing together broad competences and knowledge.

The Net-Zero Programme is supported by three documents, that were produced with the contribution of all the people involved:

- > the Manifesto and Strategic Lines – for general guidelines and management;
- > the Saipem Quadrennial Strategic Plan for GHG Reduction - for the short term, in force since 2018 and integrated within the scope of the Programme as the operational instrument for the next 4 years (2022-2025);
- > the Saipem Net-Zero Implementation Plan - for the long term.

The combination of these two plans represents Saipem's roadmap towards Net-Zero: while the Quadrennial Strategic Plan focuses on the next 4 years and is linked to the global strategy and the Industrial Plan, the Net-Zero Implementation Plan sets out the process for the coming decades in terms of decarbonisation. The Programme and its contents were validated by an independent third-party (Bureau Veritas) at the end of 2021.

The Programme and the related objectives will be updated as the situation evolves: new regulatory and external market pressure, stakeholder expectations, including requests from clients, analysis of benchmarks, technological developments, availability of energy scenarios and other similar inputs.

It is essential that Saipem's approach to Net-Zero should be irreversible and systematic, while targeting continuous improvement. Saipem aims to create "agents of change", in order to ramp up the change both within and beyond its organisation through its clients, suppliers and all the actors in its value chain. The environment is generally considered a sort of "E-factor", that is present in all processes, in the DNA of each Saipem function and person.

Reduction activities set forth in the Net-Zero Programme refer to Scope 1, Scope 2 and Scope 3 emissions, in accordance with the procedures described below.

### Planned actions for the reduction of Scope 1 and 2 emissions

The reduction of Saipem's direct emissions will hinge on the three "R"s: Retrofit, Renewal and Renewables. The main goal of these phases is to reduce the carbon footprint of all of Saipem's assets, such as vessels, rigs and TCFs (Temporary Construction Facility).

1. Retrofit: the first phase will involve an increase in the efficiency of Saipem activities through an extensive use of the available technologies. The application of these technologies on current assets will enable a more efficient use of energy which will lead to a reduction in emissions.
2. Renewal: this phase consists in asset substitution. Today constructors are developing a new generation of assets: in the future these assets will replace older ones. This new generation of assets is expected to be more energy efficient and emit less GHGs, maybe thanks to digitalisation and increased deployment of unmanned operations.
3. Renewables: the last phase is characterised by a massive implementation of renewable energy and technologies in Saipem's assets and activities. The technologies set forth in this phase will not only be traditional ones that we know of today, but they will be advanced renewable energy technologies, some of which are currently under study, such as floating wind and floating solar. These renewables could be applied to Saipem's activities (e.g. to power vessels or sites) and could also be an integral part of the final product, by powering client operations.

Two main lines of action will run alongside these phases:

- > electrification: a switch where possible (e.g. in ports) from electricity generation with fuel-powered generators to grid power;
- > alternative fuels: use of new and existing low carbon emission fuels in place of fossil fuels to carry out the same operations.

In terms of indirect emissions connected to the purchase of energy the following lines of action shall apply:

- > for each asset connected to the electricity grid the priority will be to purchase energy that is certified as 100% renewable;
- > self-generation of energy from renewable sources will be assessed and applied;
- > offsetting will be considered as a last chance only for residual emissions, to be applied only after considering all the measures above.

Since the reduction of emissions is the central component of Saipem’s environmental strategy, the Company intends to focus primarily on improving the efficiency of its assets and operations. However, it is expected that certain residual “hard to abate” emissions will be impossible to eliminate which means it will be necessary to consider actions and investments to support climate offsetting, in particular by focusing on those that will generate additional benefits for people and the environment.

**Planned actions for the reduction of Scope 3 emissions**

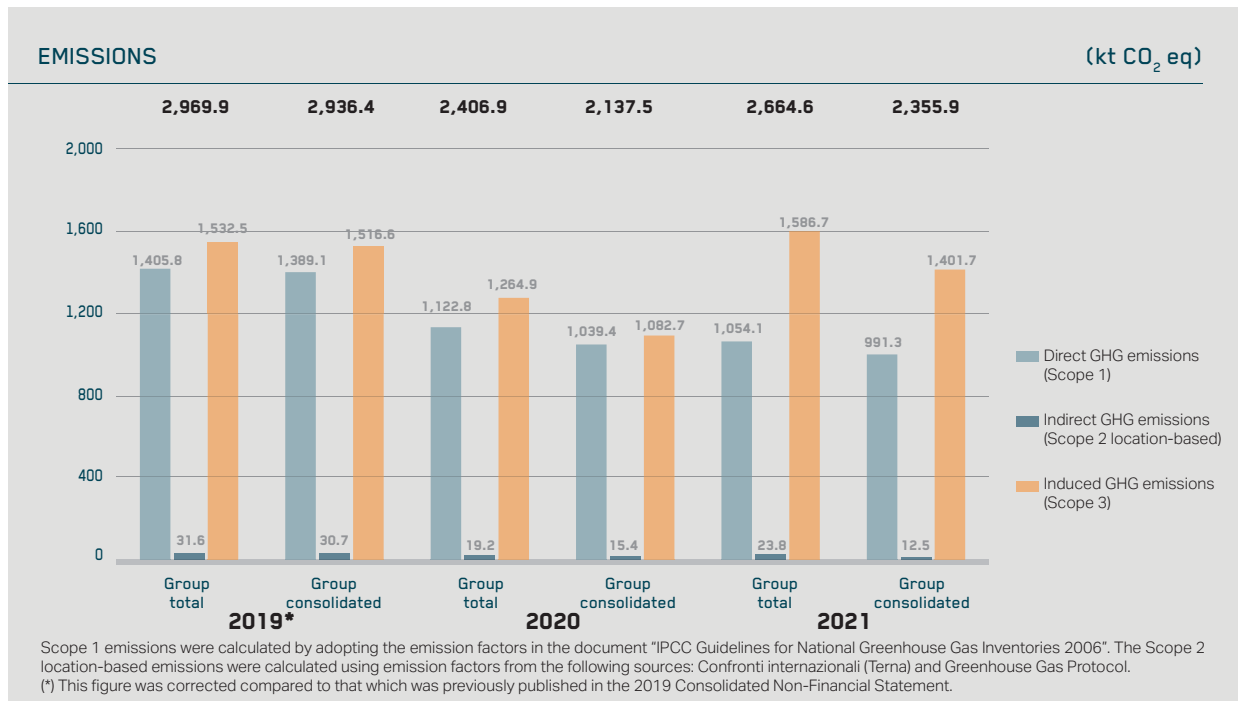
In terms of Scope 3 emissions Saipem wants to have a leading role in supporting and encouraging clients, suppliers and the various actors in the value chain to reach the same GHG emissions objectives. This is just the first step to improve monitoring of this area (please refer to the section “GHG emissions”) and for exploring action areas, with the objective of establishing reduction targets as soon as possible within the scope of the Net-Zero Programme within Scope 3 areas, like mobility and the Supply Chain (more information can be found in the chapter “Added value at our core” of the 2021 Sustainability Report).

Through the energy saving initiatives, that are described in detail in the 2021 Sustainability Report in the chapter “Transitioning toward Net-Zero”, in 2021 CO<sub>2</sub> eq savings of 36,976 tonnes were achieved at a Group level. In 2021, Saipem recorded a GHG intensity of 156.8 t of CO<sub>2</sub> eq/€ mln (at Group level, the value is calculated considering the location-based Scope 1 and Scope 2 emissions in relation to revenue in millions of euro). It is estimated that, thanks to the initiatives that have been and will be implemented, Saipem will not emit at least 153,120 t of CO<sub>2</sub> equivalent into the atmosphere over the 2022-2024 timeframe.

As described later in the section, the Scope 3 categories that are monitored are unchanged since 2019. In 2021, there was a general increase in emissions (29% for the full consolidated perimeter, 25% for the Group perimeter), due mainly to:

- > the increase in the procurement of materials connected to project activities, +55% emissions for the full consolidated perimeter and +39% in the Group perimeter (75% of the Group total);
- > the growing number of goods delivered, +42% emissions for the full consolidated perimeter and +93% in the Group perimeter (3% of total).

The significant percentage of Scope 3 emissions attributable to the procurement of materials confirms, as described below, the need to continuously improve the forecasts for emissions connected to the Supply Chain, in order to pursue reduction objectives.



	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
(kt CO <sub>2</sub> eq)						
Market-based Scope 2 emissions	33.8	32.9	21.5	20.0	21.6	10.9

Market-based Scope 2 emissions have been calculated in accordance with the estimation hierarchy set forth by the GHG Protocol.

The Company maintains a methodology for estimating emissions that is certified by an independent third party in accordance with the principles of regulation UNI EN ISO 14064-3. The method had already been revised for the first time in 2018, and again in 2019, with an extension of the field of application of the method, and in particular by extending the emission categories of Scope 3 emissions.

The following GHG emissions are considered in the document:

- > direct emissions deriving from the use of fuels (Scope 1);
- > indirect emissions deriving from the purchase of electrical energy and location and market-based emissions (Scope 2);
- > indirect Scope 3 emissions deriving from:
  - extraction and transportation of the fuels used, directly and indirectly;
  - network losses in the transmission of purchased electrical energy;
  - water supply and disposal;
  - procurement of materials and waste disposal;
  - shipment of materials;
  - use of employees' cars in Italy;
  - hotel accommodation during business travel managed from Italy;
  - flights for business travel managed from Italy.

Within the scope of the Net-Zero Programme a review of the methodology is currently ongoing and will be completed in 2022. This will include:

- > updated emission factors for each company reported category for Scope 1, Scope 2 and Scope 3;
- > recording of the use of biofuels in Scope 1 and for air travel;
- > update of the calculation methodologies for market-based Scope 2 according to the latest guidelines provided by the GHG Protocol;
- > completion of the Scope 2 recording with the reporting of emissions deriving from the purchase of heat;
- > extension of Scope 3 with the inclusion of new indirect emission categories deriving from:
  - network losses in the transmission of purchased heat;
  - over land journeys for business trips;
  - commuting in permanent sites;
- > greater precision for Scope 3 calculations for the procurement of materials and the extension of the estimation of indirect emissions to the whole Group (more information is available in the chapter "Added value at our core" of the 2021 Sustainability Report);
- > recording of GHG emission offsetting.

The Company has developed a specific methodology to forecast GHG emissions for plants designed by Saipem during their expected period of operation.

The following GHG emissions are considered in the document:

- > emissions deriving from the combustion of fuels;
- > fugitive emissions (leaks, venting and flaring);
- > indirect emissions produced by electrical energy that is purchased;
- > indirect emissions produced by heating that is purchased, including dispersions;
- > indirect emissions produced by cooling that is purchased.

The methodology for estimating emissions is applied to the data provided by the Department of Engineering during the conceptual phase of a project.

The methodology has also been certified and validated by an independent third party in accordance with the principles of regulation UNI EN ISO 14064-3.

Saipem intends to complete the above methodology with the development and validation in 2022 of a new methodology with the aim of minimising the emissions of its projects. The methodology defines the minimisation solutions ("clusters") of the carbon footprint for projects, such as: energy efficiency, carbon capture, renewables, hydrogen, alternative fuels, offsetting.

For each of the above listed emissions minimisation solutions the document will have the following contents:

- > description and analysis of the best practices, i.e. the specific technologies for the same cluster;
- > definition of the project applicability criteria for a cluster;
- > definition of the selection criteria of a specific technology within a cluster;
- > definition of the calculation criteria for the tool for minimising the carbon footprint.





## PROTECTING THE ENVIRONMENT AND MINIMISING ENVIRONMENTAL IMPACTS



### Environmental management policies and system

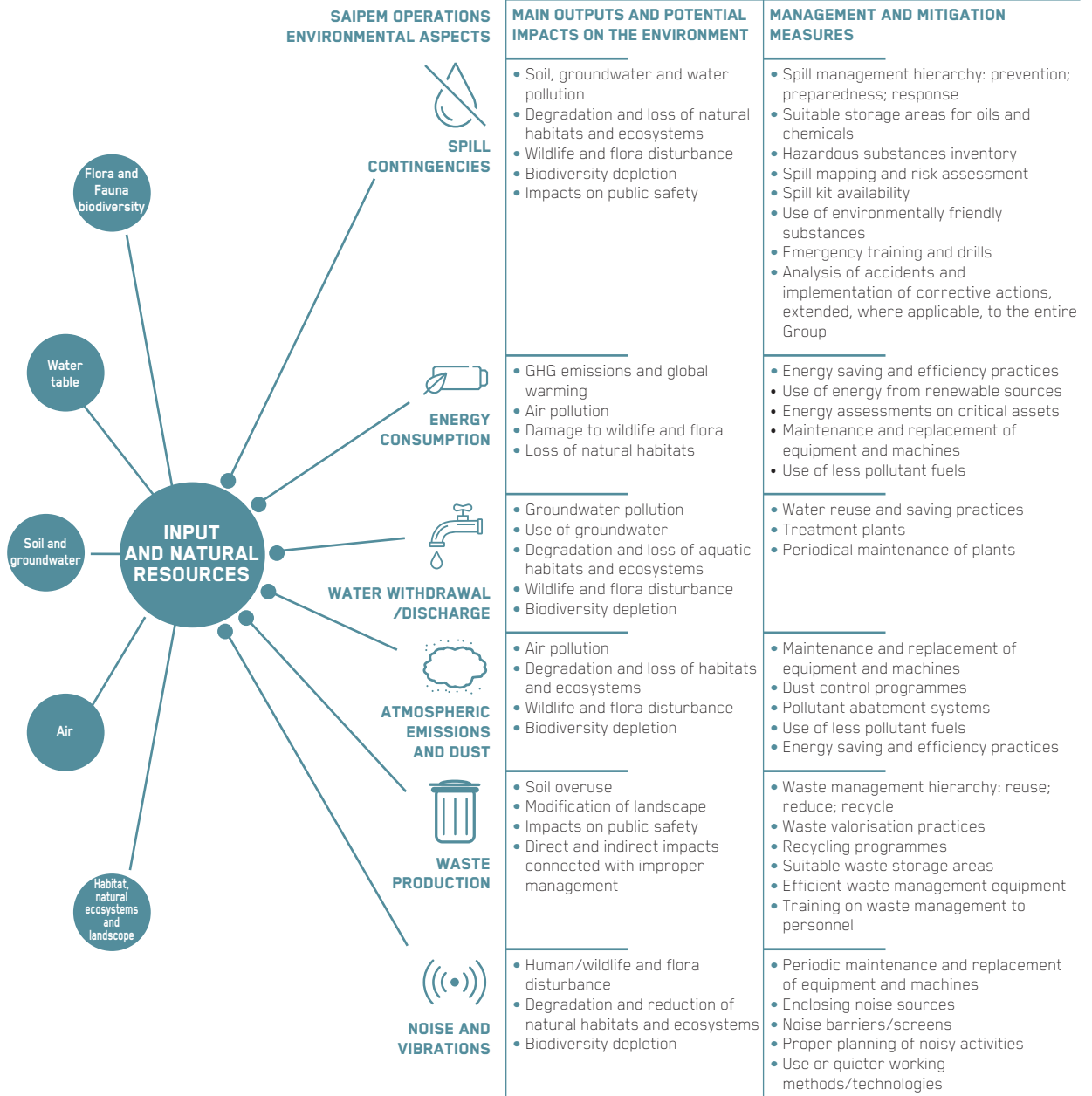
Saipem is aware that all its activities, from the planning and design stages to construction and operation, may potentially have an impact on the environment, both directly and along its business value chain.

In identifying, assessing and managing environmental and social impacts tied to business management, both potential and real, Saipem is guided by international regulations, principles, shared approaches and internationally recognised recommendations adopted in the industry including UN Global Compact principles (especially, principles 7, 8 and 9 that refer to the environment), the principles expressed in the International Finance Corporation (IFC - World Bank) Performance Standards on Environmental and Social Sustainability, Organisation for Economic Co-operation and Development (OECD) guidelines for multinationals.





As described in the HSE Policy of Saipem SpA, the Company is committed to preventing the potential environmental impacts caused by its activities and using energy and other natural resources efficiently.

Saipem takes all necessary measures to ensure environmental protection when carrying out its works, both for activities managed directly by its own personnel and using its own means and operations managed by third parties for its operational projects (clients, subcontractors, etc.) in order to minimise and correctly manage the significant environmental aspects and impacts that may arise from them. Moreover, Saipem pays the utmost attention to the constant improvement of its environmental performance. To guarantee these results, Saipem has adopted a certified Environmental Management System. All the most significant entities in the Saipem Group are ISO 14001:2015 certified to support and guarantee the environmental management system adopted by the Company. Saipem is aware of the real impacts of its activities and defines specific actions and tools required to manage these impacts for each operating context.

In its purchasing processes, Saipem is committed to selecting materials and services which are considerate of environmental criteria and encourages the use of low impact technologies through the research and adoption of solutions with the lowest possible impact on the environment during their entire life-cycle, in terms of the disposal/release/emission of pollutants, the use of hazardous substances and the production of waste. Furthermore, the Company invests in research and development programmes to create technologies that minimise the environmental impact of its operations and of the delivery of its service to the reference sector, and organises specific initiatives designed to promote environmental awareness and the dissemination of best practices, also involving external entities as addressees. Further details can be found in the "Research and development" section of the "Directors' Report" and in the 2021 Sustainability Report.



RISKS COVERED BY ITALIAN LEGISLATIVE DECREE NO. 254/2016; ENVIRONMENTAL ASPECTS

Topic addressed in the 2021 NFS	Risks identified by the Company	Summary of adopted risk mitigation measures
	<p>Spill prevention and response</p> <p>Technology, innovation and operational research</p> <p>Energy efficiency Prevention of climate change and greenhouse gas emissions</p> <p>Management of water resources</p>	<p>Environmental pollution </p> <p>Unsuitable development of a technological and innovative positioning for the energy transition market </p> <p>Loss of competitiveness of assets because of changes to laws on greenhouse gas emissions </p> <p>Environmental impact on the management of water resources during operations </p>



Spill prevention and response

Pollutant spills are one of the most significant environmental issues for the sector in which Saipem operates. In the case of spills, the prevention of accidental events and response actions are absolute priority elements for their management. Saipem's spill management strategy is in fact focused on minimising the risk of spills and implementing emergency mitigation and management actions, for which it adopts advanced equipment and procedures. The Saipem management system is based on the following hierarchy of actions:

- > **Prevention:** actions have been implemented to identify specific areas of risk and improve processes and operational control of those sites and vessels which are most at risk of spills.
- > **Instruction and training:** specific training events on spill prevention are periodically organised, along with drills aiming to improve the skills of operating staff in emergency management. The drills are carried out both on land and at sea, involving, if necessary, clients or third parties designated for emergency response activities. During the course of 2021, 338 spill response exercises were carried out.
- > **Emergency response:** all Saipem sites have the necessary equipment for tackling any emergency which may arise, and specific Spill Response Teams have been set up and trained. Each operating site implements a spill management plan which identifies the accident scenarios and adequate response modes and can also include the intervention of designated third parties.
- > **Reporting:** the data concerning spills and "near misses" (events that, under slightly different conditions, could have caused environmental damage) are monitored by a specific software and subsequently analysed to assess the causes, prevent recurrence and share the "lessons learned" within the Company.

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Number of spills</b>							
Total	(No.)	54	54	106	38	38	37
Spills of chemical substances	(No.)	16	16	7	4	-	-
Spills of oily substances	(No.)	38	38	79	23	27	26
Spills of biodegradable substances (*)	(No.)	-	-	7	7	8	8
Spills of drilling muds (*)	(No.)	-	-	3	3	2	2
Spills of wastewater (*)	(No.)	-	-	10	1	1	1
<b>Volume degli sversamenti</b>							
Total	(m <sup>3</sup> )	10.40	10.40	13.04	6.22	3.10	3.10
Spills of chemical substances	(m <sup>3</sup> )	7.60	7.60	3.09	3.08	0.00	0.00
Spills of oily substances	(m <sup>3</sup> )	2.90	2.90	0.43	0.15	0.33	0.32
Spills of biodegradable substances (*)	(m <sup>3</sup> )	-	-	2.42	2.42	2.20	2.20
Spills of drilling muds (*)	(m <sup>3</sup> )	-	-	0.52	0.52	0.54	0.54
Spills of wastewater (*)	(m <sup>3</sup> )	-	-	6.58	0.05	0.05	0.05

(\*) Category introduced in 2020.

The internal reporting rule for spills requires a minimum volume of 1 litre, beyond which it must be reported as an accident. Out of 38 total spills in 2021, 25 were less than 10 litres. The sites with the highest number of spills greater than or equal to 10 litres are the onshore project BP Tangguh Expansion (Indonesia, 4), the Talara logistics base (Peru, 2) and the vessel Saipem 7000 (4). The total number of spills fell thanks to the preventive measures that were implemented and considering that, in 2020, within the Group's perimeter, there had been 67 spills on the Mozambique LNG project, which is currently suspended. In any case, the volume of spills in 2021 that is attributable to the Group perimeter therefore fell compared to 2020.

The most significant events of 2021 include:

- two spills of 1.5 m<sup>3</sup> and 0.5 m<sup>3</sup> due to leakage of biodegradable oil from a hydraulic circuit during drilling operations on the vessel Saipem 7000;
- spill of 0.5 m<sup>3</sup> during a preliminary seal test prior to drilling mud cementation operations on the PTX-5929 rig in Argentina.

Each spill is assessed in terms of criticality, according to the actual and potential impacts generated by the event. No events occurring in the year had severe consequences. Each event is analysed in terms of its cause and the opportunity is exploited to adopt suitable measures are adopted to prevent and minimise the risk of it happening again in future.



## Water resource management

Considering the geographical location of the Company's important operating activities, water is a significant aspect to be monitored and managed. In fact, important operating activities are carried out in areas considered "under water stress", where the implementation of a strategy to reduce withdrawal and use the resource efficiently is considered a priority. The re-use of water, after suitable treatment, is a key activity to minimise water withdrawal.

The commitment to a responsible management of water resources is transmitted to all Company levels through the issuing of annual Group HSE plans, which are then implemented by the Business Lines and operating companies.

The awareness of growing pressure on water resources, despite significant territorial variations, is driving Saipem to focus more on the development of new water technologies and in general on the improvement of its water management.

The water resource management strategy is an integral part of the environmental strategy and is defined in the environmental management system documentation; it is also an objective of the Group HSE plan.

The hierarchical approach to water management aims to maximise reuse, where possible, and reduction of consumption in all operational sites and projects, particularly those in water-stressed areas.

Saipem is aware of the need for greater resilience in the planning and management of water resources, also to react to the effects of climate change. In some regions, there could be an increase in water availability, while in others a reduction in availability, leading to water stress and competition for resources, throughout the project life cycle.

Each year Saipem maps its sites located in water-stressed areas, in order to raise awareness in the sites and projects. The analysis of water flows and areas with high levels of water stress constitutes the basis for the subsequent definition of initiatives to reduce consumption and mitigate the associated impacts.

Water management plans focus on the identification of critical aspects and propose actions to reduce water consumption and increase the percentage of reuse, including an analysis of water usage and consumption,

GRI 303-1  
GRI 303-2  
GRI 303-3  
GRI 303-4  
SASB  
EM-SV-140A.1  
EM-SV-140A.2

identifying the most significant consumption points, as well as identifying and prioritising initiatives to reduce water consumption and increase water reuse.

Normally the waste water treated can be reused for dust abatement, irrigation, hydrotesting (in accordance with specific regulatory limits). Furthermore, potable and non-potable water systems are separated in the design of logistics bases, sites and fields.

Within the scope of its greenhouse gas emission reduction strategy, Saipem is aware of the importance of the correlation between the use of energy and water. This aspect is applicable in particular in onshore fabrication yards, since, unlike the situation on board a vessel, the use of water and energy is not concentrated and is spread over vast areas. This poses significant challenges in terms of monitoring, especially when recording exactly how much fuel and how much water was used for a specific activity (or series/type of activities, such as fabrication work or accommodation services). Moreover, some yards are located in or in water stress areas or in regions with the highest level of water withdrawals.

For this reason, starting from 2019, Saipem has chosen to go beyond legal requirements and implement within its fabrication yards Yard Energy and Water Efficiency Management Plans (YEWEMP), based on the same concept introduced by the IMO for ships (MARPOL annex VI) of the Ship Energy Efficiency Management Plan (SEEMP).

Starting from the assumption that energy and water are precious resources, the objective of the above-mentioned plans is to increase attention on the procedures for the use of these resources, through systematic analyses with flow diagrams via the mapping of paths taken by energy and water, starting with the source of generation (e.g. public network or site generation plant) through to each individual use within a structure. Every plan provides a tool for implementing efficiency initiatives, by assigning priorities based on the expected impact or benefit, and a series of indicators to enable careful monitoring on a monthly basis. Since these indicators are specific for activities, they also make it possible to quantify more precisely the footprint of fabrication activities in terms of greenhouse gas emissions: this estimate is increasingly utilised in the offer phase to confirm to clients the Company's commitment to contributing to their own decarbonisation targets.

For this purpose, in 2021, the energy indicators of the YEWEMP were integrated within the Saipem Offshore Carbon Estimation (SOCE) tool, which is used during tenders to provide clients with an estimate of the CO<sub>2</sub> footprint throughout the entire life-cycle of their project (including fabrication) and for assessing the different impact, in terms of emissions, of alternatives in the design and execution phase of a project.

Between 2019 and 2020, Saipem's main sites developed their own Yard Energy and Water Efficiency Management Plans (YEWEMP), i.e. Ambriz (Angola), Arbatax (Italy), Karimun (Indonesia) and SCNL (Nigeria). In 2021, the above sites updated their plans with new targets based on the performances that had been reached and continued implementing initiatives such as the installation of meters on the water network in order to measure consumption in a differentiated manner. Moreover, the development of the plan was also undertaken by the site in Dammam (Saudi Arabia). Thanks to the behavioural practices put in place by staff which were inspired by seeing the interdependence between energy and water (based on the consideration that the production of fresh water requires the consumption of energy and the supply of energy requires water), Saipem therefore intends to pursue the objectives of achieving greater efficiency in the use of energy and water in these sites.

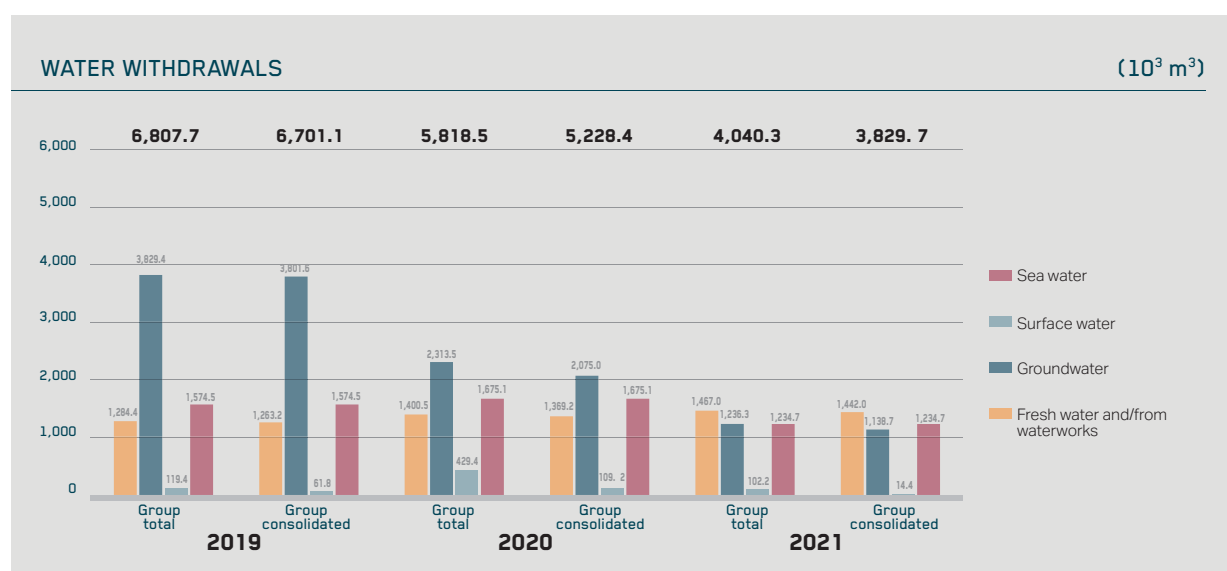
In 2020, in the Onshore E&C Division, TCF (Temporary Construction Facilities) feasibility studies were prepared for energy efficiency for the Marjan pack 10 and Berri (Saudi Arabia) projects, with both studies containing measures that will deliver water savings estimated, on the basis of on peak attendance at the respective base camps, at approximately 18,000 litres per day for the Berri Project (peak of 600 people) and approximately 14,000 litres per day for the Marjan Project (peak of 450 people).

On the topic of water conservation, it is also noted that the new headquarters under construction in Italy will see the transfer to Milan of the historic San Donato Milanese headquarters: the new complex, inspired by the most modern architectural solutions, from the perspective of technological innovation, has a strong focus on sustainability and respect for the environment and will enable a significant reduction in the consumption of drinking water thanks to the efficiency of the plant and equipment that has been selected and the reuse of rainwater.

To improve traceability and reporting on water consumption, since 2019 the methodology for the calculation of water consumption has been amended to envisage that wastewater that is disposed legally be classified and reported as waste (non-hazardous or hazardous according to local law) and not as discharged water.

Every year Saipem celebrates World Water Day (March 22) as a further opportunity for raising awareness and launching initiatives on this topic.

Furthermore, the initiatives carried out in the local communities are yet another opportunity for raising awareness and introducing best practices for the management of water resources, particularly in areas where the analysis of the local context highlights water stress, scarce potable water and poor hygiene conditions.



	2019		2020		2021		
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated	
<b>Recycled and re-used water</b>							
Re-used water	(10 <sup>3</sup> m <sup>3</sup> )	1,657.1	1,657.1	802.5	802.5	447.8	447.8
	(%)	24	24	14	15	11	12

### Wastewater discharged

(10 <sup>3</sup> m <sup>3</sup> )	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Total water discharged, of which:</b>	<b>3,468.9</b>	<b>3,424.7</b>	<b>2,780.8</b>	<b>2,628.6</b>	<b>2,238</b>	<b>2,138</b>
- water discharged into the sewer systems	185.5	180.1	240.4	175.7	176	171
- water discharged into bodies of surface water	1,592.3	1,592.3	1,040.3	1,040.3	919	897
- water discharged into the sea	1,115.2	1,076.4	1,500.0	1,412.6	1,143	1,071
- water discharged to other destinations (*)	575.8	575.8	-	-	-	-

(\*) Category no longer considered as of 2020.

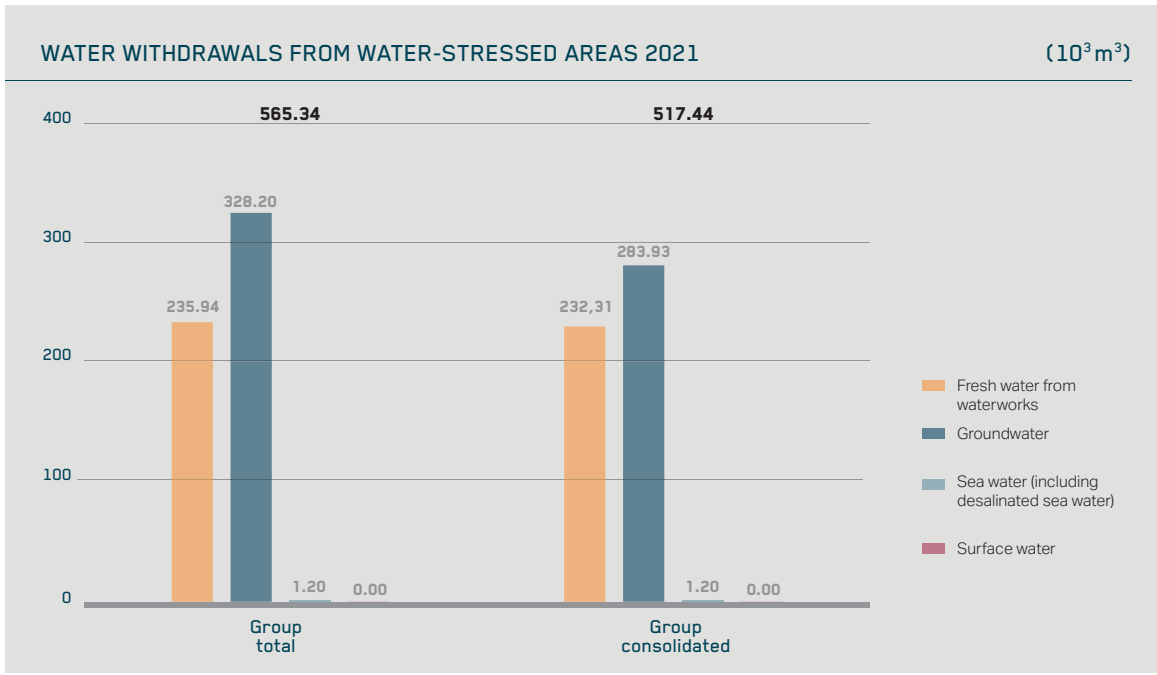
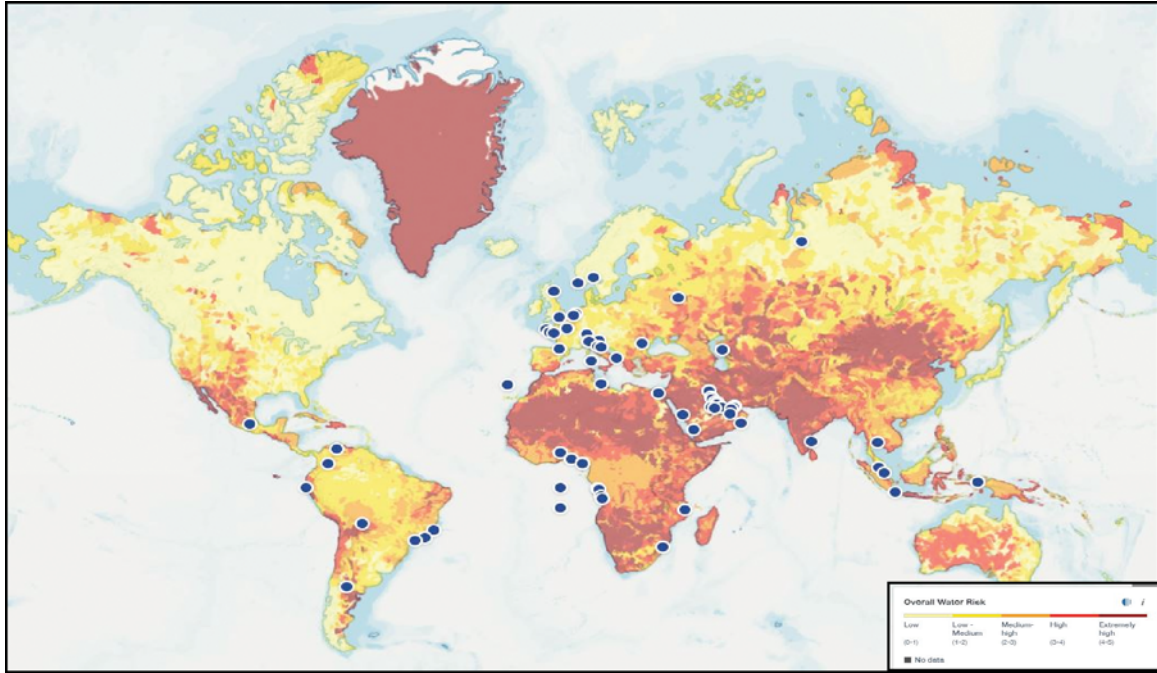
Compared to total water withdrawals for the year, it is reported that, excluding groundwater, the withdrawal of fresh water represents 39% of total withdrawals for the Group perimeter and 38% for the full consolidated perimeter, while salt water accounts for 31% within the Group perimeter and 32% for the full consolidated perimeter.

Water consumption fell by 31% compared to 2020 for the Group perimeter (it was 27% for the full consolidated perimeter), mainly as a result of a sharp reduction in the withdrawal of groundwater. In particular the following were recorded:

- > an increase in withdrawal from fresh water/mains water systems, mainly due to the onshore projects Duqm (Oman), SGP (South Gas Compression Plant - Saudi Arabia) and Arctic LNG 2 (Russia), and the activities in the Karimun yard (Indonesia);
- > a reduction in water withdrawn from groundwater, due to a reduction in its use in the onshore projects Khurais and Jazan Package 1&2 (Saudi Arabia);
- > a reduction in withdrawals of seawater, due mainly to a reduction in its use in the onshore Duqm Project (Oman).

Water discharges recorded in the Group perimeter fell for all reported categories, in line with that which was reported for water consumption.

Location of main Saipem sites on map of water-stressed areas produced through the Aqueduct WRI system.



### Preserving the air quality

The Company policy of reducing GHG emissions has a strong impact on the reduction of air pollutants, as these are also caused by energy consumption. Moreover, thanks to the initiatives will be implemented within the scope of the Net-Zero Programme like progressive electrification, will allow for a net reduction in air pollutants in the medium-long term.

Saipem's methodology for estimating emissions includes the following pollutants: NO<sub>x</sub>, SO<sub>2</sub>, CO, PM<sub>10</sub> and NMVOC. The emission factors were updated during the last reviews of the calculation methodology. In particular, during the 2018 methodology update, the NO and CO emission factors were significantly reduced, the NMVOC and PM<sub>10</sub> factors slightly increased and SO<sub>2</sub> factors remained constant, influencing the emissions trends between 2017 and 2018. The updating of the methodology in 2019 reflected the new regulations on the use of marine fuels, which consequently changed the emission factors: phase-out of Heavy Fuel Oil and Intermediate Fuel Oil starting from 2020 and introduction of new categories of fuels (Marine Gas Oil and Marine Fuel Oil, which are in turn categorised based on a sulphur content that is greater or less than 0.1%).

For pollutants, the emission levels follow the trends for energy consumption and are down slightly. Polluting emissions are calculated using the following sources: EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016 and IPCC Guidelines for National Greenhouse Gas Inventories 2006.

### Air pollutant emissions

(t)	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
NO <sub>x</sub>	16,536	16,338	13,338	12,326	12,415	11,762
SO <sub>2</sub>	6,514	6,483	571	545	542	523
CO	7,935	7,889	5,989	5,618	5,231	4,798
NM VOC	1,146	1,131	922	837	840	782
PM <sub>10</sub>	636	628	516	465	477	442

The energy efficiency interventions and processes described in section "Energy efficiency" also led to reductions in the emissions of other air pollutants, particularly NO<sub>x</sub> and CO.

### Reduction in pollutant emissions

(t)	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
NO <sub>x</sub>	257.8	257.2	319.9	316.7	426.9	426.9
SO <sub>2</sub>	111.3	111.2	15.4	15.4	16.9	16.9
CO	33.0	32.9	50.3	49.8	121.2	121.2
NM VOC	7.8	7.8	17.1	17.0	24.2	24.2
PM <sub>10</sub>	8.4	8.4	10.2	10.1	13.6	13.6



GRI 306-1  
GRI 306-2  
GRI 306-3  
GRI 306-4  
GRI 306-5

### Waste management

The Company adopts a responsible and specific waste management system based on the type of operating activity, which it also shares with the third party companies it operates with.

Waste management is tackled by applying a hierarchy of operations mainly aimed at minimising waste production through the use of appropriate procedures or technologies, re-using waste as material and recycling it after the most appropriate treatment.

Priority is given to hazardous waste in the context of action aimed at minimising waste generation. The Company promotes and implements measures, also through the research and development of new materials, which allow hazardous materials to be replaced with non-harmful alternatives.

In order to comply with its management standards, Saipem controls the traceability of waste within its sites and ensures that subcontractors do the same (e.g. through specific contractual requirements, inspections, audits, etc.).

A 23% decrease is reported for the Group perimeter (21% for the full consolidated perimeter) compared to 2020, mainly as a result of the significant reduction in waste generated in certain onshore projects, including Mozambique LNG (Mozambique), which is currently suspended, in particular wastewater disposed of as non-hazardous waste. Compared to 2020 there was also a reduction in the quantity of recycled waste, mainly due to the onshore project Moscow Refinery (Russia), following a reduction in the production of waste deriving from construction activities, that were subsequently recycled.



(kt)	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Total weight of waste produced, of which:</b>	<b>953.0</b>	<b>933.3</b>	<b>1.057.9</b>	<b>943.1</b>	<b>811.9</b>	<b>743.5</b>
- hazardous waste disposed of in landfill sites	238.5	238.5	10.3	10.3	10.9	10.4
- hazardous waste incinerated in external plants	3.1	3.1	1.3	0.5	2.0	2.0
- hazardous waste incinerated in Saipem plants <sup>(*)</sup>	-	-	0.5	0.5	0.8	0.8
- recycled hazardous waste	11.1	11.0	13.9	13.8	15.2	15.1
- hazardous waste disposed of in other structures	-	-	215.6	182.4	108.9	108.8
- non-hazardous waste disposed of in landfill sites	638.2	623.6	321.0	279.4	261.8	252.6
- non-hazardous waste incinerated in external plants	2.2	2.2	0.6	0.3	0.2	0.1
- non-hazardous waste incinerated in Saipem plants <sup>(*)</sup>	-	-	1.4	1.4	1.7	1.7
- recycled non-hazardous waste	59.9	54.9	152.9	146.3	90.6	86.1
- non-hazardous waste disposed of in other structures <sup>(**)</sup>	-	-	340.4	308.1	319.9	265.8

All waste, with the exception of the incinerated category, is processed in plants that are external to the Company's sites.

(\*) It is reported that, at present, no Saipem incineration site allows energy to be recovered.

(\*\*) Category introduced in 2020.



## SOCIAL ASPECTS

### Social policies and management





The Group operates in 73 culturally and geographically different and distant countries often in contexts characterised by difficult situations and border issues and it takes into account the specific issues of each country when assessing social aspects linked to its activities.

For the social impacts linked to the operational projects it works on, Saipem bases its assessments on socio-economic impact studies and assessments normally produced by its clients or, where necessary and established contractually, developed internally. The operations in which Saipem has direct responsibility for the impacts generated at local level and the possibility to manage them concern the fabrication yards or proprietary logistic bases. In these cases, the Group identifies and assesses the potential effects of its activities on the social context in order to minimise their adverse impact and to define and implement specific activities and projects aimed at developing the local socio-economic context working with the identified local stakeholders.

In the countries where the Saipem's presence is medium-long term, Saipem has established a lasting relationship of mutual collaboration with the local stakeholders. Some significant examples are the collaborations with the university and school bodies, the representatives of local institutions, the non-governmental organisations active in the areas and the local bodies for the implementation of development programmes and the promotion of health.

Saipem has always strived to minimise any adverse impacts on the territory and contribute to maximising positive impacts through the implementation of strategies aimed at promoting sustainable local development. The overall risk profile (including the social one) for every project is identified, analysed and monitored from the commercial phase. An important tool is listening to the demands of the local stakeholders, also by means of consolidated engagement processes. In particular, for the management of the negative impacts, the Company has drawn up a principle (Guidance on Grievance Management) for structuring a system to collect and manage the demands of the local communities in the operating situations where it is considered necessary or requested by the client. This process allows potential negative social impacts to be identified and managed or mitigated.


Different geographical realities and some of the operational realities (e.g. Nigeria, Oman, Indonesia and Mozambique) of greatest significance in terms of both hours worked and relations with the local community have implemented these systems to guarantee effective communication with the communities.

SOCIAL ASPECTS	CULTURE AND LIFE STYLES 	DEMOGRAPHICS 	WELL-BEING AND SOCIAL INFRASTRUCTURES 	ECONOMIC IMPACT 
<b>MAIN SOCIAL IMPACTS</b>	<ul style="list-style-type: none"> <li>&gt; Erosion of traditional values and local customs</li> <li>&gt; Increase in the social problems of some vulnerable population groups</li> <li>&gt; Discrimination and marginalisation of indigenous people</li> <li>&gt; Risk of conflict and local unrest</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Immigration due to the greater attractiveness of the geographical area of the site</li> <li>&gt; Emigration/relocation due to the traditional use of natural resources competing or conflicting with project activities</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Effect on local facilities and public health</li> <li>&gt; Effect on traffic and road safety</li> <li>&gt; Access to social infrastructures</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Increase in direct and indirect employment and in wage levels</li> <li>&gt; Increase in prices of goods and inflation rate</li> <li>&gt; Purchasing of local supplies and general boost in the local economy</li> <li>&gt; Changes in local economic structure</li> <li>&gt; Increase in dependency of the local economic system on a specific industrial sector</li> </ul>
<b>POTENTIAL MITIGATION MEASURES</b>	<ul style="list-style-type: none"> <li>&gt; Cultural heritage protection plans</li> <li>&gt; Proper selection of security service providers</li> <li>&gt; Drug and alcohol testing of the workforce</li> <li>&gt; Cultural awareness sessions and human rights training programmes for employees</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Transparent recruitment strategies</li> <li>&gt; Management of local expectations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Health promotion initiatives</li> <li>&gt; Safe driving awareness sessions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Transparent recruitment and sourcing strategy</li> </ul>
<b>TOOLS ADOPTED</b>	Stakeholder consultation, community grievance mechanism and community relations plans			

Context analysis	Identification and evaluation of potential impacts	Planning and implementation of mitigation measures
<p>Analysis of the socio-political, cultural and economic conditions of the area interested by the project.</p>	<p>Identification and subsequent evaluation of impacts which may occur during the entire life of the project. The impacts can be classified as:</p> <ul style="list-style-type: none"> <li>➤ direct impacts: that are a direct result of project activities;</li> <li>➤ indirect impacts: that result from other developments or activities that would only occur as a result of the project.</li> </ul>	<p>The purpose of adopting mitigation measures is to remove, minimise and/or compensate residual adverse effects to a reasonably feasible extent. Mitigation measures could consist of integrating proposed actions into the design of the project, changing or adding technical or managerial aspects. Mitigation actions could include activities to be implemented both within the project site and in neighbouring areas.</p>

STAKEHOLDER ENGAGEMENT PROCESS

RISKS COVERED BY ITALIAN LEGISLATIVE DECREE NO. 254/2016: SOCIAL ASPECTS

Topics addressed in the 2021 NFS Management of an ethical supply chain	Risks identified by the Company	Summary of adopted risk mitigation measures
	<p>Fraud, corruption, lack of transparency, loss of confidential information and data, non-compliance with procedures and regulations.</p> 	<p>Saipem has put in place a solid and effective whistleblowing system for discouraging, detecting, investigating and reporting any illegal behaviour in the Company. Moreover, Saipem updates its Organisation, management and control model pursuant to Italian Legislative Decree No. 231/2001 (hereinafter, "Model 231"), which is aimed at preventing the commission of the crimes sanctioned by this decree; "Model 231" includes the Saipem Code of Ethics, which contains the set of rights, duties and responsibilities addressed to Model recipients. Moreover, Saipem is involved in training activities (which include the campaign "Leading by Ethics") relating to ethical issues, including anti-corruption and updates to "Model 231", with a particular focus on staff changing roles. The Company has developed an anti-corruption management system that obtained certification of compliance with the international standard ISO 37001 in 2018. Lastly, the Group has a monitoring and control system in place for vendors involved in specific projects who may engage in fraudulent activities, possibly evaluating their suspension.</p>



Relations with the local context

Saipem is committed to establishing relations with its local stakeholders based on correctness and transparency in order to pursue concrete shared objectives for sustainable development. This is achieved by strengthening mutual trust, seeking dialogue and promoting the right conditions in order to establish lasting cooperation in the countries where the Company operates.

Wherever it works, Saipem contributes to the social and economic life of the territory, also and not only in terms of local employment and creation of value. Saipem's relations with local stakeholders therefore depend on the type of operating presence in each particular area. This presence is divided between: long-term presence where the Company owns fabrication yards or other operating structures that allow complex relations and partnerships with various local stakeholders or their representatives to be established; and short/mid-term presence where Saipem is involved in a specific project within set contract deadlines and, as a result, participates in more targeted and short-term sustainable development initiatives.

Saipem's involvement and dialogue with local stakeholders therefore depends on the type of presence in each particular area, contract requirements set by clients on projects and the partners with which the Company operates, as well as the characteristics and social composition of the relevant context.

Where Saipem intends to create new, long-term work sites, it carries out specific assessments designed to analyse the potential effects of its activities on the local socio-economic context. To do so, it uses instruments including the ESIA (Environmental Social Impact Assessment), after which the Company defines action plans to manage the impacts generated for local communities and the engagement of stakeholders. To support this process, Saipem has implemented specific tools for analysing the local context and for the identification and analysis of the main stakeholders for the purpose of defining intervention plans.

In operating projects, Saipem supports the client's activities, in line with contract requests and the requirements the latter received and/or agreed with local authorities through specific studies such as EIA (Environmental Impact Assessment) or, as mentioned above, ESIA.



Local presence

For Saipem, local presence means purchasing goods and services from local vendors, creating employment at a local level and developing the know-how of the local personnel and vendors, strengthening their technological and managerial skill. In this way Saipem contributes to creating development opportunities for

the people and companies in those communities where it operates. Saipem's presence is also characterised by a commitment to developing and maintaining a continuous relationship with local communities, clients and vendors making it possible to obtain benefits also in terms of reductions in overall project costs and the overall risk profile associated with operational activities.

In addition, Saipem has internally developed a model (SELCE, "Saipem Externalities Local Content Evaluation") to quantify the value of its presence in the local territory in economic, employment and growth of human capital terms.

GRI 202-2

## Local employment

	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
(%)						
Local employees	74	71	79	76	79	75
Local managers	44	43	49	48	50	50

An employee is considered local if he/she works in the country where he/she was hired. Local managers include both middle and senior managers. Given the large number of employees in the two headquarters in Italy and France, the percentage of local managers is calculated excluding the data for these two countries, in order to provide an effective representation of the Company's commitments in the countries where it operates.

GRI 308-1  
GRI 412-2

## A sustainable supply chain

Saipem's business is characterised by a highly complex global supply chain, covering different geographical areas and different industrial sectors. Today the Group has almost 23,500 qualified vendors, more than 7,000 of whom were qualified in 2021. During the year, purchases were mainly made by vendor is situated in the Middle East, Central Asia and Europe.

In over 60 years of business in numerous countries in the world, Saipem has created a consistent and profitable network of partners and vendors; more than 6,000 vendors have worked with Saipem for at least 10 years.

The vendor management system was structured to guarantee that they have proven technical and operational skills, but also that they share Saipem's values and policies. For this purpose, some sustainability elements to analyse and monitor in the various phases of the vendor management system have been identified; these elements include ethical behaviour, respect for human and labour rights, including the protection of the health and safety of workers, and environmental protection.

First of all Saipem's vendors are bound to comply with the principles that are an integral part of the Code of Ethics, and respect human rights in conformity with the Saipem sustainability policy, as required in the contractual clauses laid down in all contracts. Vendors are responsible for managing risks in their operations, and the company demands that, in turn, they require the same principles and standards from their own vendors. In this way, we aim to guarantee safe and fair working conditions and the responsible management of environmental and social aspects throughout the procurement chain.

During the qualification process, the analysis of vendor information is the first step for knowing and understanding their capacities. This phase involves the gathering of data and information, as well as the vendor's documentation, to evaluate:

- > their technical and managerial skills, including their alignment with quality standards;
- > their financial, reputational and ethical reliability;
- > their ability to manage sustainability issues.

The level of risk linked to sustainability issues is determined by the country of origin of each vendor and the industrial sector and/or criticality of the supply. The vendors identified with a high sustainability risk level are subject to more in-depth investigations.

In particular, depending on the type of goods or services offered, vendors are subjected to a Counterparty Risk Assessment ("VERC"), aiming also to verify their ethical conduct in terms of anti-corruption, unlawful conduct and human rights, as well as any other aspect which could directly damage the reputation of the vendor, and indirectly the reputation of Saipem. The VERC is performed by analysing the key characteristics of the counterparty, with particular attention to economic-financial, ethical/reputational aspects and ownership.

The counterparty risk assessment on vendors or potential vendors is usually done by checks that do not involve contacts with the counterparty, gathering available information from specialised third-party sources. The VERC may be performed not only at the start of the qualification activity, but also during the contract award phase or during the performance of periodic inspections, where foreseen. In 2021, the number of "VERC" drafted during the course of the qualification processes that were managed during the course of the year amount to 6,381.

Furthermore, depending on the level of risk of exposure to problems linked to human rights and/or health and safety and environmental management aspects, vendors are assessed by analysing the documents provided during qualification, to check compliance with the Saipem principles and the vendor's ability to



manage these issues. In 2021, 595 suppliers were assessed on HSE issues and 598 were assessed on labour law issues.

Depending on the level of sustainability risk, the vendors subjected to qualification audits may also be assessed on specific sustainability aspects, including labour rights, health and safety and environmental protection. However, during the course of 2021, including as a result of the pandemic, it was not possible to conduct specific audits on vendors.

During the bid and contract execution phases, the process foresees further controls, including a counterparty risk assessment based on the total value of the supply. For goods and services deemed to be of high risk of health, safety and environment issues (HSE), specific assessments are carried out to check the vendor’s ability to perform the contract in accordance with the relative international and Saipem standards and on the capacity to manage HSE aspects.

Furthermore, the contractual conditions applied to all vendors and all types of purchasing include specific requirements that oblige the vendor to strictly comply with the Saipem Code of Ethics and to respect human rights.

In order to share the ethical principles, inform and train vendors on the Saipem standards and requirements and how they should align to these, Saipem organises specific events, meetings or forums for vendors, both prior to qualification and during the execution of the contracts.

Periodic training sessions with vendors are also organised to discuss HSE issues. More information is available on the latter in the chapter “Added value at our core” of the 2021 Sustainability Report.

Vendor performance and compliance with contractual provisions are constantly monitored: all the Saipem functions involved in the various phases of the procurement chain management system are bound to provide feedback on the conduct of vendors, including on sustainability aspects, such as any incidents occurring during the execution of the work, conformity with local HSE or labour legislation, or evidence collected during site inspections and audits.

The feedback received guarantees the assessment of the vendor’s overall reliability and, in the case of serious situations recorded, the possibility to terminate the contract or suspend the vendor’s qualification.

In June 2021, a new software came into operation for the management of feedback called VPE (Vendor Performance Evaluation). Various improvements have been introduced compared to the previous tool, including the immediate availability of the outcome of valuations as a result of these being broken down into a number of independent phases. This means the overall score for the vendor can be updated without having to wait for the entire process to be completed.

In the transition from one system to another we imported the existing feedback, that was available up to five years ago.

Throughout 2021, 2,167 feedback surveys on vendor performances were compiled and published, of which 86% with a positive outcome and 8% with a neutral outcome.



**DIAGRAM OF KEY PROCESSES AND INSTRUMENTS TO MANAGE SUSTAINABILITY ISSUES IN THE SUPPLY CHAIN**



		2019	2020	2021
Active vendors	(number)	23,871	23,696	23,585
Qualified vendors	(number)	7,721	6,859	7,226
Vendors qualified in the year working in countries with a high risk of human and labour rights breaches	(%)	35	37	43
New vendors assessed on labour law in countries at high risk in terms of breaches of human rights and worker rights (*)	(number)	182	504	598
Vendors qualifying in the year for activities considered at HSE risk	(%)	7	9	9
Vendors assessed on HSE issues	(number)	574	585	595

It must be stated that the numbers in the table are representative both for the total perimeter of the Group and the full consolidation perimeters, because a qualified vendor at corporate level can potentially work with all the businesses in the Group.

(\*) 2019 data only include vendors with qualification processes for strategic product categories.



GRI 403-1  
GRI 403-7



## SAFEGUARDING THE HEALTH AND SAFETY OF PEOPLE

The safety of all Saipem personnel is a priority and strategic objective for the Company. This commitment is an essential pillar of the HSE Policy and the policy "Integrity in our operations".

The safety of people is constantly monitored and guaranteed through an integrated health, safety and environment management system, which meets the international standards and current legislation. In 2021, following the periodic audit by the third-party certification body, the ISO 45001 certification was confirmed for Saipem SpA and all the most significant Group companies, with a coverage of 99% for the full consolidated perimeter (82% for the Group perimeter), of company employees and agency workers, excluding subcontractors, as a guarantee of the homogeneous and systematic approach to the management of processes.



GRI 403-2  
GRI 403-4  
GRI 403-5  
GRI 403-9

SASB  
EM-SV-320A.1  
EM-SV-320A.2



### People safety

Every year Saipem defines a corporate, division and operational company safety objectives plan, approved respectively by the CEO, the Division Managers and the Managing Directors of the operational companies. The incentive plans for the senior managers for the areas under their responsibility are linked to the achievement of these objectives. Further details can be found in the "Report on the Remuneration Policy and Paid Compensation 2020".

For the year 2021, these goals include:

- > ensure in a continual manner the identification of the hazards and the assessment of the risks associated with the safety of personnel, vendors and other people involved in the Company's activities, as well as the risks for the Company assets;
- > guarantee the adequate assessment of the risks caused by the interference between the activities contracted to the vendors operating on Saipem structures or sites;
- > guarantee a continual process of HSE training for staff. This process can be broken down into several phases: updating the HSE training protocol (which identifies the training needs based on professional roles), definition and standardisation of the courses on a dedicated platform, provision of the courses, monitoring and reporting on the training activities;
- > the consistent application of preventive and protective measures that are suitable for guaranteeing the health and safety of people and the integrity and efficiency of assets;
- > follow-up and control activities on the effectiveness of prevention and the measures implemented;
- > reporting, registration, analysis and investigation activities for accidents and near misses;
- > consolidation and analysis of safety performance.

The Company carries out internal audits regarding HSE on: HSE management system, compliance with the HSE legislative provisions. These audits, 190 in 2021, involved operating companies, operational sites (including the fleet) and subcontractors.

Promoting the safety culture of workers is facilitated in the Company's sector by both the reference regulatory framework, characterised by laws and agreements at national and Company level, and by an internal environment characterised by specific policies on health and safety.

These internal policies set particularly stringent criteria compared to several local contexts, which today still have regulatory systems in the process of development. With regard to national agreements, not all countries in which Saipem operates have trade unions at both national and local level.

Where specific agreements are in place between trade unions and Saipem, they can include the following on safety:

- > setting up workers' H&S committees (composition and number);
- > specific training for safety officers (responsible Company figures and employee representatives) and grassroots information on safety matters to all employees, with particular reference to courses on Health and Safety at Work, Fire Fighting, First Aid, and mandatory "Special Operations" (Onshore-Offshore);
- > regular meetings between the company and workers' representatives.

In Italy, the national collective agreement provides for the appointment of corporate representatives of the workers for their protection in the areas of health, safety and environment (RLSA). The appointment is by election, based on the provisions of law and the bargaining contract. There are a total of 19 RLSAs at the Saipem Italian offices. A specific trade union agreement signed by Saipem and the Trade Union Organisations defines the duties of RLSAs and their full authority to carry out their activities also for workers assigned temporarily to activities at yards and sites other than those of origin.

It should also be noted the presence of institutes in foreign countries, where participation is shared between management and the workforce for the management of initiatives and programmes regarding health and safety in accordance with the reference regulations in different countries. Among these are the Saipem Group entities operating in Algeria, Angola, Bolivia, Brazil, Canada, Colombia, Congo, Croatia, Ecuador, France, Indonesia, Malaysia, Mexico, Norway, Peru, Romania, United Kingdom and Venezuela.

The Company has launched several awareness campaigns over the years with the purpose of spreading a deeper and more entrenched safety culture.

To significantly reduce the alarming phenomenon of road accidents occurring on sites and in work areas or on the journey to and from work, in 2019 Saipem launched a new road safety campaign – *Belt Up or Get Out* – also continued in 2021 to guarantee that vehicle drivers and passengers have a safe journey every time.

### Leadership in safety and HSE culture

Physical and mental health and well-being have become essential requirements for working well and safely and for facing the major challenges in the industry the company works in.

In 2021, Saipem developed and launched the new edition of Choose Life, a training programme that aims to strengthen leadership and increase Saipem people's awareness on health and well-being issues, with the objective of encouraging them to choose a healthier lifestyle.

The programme's objective is to attack the main risks for health within the Group: cardiovascular diseases, malaria and sexually transmissible diseases, which still cause serious chronic illnesses and can result in repatriations and even death in certain cases.

Another issue addressed by this programme is mental illness which, according to the World Health Organization is constantly on the rise, including as a result of the COVID-19 pandemic and which has had a significant emotional and psychological impact on people in recent years.

The HSE Culture, Communication and Training department, which developed the programme internally in collaboration with the Health department, created a training package and process for facilitators conducting the training in classrooms.

For the official launch of the programme a special presentation event was organised that was attended by Saipem's CEO, Francesco Caio and the Senior Management.

The programme is due to be rolled out through the Group in 2022.

Mental health was also the focus of Sharing Love for Health & Safety, the annual contest to celebrate the April 28, the World Day for Safety and Health at Work.

The social media challenge that was proposed this year involved sharing on Instagram videos, stories and photos to illustrate people's routines for a healthy life and developing solid mental resilience, in order to encourage us all to take care of our health and physical and mental wellbeing.

The "Leadership in Health & Safety" (LiHS) programme continues to be implemented and appreciated in all Saipem premises and amongst clients, partners and contractors.

Starting in 2020, the LiHS Workshop was transformed into an online experience. Because of current restrictions the online version continued to be the most commonly used version in 2021.

In 2021, LiHS sessions were conducted for various projects, including: Mozambique LNG, Payara Project, SGCP Project, SRU2 Moscow Refinery, Baltic Pipeline Project, Karimun Yard.

After being updated in 2020, the Life-Saving Rules campaign continues to be implemented successfully throughout the Group. The campaign tools include multimedia content, posters, presentations and a guide for implementation.

To support monitoring of the level to which rules are adopted the "Management Walkabout" tool remains available along with the e-learning platform, which is offered as part of the implementation strategy to support the dissemination of the campaign throughout the Group.

### Raising awareness and information on the pandemic

In collaboration with the Italian Health authorities, in the first weeks of the pandemic in 2020, Saipem promptly developed an awareness-raising campaign for employees on the risks linked to the spread of the CoronaVirus and the promotion of good practices to limit its spread. At the start of the period when staff returned to the workplaces after working remotely, a specific awareness-raising campaign was produced on measures and suitable conduct to be adopted in working environments, and support was provided to help staff deal with stress and increase their mental resilience. The course, which is developed in three informational modules, was delivered as an e-learning course. The 3 modules (each with a duration of 15 minutes) represent interactive learning programmes and each one covers a specific area: Basic Information on COVID-19, with a particular focus on individual knowledge and the acquisition of correct information; the return to the office and how to follow the Saipem procedures on safety; supporting and increasing mental resilience to adapt to the new working and living conditions.

### HSE training

The training on health, safety and the environment is an important part of the implementation of the HSE system in Saipem's central headquarters and operating sites. All the HSE training activities are critical preventive actions for reducing risks.

To involve and ensure consistency amongst the global community of HSE trainers the training programme HSE Train The Trainer continues to be implemented to support the improvement of soft skills so that trainers are effective and incisive in classrooms.

The online course consists in a 5 day workshop that is organised in daily 2-hour sessions which are followed – in the subsequent 12-month period – by a continuing professional development programme where HSE trainers practice the design of content and delivery activities in classrooms and are given feedback from the course mentor.

In 2021, 4 sessions were organised involving 48 trainers.

To support Divisions in improving HSE training, in 2021 a mapping was commenced of the Training Centres. The purpose of this is to assess the effectiveness of the HSE training they provide.

The analysis is based on an assessment grid which examines six factors: documentation and organisation, structure, equipment and technology, expertise and resilience of the trainers, training material, registration processes and reporting on the training.

The Training Centre inputs are analysed and collected in a report that highlights best practices and areas of improvement that are shared with the parties in question during a dedicated workshop. The final objective is that of commencing a continuous improvement process to bring Training Centres to a unified global standard.

During the year, Saipem continued to invest significant resources in training its staff on HSE issues through campaigns and ad hoc programmes, in order to increase workers' awareness of the risks associated with work activities.

The TRIFR of 0.37 reported in 2021 is in line with the previous year (0.36). It should be noted that for the first time since a systematic reporting process began for injury indicators (at the start of the 2000s) there were no fatal accidents during the course of the year. This improvement is attributable to the constant and continual commitment of all individuals involved, both within and outside the HSE professional sector.

In 2021, HCWR<sup>6</sup> (High Consequences Work Related) injuries caused two permanent partial disabilities and two temporary disabilities with more than 180 lost days. Three accidents out of four resulted in disabilities to the hand following operational activities. The fourth accident resulted in a fracture to a leg because of a fall from a ladder. The investigations into these accidents identified common causes: on the one hand improvable specific training on the activities conducted by the staff in question; on the other, a failure to comply with specific procedures and/or a failure to perceive risks.

From an analysis of these investigations, it can be seen that the preventive and protective actions identified with the objective of intervening in these common areas mainly involved ensuring accurate technical/operational training for the execution of specific activities and reinforcing the importance of complying with operational procedures and the Life Saving Rules (LSR), i.e. the rules that each Saipem resource is required to follow to protect themselves and their colleagues.

*(6) HCWR: term that defines a sub-category of an LTI with a resulting fatality or an LTI with at least 180 lost working days. All injuries resulting in permanent disability must be registered in the reporting system used by the HSE function and consolidated as High Consequences Work Related (HCWR).*



**SAFETY INDICATORS, DEFINITIONS AND CALCULATION METHODS**

**LTI (Lost Time Injury):**

means any accident at work that renders the injured person temporarily unable to perform any regular activity or limited work during any day/shift after the day on which the accident occurred. LTI include fatal accidents, permanent total disability, permanent partial disability and temporary total disability.

**WRC (Work Restricted Case):**

any injury at work, with the exception of deaths or lost work days, which makes the person unfit for performing all his/her activities fully in the days after the injury at work. In this case, the injured person is temporarily assigned to other duties or exempted from some parts of his/her normal duties. The maximum limitation time can be 30 days. If the limitation exceeds 30 days, the injury must be classified as LTI.

**TRI (Total Recordable Incidents):**

means the sum of LTI, cases of limited work and cases of medical treatment: TRI = LTI+WRC+MTC.

**TRIFR (Total Recordable Incident Frequency Rate):**

it is calculated as (TRI number on hours worked) x 1,000,000.

**FTLFR (Fatal Accident Frequency Rate):**

calculated as (No. of fatal accidents per hours worked) x 1,000,000,000.

**LTIFR (LTI Frequency Rate):**

it is calculated as (No. LTI on hours worked) x 1,000,000.

**Lost days of work:**

the total number of calendar days in which the injured person was not able to do their job as a result of an LTI. The calculation for the lost days starts from the day after an accident until the day when the person is capable of returning to work. The calculation does not include fatal accidents.

**SR (Severity Rate):**

calculated as (No. of lost days of work per hours worked) x 1,000.

**High-consequence work-related injury:**

injury with more than 180 lost days of work.

**High-consequence work-related injuries Frequency Rate:**

calculated as (No. of high-consequence work related injuries per hours worked) x 1,000,000.

**Absenteeism rate of employees:**

it is calculated as the ratio between the number of total hours of absence and the number of total annual theoretical working hours. The annual theoretical working hours are calculated proportionately to the number of staff at December 31.

	2019		2020		2021		
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated	
<b>Man-hours worked</b>							
Total, of which:	(millions of hours)	235.0	228.2	206.3	186.6	199.7	173.9
Man-hours employees	(millions of hours)	87.6	82.3	83.5	72.5	90.8	76.4
Man-hours subcontractors	(millions of hours)	147.4	145.9	122.9	114.1	108.9	97.4
<b>Lost Time Injury (LTI)</b>							
Total, of which:	(No.)	51	47	26	23	37	37
Employees	(No.)	42	38	16	14	27	27
Subcontractors	(No.)	9	9	10	9	10	10
<b>Of which fatal accidents:</b>							
Total, of which:	(No.)	3	3	2	2	-	-
Employees	(No.)	3	3	-	-	-	-
Subcontractors	(No.)	-	-	2	2	-	-
<b>High-consequences work-related injury <sup>(a)</sup></b>							
Total, of which:	(No.)	11	11	3	2	4	4
Employees	(No.)	9	9	1	1	3	3
Subcontractors	(No.)	2	2	2	1	1	1
<b>Of which with disabilities:</b>							
Total, of which:	(No.)	11	11	3	2	4	4
Employees	(No.)	9	9	1	1	3	3
Subcontractors	(No.)	2	2	2	1	1	1
<b>Days lost <sup>(a)</sup></b>							
Total, of which:	(No.)	8,490	8,200	1,164	1,106	2,635	2,635
Employees	(No.)	7,622	7,332	824	785	2,001	2,001
Subcontractors	(No.)	868	868	340	321	634	634
<b>Severity Rate <sup>(a)</sup></b>							
Total, of which:	(ratio)	0.036	0.036	0.006	0.006	0.013	0.015
Employees	(ratio)	0.087	0.089	0.010	0.011	0.022	0.026
Subcontractors	(ratio)	0.006	0.006	0.003	0.003	0.006	0.007
<b>Total Recordable Incidents (TRI)</b>							
Total, of which:	(No.)	127	123	75	68	74	73
Employees	(No.)	83	79	38	35	46	46
Subcontractors	(No.)	44	44	37	33	28	27
<b>Absenteeism rate of employees <sup>(b)</sup></b>							
	(%)	3.10	3.27	3.98	4.03	5.6	5.7
<b>Fatal Accident Frequency Rate (FTLFR)</b>							
Total, of which:	(ratio)	1.28	1.31	0.97	1.07	-	-
Employees	(ratio)	3.43	3.65	-	-	-	-
Subcontractors	(ratio)	-	-	1.63	1.75	-	-
<b>LTI Frequency Rate (LTIFR)</b>							
Total, of which:	(ratio)	0.22	0.21	0.13	0.12	0.19	0.21
Employees	(ratio)	0.48	0.46	0.19	0.19	0.30	0.35
Subcontractors	(ratio)	0.06	0.06	0.08	0.08	0.09	0.10
<b>High-consequence work-related injuries Frequency Rate (HCWRFR)</b>							
Total, of which:	(ratio)	0.047	0.048	0.015	0.011	0.020	0.023
Employees	(ratio)	0.103	0.109	0.012	0.014	0.033	0.039
Subcontractors	(ratio)	0.014	0.014	0.016	0.009	0.009	0.010
<b>Total Recordable Incident Frequency Rate (TRIFR)</b>							
Total, of which:	(ratio)	0.54	0.54	0.36	0.36	0.37	0.42
Employees	(ratio)	0.95	0.96	0.46	0.48	0.51	0.60
Subcontractors	(ratio)	0.30	0.30	0.30	0.29	0.26	0.28

(a) Updated 2019 and 2020 data based on the number of days lost during 2018 and 2019 respectively for accidents that occurred in 2018 and 2019.

## Asset integrity

Saipem strongly pursues the effective implementation of its asset integrity management system as an outcome of good design, construction and operating practices adopting the integrated management of barriers to reduce the risks associated with Major Accident Events (MAE).

Asset integrity refers to the prevention and control of the events with very low frequency and high/severe consequences on people, the environment, assets or project performance.

A dedicated team has been set up to develop an asset integrity management system model in line with the best industrial practices.

The asset integrity model follows a typical Deming cycle: planning, operations, performance monitoring and continuous improvement.

Saipem undertakes to prevent risks to improve the integrity of its operations. For this purpose, it adopts a proactive approach in the mitigation of risks as an integral part of its management and business activities.



GRI 403-3  
GRI 403-6  
GRI 403-10



## Employee health

As described in the Policy "Integrity in our operations", Saipem considers the safeguard of health and the promotion of the physical and mental well-being of its people as a fundamental requirement.

This is essential in the modus operandi of Saipem which is committed to being leader in the safeguard of health, as well as safety and the environment (further details can be found in the HSE Policy of Saipem SpA). The Company pursues this commitment in compliance with the provisions on the protection of privacy and the national and international laws on the safeguard of health and the prevention of diseases. Its implementation implies that the health promotion programme for each work site focuses mainly on preventive measures, and considers all the operations which may represent a risk for employee health when performed.

Activities implemented include, for example, an assessment of the health risks, check-ups for the issue of fitness certificates, vaccinations and chemoprophylaxis, health information, monitoring of the hygiene/sanitary conditions, programmes for the prevention of diseases and activities to promote health and physical activity.

The Company's operating activities require the movement of a considerable number of people, even to remote locations. For this reason the Company ensures workers the best possible medical assistance wherever they work, organises regular specific medical examinations and prepares medical fitness certificates, as well as delivers training programmes to assigned personnel before undertaking any travel or being assigned abroad. This is to prevent risks of contracting diseases due to the effect of the climate or environmental and other factors linked to the place of destination.

The Company is equipped with structured processes and a chain of well-defined responsibilities to promptly manage any medical emergency whatsoever.

Saipem has developed a continually evolving health management system, which is adapted to the work environments, integrates the most recent epidemiological studies and is designed to ensure the best health monitoring and medical services.

This system observes the principles recognised at international level and by local laws: the WHO (World Health Organization) Beijing Declaration, "Global Strategy on Occupational Health for All" (1994), European legislation and Directive 2000/54/EC on the protection of workers from risks related to exposure to biological agents at work, its application in Italy through Legislative Decree No. 81/2008 and its amendments (the so-called "Consolidated Act on Occupational Health and Safety"). This approach ensures effectiveness, flexibility and adequate bases for the development of a long-term health culture in all the countries where the Company operates.

For each site/project/asset, the management system requires that the risks linked to the health of personnel are identified and assessed (taking into consideration the frequency and potential impact), after which suitable preventive and mitigation measures are identified and implemented. These measures must be periodically monitored.

The general principles for the safeguard of health are based on the analysis of the activities carried out in the work environment and take into consideration the risks that those activities pose for both the people involved in the operations in different capacities and the local community.

The analyses carried out are specific to each task and destination and involve the identification of the activities and operating conditions in relation to the normal, abnormal and emergency working conditions; the analysis of the potential routes of contact of risk agents and their combined action and an accurate association of the hazards to the task, in relation to the specific nature of the activities identified. The results of the analyses allow the personnel to be suitably equipped and appropriately monitored.

In terms of the trend for occupational illnesses reported, it can be seen that the significantly higher number for 2020 compared to 2019 is attributable to certain cases of COVID-19 infections, which is considered to be an occupational illness in certain countries.

This is confirmed by the fact that in 2021, in virtue of the lack of cases of occupational illnesses connected to the pandemic, the number reported is back to below 10 units.

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
Occupational illnesses reported	(number)	6	6	15	10	9	9

## Occupational Health and Medicine

During the course of 2021, numerous activities were conducted to handle the health emergency generated by the spread of the SARS-CoV-2 virus. These were also defined based on the heterogeneous situations in the different geographical areas in which the Group operates and reflected the severity of the pandemic at a local level and resulted in different responses based on the health policy adopted by specific countries.

In the fight against the COVID-19 pandemic, 2021 also saw the introduction of vaccinations which had significant effects on Company operations. The Task Force that was set up to manage the emergency situation continued throughout 2021 to monitor the operating sites with more appropriate tools, for example the introduction of targeted Health Risk Assessments, that were specific to the highest-risk areas. The Task Force Reports directly to the Medical Director who is a member of the company Crisis Unit and provides operational instructions through the publication of internal memos and regular bulletins on the development and status of the pandemic and the vaccination take-up which are sent to the Division Health Managers and HR Managers. A medical Working Group is also in operation for the management of "complex suitability" for "fragile" and "vulnerable" workers. During the course of the year, the Company has constantly been in touch with national health ministries, the WHO, CDC, Italian Foreign Office and regional health boards, Assolombarda (with an inter-company Working Group) for all provisions concerning employees in Italy and abroad.

We also continued the management and monitoring activities for the global health situation through the activities that had been commenced at the time of the outbreak of the pandemic:

- Travel medicine: detailed information and awareness-raising activity that provides all workers who travel with advance recommendations in terms of vaccinations and essential behaviour for their destination countries, including specific information on COVID-19;
- monitoring of the spread of the pandemic amongst Saipem staff both through lateral flow tests, thanks to the acquisition of scientifically advanced tools being adopted and distributed in Saipem operating sites and as a Welfare service through the use of state-of-the-art serological tests;
- in cooperation with Humanitas Research Hospital, ramping up of health information and promotion activities through the publication of weekly newsletters in three different languages on health-related issues and connected to every aspect of the COVID-19 pandemic (psychological, clinical, behavioural, etc.) that are sent to employees;
- "Healthy workplaces: a model for action" programme: creation and dissemination of video clips supporting physical activity for colleagues operating remotely such as the Posturology Project and the promotion of well-being in the company;
- creation of a "Mental Health" programme targeting all Saipem staff in Italy and abroad with different methodological approaches, that will be applied over the course of the next two years.

The decade of experience in the use of telemedicine tools has facilitated the use of remote electronic and telecommunication instruments to manage health related issues, thereby making it possible to maintain a constant guidance, control and monitoring, as well as healthcare support in all the Group's operational premises, by ensuring control measures against the risk of infection that are always appropriate in terms of the evolution of the pandemic, specific working conditions and the characteristics of the workforce during critical periods in terms of infection numbers. At the same time, the monitoring system guaranteed that the health and safety measures adopted in the workplace to limit the risk of infection did not generate new risks to the health and safety of workers at both a physical and psychological level.

We continued all the supervision and control activities for active health surveillance in Italy and abroad in compliance with Italian law and the guidelines for the sector.

As an integral part of the Workplace Health Promotion (WHP) programme, collaboration continues between Saipem, the Milan Health Authority and the Lombardy region in order for the company to maintain its status as a "Workplace that promotes health". The year 2021 so the involvement of Saipem employees in the webinar training initiative on "Behavioural Addiction" throughout the whole of Italy.

GRI 404-1  
GRI 404-3

## HUMAN CAPITAL

### Human resource policies and management

People's professional knowledge is fundamental for sustainable growth and an asset to be safeguarded, valorised and developed. The development of a culture oriented to sharing know-how is the main instrument for consolidating the wealth of knowledge and experience. The Company is firmly convinced that people are the essential and indispensable element for the very existence of the business and that our objectives can only be reached through their dedication and professionalism.

#### Competences and knowledge

In 2021, Saipem was involved in significant organisational interventions to make change possible, positive and sustainable, by actively facing three challenges: guiding energy transition, developing the leaders of the future and generating shared value. In this regard, and in response to the main social, environmental and governance objectives, it became necessary to define a People Strategy to promote and oversee the critical skills and competences for the company's business, while also ensuring the development of the new competences required to shape Saipem's future and being a facilitator of innovative solutions.

In order to guarantee the qualitative and quantitative capacity of the distinctive skills of Saipem's people, in accordance with the Strategic Workforce Planning process, in 2021 we began an assessment and analysis of the professional skills of approximately 5,600 resources. The adoption of this skills planning model, which begins with an analysis of the qualitative and quantitative aspects associated with people with regards to the specific requests of the business. It will allow a more effective capacity for planning and controlling the development of human capital and distinctive professional skills, thereby allowing targeted actions to be planned in terms of resources to be found in the market and the development and training of internal resources. This will therefore strengthen the connection between the Workforce Planning model and the talent attraction and development strategies and a more strategic role will be played by training and cooperation between academic institutions and businesses, which is seen as an instrument of innovation and development for the country. Saipem is conscious of the importance of nurturing the talent of people who will work on the innovation challenges of the future and committed to maintaining people at the centre of what the Company does by promoting the diversity of their talent and supporting the spread of the abilities for the future within organisations. The development of specific skills and an innovative mindset represents the Company's response to future challenges and are an essential lever in creating value.

The exchange of knowledge between universities and companies and the implementation of shared projects are essential for the competitiveness of companies, the attractiveness of universities and the economic and social development of territories. In this regard, by exploiting all the potential of new digital tools, Saipem has also continued its commitment towards the professional orientation of younger people with the Sinergia programme where Saipem leads the way as the partner of numerous schools in Italy to support the education of students in interdisciplinary skills and orientation programmes (PCTO). Thanks to an innovative platform provided by four Italian technical institutions, Saipem's "faculty" provided remote training courses by integrating "blended" teaching methods and extending the training offer for students, by creating ad-hoc modules on sustainability, renewable energy and knowledge of the English language, all of which are key and important subjects for Saipem and for the professional future of these young students.

The desire to create, in the new generations, a culture that is increasingly close to the competences and aptitudes necessary for approaching the new challenges of the future, was perfectly exemplified in the activation, in partnership with the University of Trieste, of annual scholarships in memory of Egidio Palliotto, a top manager of the company who died prematurely. Through these scholarships, Saipem wants to consolidate its connection with the city of Trieste, with the objective of attracting new generations to scientific subjects, while also honouring the memory of a great professional who contributed to Saipem's success.

Moreover, during 2021, the partnerships were strengthened with the main centres of educational excellence in Italy: for example at the Politecnico and Bocconi University in Milan, Saipem participated in the university education and professional orientation by attending various training sessions on essential technical and interdisciplinary abilities for the labour market and Virtual Career Days, by also contributing to the lecturing activities in a co-supervised capacity for courses on sustainability and renewable energies.

Saipem's commitment to the development of new skills not only enhances the new generations but constantly fosters growth of expert resources. In this regard the drive towards new non-traditional organisational models requires new project solutions and a consistent development of a corporate culture which aims at greater autonomy and responsibility for people and their competences. The changed competitive landscape, as well as the organisational changes that were introduced on the basis of the new company strategies, have made it necessary to renew Saipem's Behavioural Model.

In accordance with the reference operational and organisational model, in the first quarter of 2022 we will identify the behaviour at a Group level that will allow people to operate effectively and in a manner that is consistent with the reference operational and organisational model.

The leitmotiv of the Model will be the fostering of courage and “entrepreneurial spirit”, in the context of a relationship of trust with the aim of achieving shared, concrete and measurable objectives.

With the objective of defining a Model that is to the greatest extent possible shared and understandable to all Saipem people, the development and definition phase of the model is following a bottom up criteria with the active involvement of almost 6,000 employees from all over the world, in different levels of seniority and who represent all company functions. The dissemination of the new Model of competences will be supported by dedicated training courses, with the objective of promoting greater day by day internalisation, understanding and application of the Model. Similarly, training initiatives will be designed and offered with the aim of developing the necessary competences to face the energy transition challenges and reach ESG (Environmental, Social and Governance) objectives.

In order to further support Saipem people in the evolution towards an increasingly smart culture, during the course of 2021 an e-learning training course was also designed to promote the acquisition of digital competences for the use of new support tools and the acquisition of soft skills on the new management methodologies and the empowerment of employees.

During the course of 2021, Saipem concentrated on creating an Academy dedicated entirely to hard and soft digital skills, which will be accessible at a Group level. This began with a major assessment campaign that was conducted in 2020 involving approximately 14,000 employees at the Group level on ICT/Digital competences. The Digital Academy has been designed to become a continuous refresher experience and regular assessments of competency levels will make it possible to monitor Digital Transformation and the creation of a community characterised by a digital mindset. Moreover, in light of Saipem’s digital strategy, the skill set of ICT/digital competencies was reworked in terms of the series of technical and specialist competences associated with the main professional roles at Saipem.

The focus on the development of new skill sets for Saipem people must not lead to a failure to consolidate and maintain the competences that have always been seen as critical for the Company’s business. In this regard, in 2021, Saipem decided to develop and promote a structured Project Management training course. This course, called “Saipem Academy in Project Management”, that was created in cooperation with the Politecnico School of Management in Milan and the Industrial Plant National Association (ANIMP), has been structured into three different means of fruition. During the course of 2021, the course was taken by 47 people at Saipem SpA, and the aim is to open it up at a Group level during the course of 2022. In order to ensure excellence in the management of projects the courses Business Leadership Skills and “Intercultural Project Management” were offered for the Onshore Division and XSIGHT Division respectively, with the aim of supplementing technical competences with the necessary relationship skills to achieve the highest level of effectiveness in the management execution of projects. The year 2021 also saw the completion of the initiative XSIGHT Gamification, that had begun in 2018, for promoting learning on one of the more significant working processes for the Division in an innovative and interactive manner. Through a digital platform more than 400 gamers were involved and challenged one another in Project Acquisition, Project Execution, Procurement, Engineering and Human Resources activities.

A strong impetus was provided to the overseeing and development of technical competences, including as a result of the training activities managed in the Training Centres, particularly those in Schiedam (Netherlands), Ploiesti (Romania) and Dammam (Saudi Arabia), through the programming and supply of technical and specialist courses. At the same time obligatory training activities also continued. In general the Company invested significantly in training programmes in 2021 and there was an increase of 198% for the Group (170% for the full consolidated perimeter) in expenditure on training compared to 2020. In terms of HSE training hours provided to employees, there was an increase compared to the previous year of 30% for the full consolidated perimeter (20% for the Group perimeter) and a distribution of the hours in this area compared to the total training hours provided to employees of 79% for both perimeters. This positive trend demonstrates that HSE issues remain a priority for the development of Saipem employees: for example, the investment on the HSE course, HSE Digital Learning Program, which has the objective of accompanying people in their knowledge of Health, Safety and Environment issues, aside from training initiatives for developing a greater awareness on Cybersecurity issues in order to reduce the risk of IT incidents. In the HSE training area the Company also provided more than 900,000 hours to subcontractors (912,699 hours for the Group perimeter; 790,412 for the full consolidated perimeter). An additional element that characterises Saipem’s culture is the focus on “Knowledge sharing”: indeed, in 2021, the investment was confirmed in the Internal Saipem Academy, by facilitating the training of internal lecturers with workshops dedicated to knowledge of the aspects for efficiently managing the design and supply of remote training courses. The Internal Saipem Academy has confirmed as its key objective the enhancement and dissemination of know-how through Supply Chain, AFC, Digital, HR, Security, Insurance and Intellectual Property courses, as well as numerous Deep In seminars to strengthen the vision and knowledge of the business at the Group level. The Deep In seminars, which in the current year reached more than 2,500 people in all the geographical areas in which the Group operates, examined in depth issues such as innovative projects, the adoption of cutting-edge technologies and strategies for success. The knowledge of far away and varied working environments encouraged a continual exchange, the emergence of new solutions and made it possible to develop a network of internal relations that are increasingly solid and efficient.

Saipem's extensive efforts in supporting, including through training initiatives, the strengthening of internal competences along with the gradual improvement of the pandemic compared to the previous year, contributed to a general increase in the performance indicators for training. Indeed, for the full consolidated perimeter, there was an increase of 25% (18% for the Group perimeter) of the total training hours supplied to employees compared to 2020 and 6.8% in terms of the training hours per capita; on average, in 2021, each employee participated in 22.8 hours of training for the full consolidated perimeter (20.4 for the Group perimeter) and, specifically, on average, each male employee participated in 23.9 hours for the full consolidated perimeter (20.7 for the Group perimeter), while every female employee participated in 14.4 hours of training for the full consolidated perimeter (13.7 hours for the Group perimeter).

This result is due, in particular, to the reactivation of training initiatives in operational sites, on the one hand, and on the other, to the consolidation in the use of remote or e-learning training methods. A general increase in the average use of training hours for all the professional categories of employees is reported. Specifically, for the Middle Manager category, there was an increase at the Group level of 35% (34% for the full consolidated perimeter), for the Blue Collar category it was 49% for the full consolidated perimeter (31% for the Group perimeter), while for the White Collar and Senior Manager categories the increase was 3% and 16%, respectively.

Regarding performance documents indicators, in 2021, 16,132 documents were prepared for the Group perimeter (corresponding to a coverage of 42%) and 16,111 for the full consolidated perimeter (corresponding to 50% of the company population), compared to 17,915 documents prepared in 2020 (corresponding to a coverage of 60.7%). The reduction in the KPI is mainly due to a decrease in the number of performance documents prepared for resources situated in Saudi Arabia, Italy, France and the United Kingdom.

Out of 32,041 employees for the consolidated perimeter (38,806 for the Group perimeter), 16,111 for the consolidated perimeter (16,132 for the Group perimeter) were subject to performance assessment, and specifically 64% of women for the consolidated perimeter (58% for the Group perimeter) and 49% of men for the consolidated perimeter (40% for the Group perimeter).

2021 saw a confirmation of Saipem's commitment in nurturing its most talented resources, and a focus in applying meritocratic criteria in the management policies, with the objective of identifying resources with high levels of potential and personal characteristics aligned with the provisions of the new behavioural model. In this regard the assessment campaign continued, involving 119 young resources being developed and 43 managers in senior positions.

This assessment campaign was carried out in order to identify the people who are most capable of successfully contributing to the implementation of the new operational and organisational model. Saipem has also promoted specific coaching processes to support people in their growth and development, with particular regard to areas of improvement identified during assessments.

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Training <sup>(a)</sup></b>							
Total hours of training, of which:	(hours)	2,407,786	2,395,487	1,454,873	1,333,510	1,688,917	1,526,040
- HSE (employees and subcontractors), of which:	(hours)	2,199,115	2,192,036	1,307,265	1,190,562	1,524,528	1,368,562
- employees	(hours)	607,197	592,061	508,312	444,569	611,829	576,822
. managerial potential and skills	(hours)	49,698	49,052	8,993	8,941	13,706	13,694
. professional technical skills	(hours)	158,973	154,399	138,605	134,008	150,683	143,784
Total direct training costs	(mln €)	-	-	2.64	2.64	7.88	7.12
<b>Performance assessment</b>							
Employees subject to performance assessment	(No.)	19,111	18,518	17,915	17,915	16,132	16,111
Senior Managers	(No.)	372	371	379	379	404	404
Managers	(No.)	3,006	3,093	3,261	3,261	2,960	2,960
White Collars	(No.)	10,403	9,849	9,812	9,812	9,290	9,273
Blue Collars	(No.)	5,330	5,205	4,463	4,463	3,478	3,474
Percentage of employees subject to performance assessment out of the total	(%)	52	57	51	61	42	50

(a) Please note that the figures relate to companies with which the employees are formally part of the workforce, not the companies they are providing services for.

Pursuing the same objective of nurturing people and their development the In & Out, programmes, dedicated to young developing talents, also continued: through cross-functional experience in the Internal Audit function these individuals develop cross-sectional knowledge of the business and greater knowledge of the company processes and the Competence Assessment and Assurance programme of the Onshore Drilling Division – that was implemented in 2021 in Saudi Arabia – which makes it possible to identify people to be developed for key roles, resources with the strategic competences for the business and the competences that will have to be acquired from the market.

The central role of Saipem's people and the focus on the creation of shared value for all internal and external stakeholders, as well as attention to social and environmental factors, represent a priority and a fundamental requirement for ensuring sustainable long-term growth for the Company.

With the objective of hearing the opinion of all Saipem's people, a People Survey was recently conducted involving the entire company population and which collected more than 13,500 contributions, i.e. 35% of the Group's employees. The purpose of the survey was to measure the numerous variables concerning company life, such as the level of active engagement, perception regarding Diversity & Inclusion issues, the relationship between managers and co-workers, the level of trust in the senior management and in strategic directives, climate within working groups and more generally satisfaction in terms of working experience. The evidence that emerges from the analysis at both a macro and country level will be fundamental in defining the HR plan of action for 2022.



GRI 102-8  
GRI 405-1

## Workforce trend

The total turnover is calculated as the ratio between all the annual exits and the average resources in the year. The voluntary turnover is calculated as the ratio between all the annual exits and the average resources in the year.

The overall turnover rate fell by 4% compared to 2020 for the Group perimeter and by 10% for the full consolidated perimeter, to reach a level of 28% (22% for the full consolidated perimeter) in 2021. Looking at the breakdown by gender of the overall turnover, for the male company population there was a reduction of 3% compared to the figure for the previous year for the Group perimeter (30% in 2021) and 10% for the full consolidated perimeter (19% in 2021). With regard to the female population, the figure was broadly in line with that for the previous year, with a slight increase for the Group perimeter (17% in 2021 compared to 16% in 2020) and a slight decrease for the full consolidated perimeter (14% in 2021 compared to 15% in 2020).

On the other hand, voluntary turnover, increased by 5.4% for the total Group perimeter and 1.2% for the full consolidated perimeter, compared to the previous year, and was 10% for the Group perimeter and 5% for the full consolidated perimeter.

With regard to the use of agency personnel, in 2021 there was a 49% increase compared to 2020.

**Risks associated with human resource management**

**RISKS COVERED BY ITALIAN LEGISLATIVE DECREE NO. 254/2016: PEOPLE MANAGEMENT**

		Risks identified by the Company	Summary of adopted risk mitigation measures
Saipem material topic	People safety	<p>Accidents during operational activities which may cause injuries or fatal injuries to Saipem employees or vendor and subcontractor staff.</p> 	<p>Saipem is committed to both preventing and mitigating these risks through specialised training programmes dedicated to employees, as well as to its vendors and subcontractors, on technical topics and on work safety with the aim of ensuring high quality standards in training. Improving awareness of these risks is pursued internally also through the connection of manager MBO with certain specific results. Furthermore, the Company is involved in numerous initiatives, such as the "Leadership in Health &amp; Safety" programme (LiHS), the campaign dedicated to "We Want Zero" and "Life Saving Rules". Finally, the most significant Group entities from the point of view of operations are certified by international standard ISO 45001: 2018.</p>
	Safe operations, asset integrity and process safety	<p>Critical issues related to political, social and economic instability and terrorist threats to staff, operations, business and assets.</p> 	<p>The Group is involved in the constant monitoring of various critical issues (in particular political, social and economic) and terrorist threats in verifying the adequacy of the mitigation measures in place, making use of a local intelligence network and actively cooperating with the police forces and security service providers in the countries where it operates. In particular, Saipem has developed a "security responsibilities model" that is compliant with Legislative Decree No. 81/2008, and a crisis management system that complies with the provisions of international standard ISO 31000. Finally, the Group pursues a commercial strategy with strong project selectivity, also taking into consideration the risks associated with the country of operations.</p>
		<p>Significant accidents to Saipem's strategic assets or client infrastructures.</p> 	<p>To mitigate and prevent this risk, Saipem incurs significant expenses for maintenance programmed for its proprietary assets and yards and has developed various prevention initiatives, including the application of the Asset Integrity Management System and the development of Safety Cases, as well as the specific training (e.g. the campaign "Dropped Objects Prevention") for technical personnel. Finally, for all vessels in the Group's fleet, Saipem periodically renews certifications issued by the appropriate classification bodies and by flag state authorities following inspections which the classification bodies perform for assets.</p>
	Well-being and health	<p>Difficulty in managing biological risks of an exogenous (e.g. epidemics and pandemics) and endogenous nature (e.g. legionella, malaria, rabies).</p> 	<p>The Group has set up a programme for defining, implementing and monitoring health facilities and physicians responsible for managing personnel health, with the aim of avoiding and mitigating these risks. Moreover, Saipem conducts training and awareness raising initiatives (e.g. the "Welfare Campaigns"), on health issues and the correct use of personal protection equipment, and constantly monitors the development of the health situation and has developed telemedicine programmes in the countries in which it operates. In the event of serious consequences for the health of personnel, Saipem has a system for managing medical emergencies and repatriation in the case of patients in critical conditions. In the event of health crises (e.g. COVID-19), Saipem puts in place a crisis management system, which involves the establishment of a specific Task Force made up of doctors in order to monitor developments and provide support and information to staff in the country in which it operates (e.g. through the issuing of Health Bulletins to monitor the status of the COVID-19 pandemic). Finally, the Group uses collaborations and communication flows with local and international authorities.</p>
	Attract and retain talent	<p>Loss or lack of key skills.</p> 	<p>Saipem periodically conducts strategic planning of human resource needs based on business objectives and the leadership model, taking into account available and necessary skills with a particular focus on key skills and ensuring an effective distribution of personnel within the Group (also on the basis of job rotation programmes). Furthermore, the Group organises various training programmes on critical business skills and has developed a structured methodology for career paths (e.g. through the use of coaching and tutoring initiatives with senior resources) and compensation systems (e.g. long-term incentives). Finally, Saipem has developed initiatives to increase the company's attractiveness in the main universities.</p>



**Workforce trend<sup>1</sup>**

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
Total employees at period end	(No.)	36,986	32,528	35,023	29,522	38,806	32,041
<b>Employee categories</b>							
Senior Managers	(No.)	400	384	400	388	409	394
Managers	(No.)	4,446	4,285	4,574	4,344	4,812	4,632
White Collars	(No.)	19,546	16,625	17,559	15,849	18,258	16,113
Blue Collars	(No.)	12,594	11,234	12,490	8,941	15,327	10,902
<b>Type of contract</b>							
Employees with full-time contracts	(No.)	36,814	32,357	34,871	29,370	38,642	31,877
Employees recruited through an agency	(No.)	5,564	4,873	3,672	3,421	7,137	5,967
Employees on permanent contracts	(No.)	-	-	16,088	14,840	15,779	14,779
Employees on fixed term contracts	(No.)	-	-	18,935	14,682	23,027	17,262
<b>Turnover</b>							
Total turnover <sup>(2)</sup>	(%)	26	26	32	32	28	22
Voluntary turnover <sup>(3)</sup>	(%)	6.4	6.7	4.6	4	10	5

(1) Please note the figures relate to companies the employees are providing service for not the companies whose workforces they are formally part of.

To integrate the data relating to the year 2021 for the Group perimeter please find below the percentage of employees with a permanent contract for the following geographical areas: Americas 50%, CIS 4%, Europe 81%, Middle East 17%, North Africa 26%, Sub-Saharan Africa 52%, Far East 42%.

(2) The total turnover is calculated as the ratio between all the annual exits and the average resources in the year.

(3) The voluntary turnover is calculated as the ratio between all the annual exits and the average resources in the year.

**Industrial relations**

Of more than 27,000 employees (more than 30,000, if we consider the Group total) monitored (the total includes full-time Italian employees, French employees irrespective of the country they work in and local employees for all the other countries), 12,553 (13,944 at Group level) are covered by collective bargaining agreements. The growing trend on the Group total can be explained by the fact that there was an increase of staff in areas where these types of agreements are very common (Indonesia, Angola, Colombia and Peru) and a reduction in other countries (Nigeria, France and Kazakhstan). In 2021, collective strikes were recorded for a total of 248 hours in Italy.

During the course of 2021, the year that was still significantly characterised by the pandemic, relations with trade union organisations involved constant discussions in both Italy and abroad for the management of the same.

In particular, in Italy, the application of emergency plans for the management of the pandemic involved continual meetings and discussions with trade union organisations through a process of ongoing information and updates. Indeed, the bilateral Committees established at individual premises level were jointly involved with the Company in monitoring the health and safety measures implemented in the offices in order to verify on an ongoing basis the correct and effective implementation of all the actions identified for ensuring working activities to be carried out in complete safety.

The repercussions of the pandemic, which have resulted in a worsening of the reference economic situation, had a particular impact in the first part of the year in the drilling sector with a temporary reduction in activities, which made it necessary to use wage support schemes in Italy.

More specifically, until mid-March, use of the COVID-19 ordinary redundancy fund (CIG) continued, after commencing in December 2022, for approximately 70 workers from the Onshore and Offshore Drilling Divisions hired in Ravenna, through the signing of a specific trade union agreement with the local trade union organisations.

In Peru, the company Petrex SA reinstated the operational drilling staff that had previously been suspended until October 2021.

In line with the actions adopted in Italy, the dialogue with the employees' representatives in France related to defining plans in the first half of the year for the return of the workforce to offices based on the provisions of the local authorities.

Outside Italy, in 2021, renewal processes for bargaining agreements were initiated and in part completed in various countries, including Argentina, Brazil, Indonesia, Nigeria, Peru and Singapore. In Norway, the trade union agreement was renewed with the SEA trade union which will come into force in 2022 and the negotiation of a new local agreement is ongoing with the trade union organisation SAFE.

With regard to the dialogue that has been ongoing at a transnational level through the European Works Council (EWC), with a view to consolidate relations and the company's commitment to improving the dialogue with worker representatives in the European Economic Area, in the month of November the annual meeting took place during the course of which an ample dialogue and analysis was dedicated to the illustration of the new strategic plan and the respective company operational and organisational model.

Further points of discussion were the HSE and environmental performances, with particular regard to the development and adoption of Net-Zero policies and analyses relating to the management of the COVID-19 pandemic. The meeting also saw the renewal for a three-year period, by-election, of the role of coordinator and the members of the EWC Select Committee, as set forth by the agreement establishing the Saipem EWC. The annual meeting took place after the follow-up meeting in May and an extraordinary meeting in August, during the course of which the main information were shared on the commencement of the Saipem Project programme which aims to develop initiatives for the recovery of efficiency and competitiveness for the Company in light of the above-mentioned worsening in the reference situation and the resulting economic and financial repercussions at the company level.

Moreover, in Italy and in other countries, some significant collective bargaining agreements were also signed. For Italy an agreement was signed for the Performance Bonus scheme for 2021. As well as more traditional indicators of company productivity and profitability, the parameters identified for determining the sums to be paid to employees also included the introduction of environmental indicators, consistently with Saipem's strong focus on environmental sustainability initiatives and the process of ecological transition that is underway in the energy sector. In this perspective, an environmental parameter was identified which measures savings obtained in GHG emissions through company energy efficiency initiatives. In order to ensure an increasingly balanced monetary and non-monetary component of the Bonus, the existing mechanism which allows for part of this to be converted into welfare services was retained; this was also confirmed because of its popularity with employees, as demonstrated by the high percentage of people adopting this in previous years.

During the course of 2021, the dialogue also continued with trade union organisations for the definition of a Saipem Industrial Relations Protocol, with the aim of defining a series of shared objectives and principles between the Company and the trade unions, with a view to achieving an increasing level of cooperation and collaboration between the parties which corresponds to the participatory industrial relations model Saipem adheres to.

In France, a new agreement was signed with local trade union organisations for the Performance Bonus for the period 2021-2023 relating to the granting of bonuses on the basis of the company's operating income, absenteeism and safety performances (TRI). A significant agreement was also negotiated that will be valid until 2024 for the promotion of professional equality, the prevention of discrimination and the integration of staff with disabilities. In April 2021, the French company Sofresid also negotiated an agreement with the reference trade union organisations for the introduction of ordinary teleworking and similar negotiations are ongoing in the company Saipem SA. In October 2021, disagreement minutes were signed in the company Sofresid with regard to the measures adopted within the scope of the annual salary review in accordance with Group policy in terms of maximising efficiency and limiting structural costs. From the same perspective actions continued for limiting of business travel and optimising spaces and offices.

		2019		2020		2021	
		Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
Employees covered by collective bargaining agreements	(%)	42	42	39	44	46	46
Strikes	(No.)	15,561	15,561	168	168	248	248



GRI 401-2  
GRI 401-3  
GRI 405-1  
GRI 405-2



## Equal treatment and enhancement of differences

Saipem is committed to supporting values of diversity, equality and inclusion through the adoption of corporate, organisational and management mechanisms characterised by respect for the rights and freedom of people.

The Diversity & Inclusion function was established during the course of 2021 to pursue the important objective of developing a clear approach in terms of mission, strategies and active practices in order to stimulate a working environment that is collaborative, supportive and open to the contribution of all male and female employees, to increase the trust of people, clients and, in general, civil society, and promote diversity in all aspects to fully seize the opportunities deriving from this and generate value within working environments while also obtaining a competitive advantage for the business.

To give shape to the principles of inclusion the function constantly translates objectives and strategies into targeted initiatives, the impact of which is assessed through the careful monitoring of a set of strategic indicators for diversity management and people care activities.

Saipem is committed to attracting and hiring people from different backgrounds and abilities with the objective of forming a heterogeneous human capital and promoting the dissemination of a culture that is sensitive to equal opportunities and fairness. In partnership with the main Italian universities, in 2021, Saipem took part in working tables and events with the aim of positioning Saipem as an equal opportunity employer through the testimonials of company Role Models in order to also facilitate the selection of young STEM women for roles with a high level of technical and scientific specialisation.

The particular attention and relevance for the Company of equal opportunities and inclusivity is also demonstrated by Saipem's choice to introduce in 2020 amongst company performance assessment indicators, a specific target relating to gender with the aim of promoting the development of women at all company levels.

Saipem's commitment to promoting a culture that is sensitive to Diversity issues was also pursued through the dissemination of initiatives in cooperation with the Associazione Valore D, the promoter of the Manifesto for Female Employment, of which Saipem is a signatory. During the course of 2021, the Company promoted four training events with the objective of providing people with the tools and competences to achieve inclusion, three sharing labs, inter-company working tables for sharing best practices for the HR population, training modules dedicated to specific targets defined on the basis of company seniority, and for the development of an inclusive approach and inter-company mentoring processes for promoting networking. Aside from the above-mentioned initiatives, in partnership with the Academy of Valore D, webinars were promoted, which were accessible on a voluntary basis, to develop an inclusive language, promote diversity and empathy and reflect on issues such as leadership and the nurturing of people, the evolution of communication strategies and subconscious biases with which people interpret the world and upon which they base their daily choices, which saw the participation of approximately 670 people in Saipem SpA.

In 2021, as further confirmation of the commitment of Saipem and its top management to gender equality and the overcoming of subconscious prejudices, in partnership with Valore D, the Company shared its experiences on the Italian TV programme "l'inventrice e l'ostetrico", discussing the Company's best practices for the promotion of female talent.

The cooperation with Valore D also gives us the possibility to access the Inclusion Impact Index, a digital tool which supports companies in tangibly achieving their programme commitments under the Manifesto for female employment and therefore represents a further step towards gender equality and an inclusive culture in organisations.

Saipem is also a signatory of the Women Empowerment Principles promoted by the UN Global Compact and during the course of 2021 took part in the works of the Diversity & Inclusion Observatory. The Observatory involves a cluster of leading companies on the issue of diversity and inclusion to promote an inclusive culture in the labour market which also supports the new challenges and creates shared values through the development of an analysis document on the issue of D&I containing Italian policies and good practices.

Saipem has also promoted an internal mentoring process called SEED - Win with Diversity. The objective of the programme is to support, through a Knowledge Sharing mechanism amongst resources with different seniority levels, the dissemination of an entrepreneurial culture where women are protagonists and which promotes their environment. People in the company focus their support on nurturing women in all moments of their personal and professional lives. The Company implements specific welfare policies dedicated to support services for families in both a parental and caregiving capacity, as well as tools for ensuring a correct "work-life balance".

A mainstay in Saipem's human resources policy is the principle of equal pay for equal work, for which we monitor on an annual basis the evolution of the Gender Pay Gap indicator in Italy and in all the local entities.

On the basis of the principles described above, Saipem intends to ensure a continuity in its commitment to inclusivity through further specific actions to promote equality and by committing to implementing working relationships characterised by fairness, equality, non-discrimination, attention and respect for individual dignity.

As regards gender, women represent 11% of the work force (10% at Group perimeter). In terms of age distribution, 11% of employees are less than 30 years old (14% for the Group perimeter), 72% are between 30 and 50 (71% for the Group perimeter) and 17% are over 50 (15% for the Group perimeter).

In terms of the distribution by professional categories, women represent 1% of Blue Collar, 16% of White Collar workers and Managers and 8% of Senior Managers.

The percentage of women in a managerial position compared to the total number of women is 22% (20% compared to the Group perimeter), a figure which is 1% higher than the previous year for the Group perimeter and 2% for the full consolidated perimeter compared to the previous year. With regard to the senior management, 2 of the 11 first reports to the CEO are women, as specified below:

Date	Executive Men <sup>(a)</sup>	Executives No. Men	% of Executives Men	Executives Women	Executives No. Women	% of Executives Women
Dec. 31, 2021	L. Siri A. Paccioretti O. Iacono M. Satta M. Colombo M. Branchi M. Toninelli S. Porcari M. Coratella	9	82	S. Abrate L. Cortis	2	18

(a) Please note that as of March 24, 2022 S. Porcari and M. Coratella have left the Company.



Saipem provides its employees with benefits of different types, assigned in different ways depending on local specifications, including complementary pension plans; additional health insurance coverage; services and policies supporting mobility; welfare and family support initiatives; catering services; and training courses aimed at ensuring more effective integration in the socio-cultural context. These benefits, where available on the basis of the country/company/local legislation in effect, are now provided to the entire company population, no matter what type of contract they work under (permanent or temporary employment), with the exception of programmes of a duration incompatible with the term of the contract of employment.

The Company defines on an annual basis the guidelines of the Remuneration Policy, and in particular prepares precise guidelines to govern remuneration policies and reduce remuneration disparities between men and women, in all the countries in which it operates.

In particular, Saipem’s constant effort clearly affirms the principle “equal pay for equal work” and reduces the remuneration disparity between men and women in all operating environments.

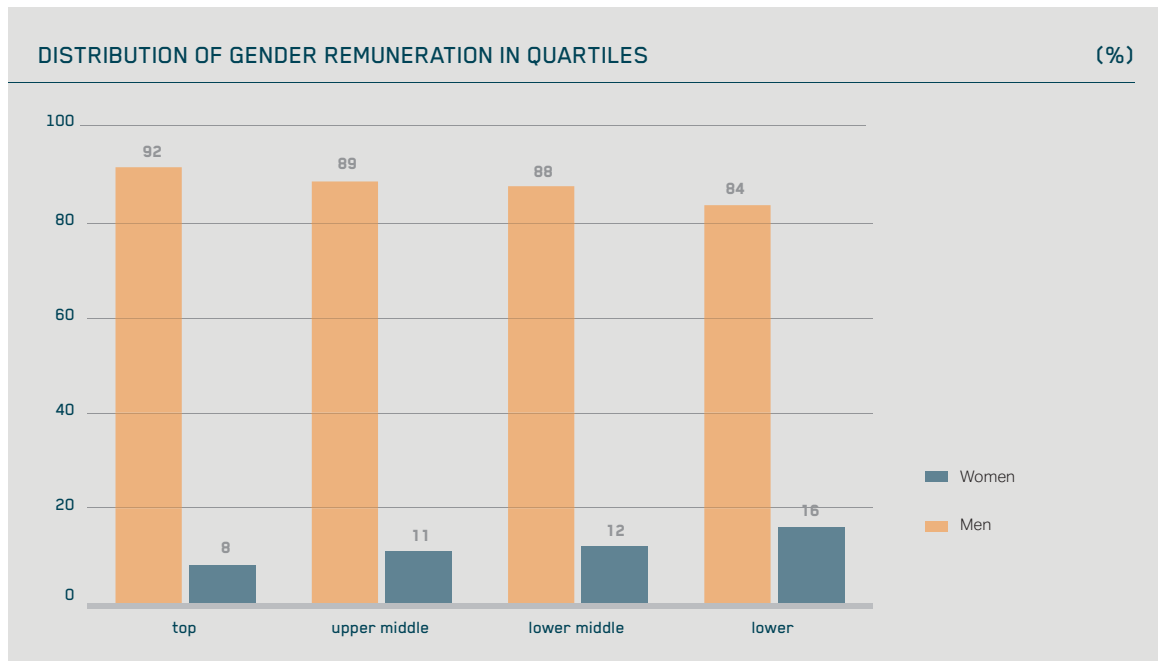
The salary gender pay gap indicator for the category of Senior Managers in 2021 reached 87% (for both the full consolidated and Group perimeter), with an improvement of 4% compared to 2020; with regard to Middle Managers the indicator stands at 89% (for both the full consolidated and Group perimeter) with a slight reduction compared to 2020; with regard to White Collar workers the value was 90% for the full consolidated perimeter and 92% for the Group perimeter, with the latter representing a 2% increase compared to the previous year.

The remuneration gender pay gap indicator – which includes both the fixed and variable part of the remuneration – for Senior Managers is 88% (for both the full consolidated and Group perimeter), which represents an improvement of 6% compared to 2020; with regard to Middle Managers the indicator stands at 89% for the Group perimeter and 85% for the full consolidated perimeter, with a reduction of 5% compared to 2020 for the Group perimeter; with regard to White Collar workers the value is 90% for the full consolidated perimeter, which is in line with the previous year, while it is 92% for the Group perimeter, an increase of 2% compared to the previous year.

The figure for the average gender pay gap is -7%, in line with the level for the previous year. The figure is calculated by measuring the total remuneration for men and women, without adjustments (e.g. role, level, education, location, etc.). The remuneration includes the basic salary, bonus, shares and any monetary advantages: the average remuneration of female employees is subtracted from that of male employees, with the results then divided by the average for the higher gender remuneration, and subsequently multiplied by 100.

On the whole, the gender pay gap reveals an overall improvement compared to the data for the previous year, highlighting Saipem’s commitment to reducing remuneration disparity between men and women.

By breaking down into quartiles for each company within the Group perimeter the remuneration of employees (top, upper middle, lower middle, lower), the distribution by gender shows that women employees are divided as follows: 16% in the lower quartile and 11% and 12%, respectively, in the upper middle and lower middle quartiles.



These figures refer to the sum of men and women in the above remuneration quartiles of each of the companies in the perimeter.

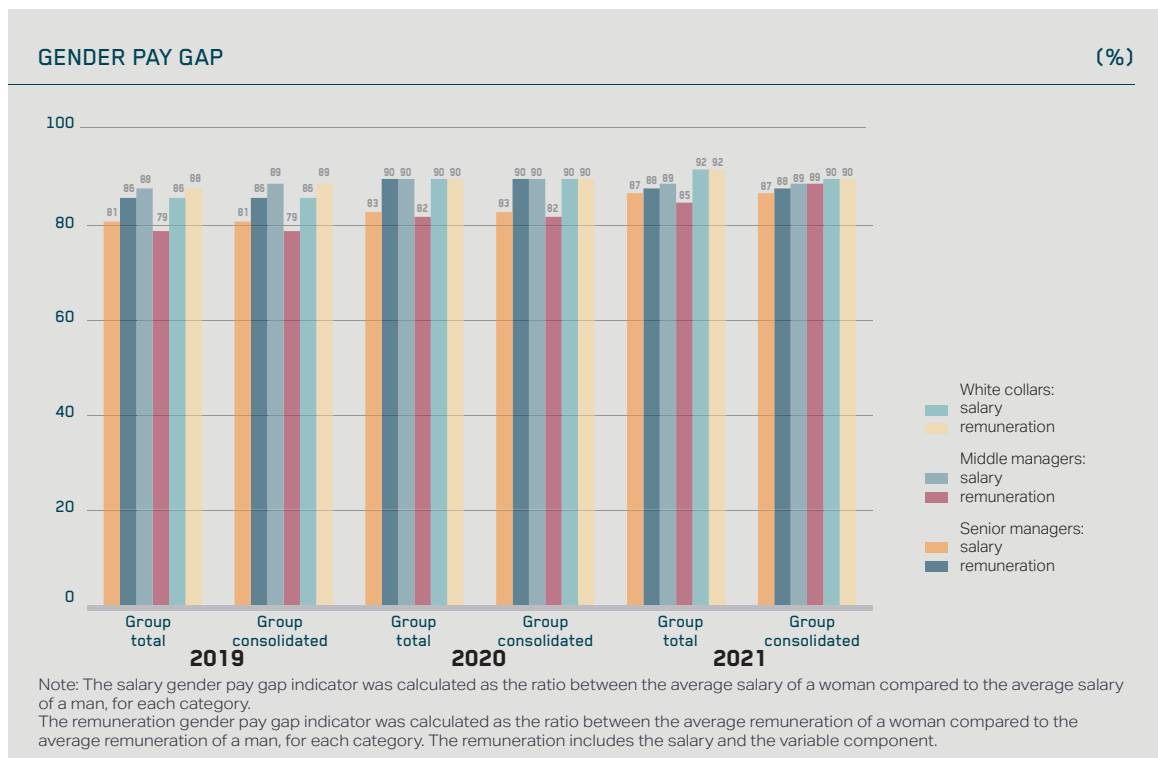
We also report that, the ratio between the overall remuneration of the CEO and the overall average remuneration of employees (full-time employees) of Saipem SpA: in 2021 this figure was 15, while in 2020 it was 25 and in 2019 it was 32.

The annual variation between the overall remuneration of the CEO and the overall remuneration of the population (full-time employees) of Saipem SpA was as follows: down 69%.

Further details can be found in the "Report on the Remuneration Policy and Paid Compensation 2022".

(No.)	2019		2020		2021	
	Group total	Full consolidated	Group total	Full consolidated	Group total	Full consolidated
<b>Female presence</b>						
Female employment, by geographical area:	3,874	3,674	3,964	3,572	3,937	3,524
Americas	357	357	363	363	348	348
CIS	375	363	398	227	456	220
Europe	2,085	2,026	2,162	2,057	2,019	1,972
Middle East	227	224	213	210	248	245
North Africa	33	33	31	31	25	25
Sub-Saharan Africa	346	210	293	181	307	181
Far East	451	451	504	503	534	533
<b>Female leadership</b>						
Female Senior Managers	26	25	26	26	33	33
Female Managers	689	670	727	698	774	753
<b>Age ranges</b>						
Employees under 30 years	4,757	4,430	4,793	3,421	5,346	3,574
of which women	657	624	582	507	548	462
Employees aged between 30 and 50	26,762	22,981	24,962	21,275	27,558	23,077
of which women	2,710	2,565	2,828	2,542	2,801	2,501
Employees over 50 years of age	5,467	5,117	5,268	4,826	5,902	5,390
of which women	507	485	554	523	588	561
Employees with disabilities	-	-	160	160	195	193
<b>Multiculturalism</b>						
Number of nationalities represented in the employee population	127	124	129	127	130	128

To supplement the data relating to the year 2021 in the Group perimeter, please note that 100% of women have a full-time contract with the exception of Europe (94%) and Sub-Saharan Africa (99%) and, with regard to the type of contract, women with a permanent contract are distributed in the geographical areas as follows: Americas 82%, CIS 4%, Europe 97%, Middle East 58%, North Africa 40%, Sub-Saharan Africa 78%, Far East 65%.



Furthermore, Saipem supports the work/family balance of its personnel through Company regulations and/or local policies which guarantee parental leave. The differences among countries for this leave lie only in the time and method of abstaining from work. There was an increase in the average number of days of parental leave used. In 2021, Saipem had 793 employees (829 if we refer to the Group total perimeter), 508 men (522 considering the Group total perimeter) and 285 women (307 considering the Group total perimeter), who made use of parental leave for a total of 30,660 days (35,295 referring to the Group total perimeter); at the same time, one should note the return to work from parental leave of 689 employees (712 at Group level) in the same period, 490 men (505 at Group total level) and 199 women (207 at Group total level), with a return rate from parental leave of 87% for the whole consolidated perimeter (86% also at Group total level), showing a decrease against the previous year.

## Innovation in people management

In 2021, the preparatory works continued for the transfer to the new Saipem Headquarters in Milan Santa Giulia. In the new buildings the digital component will represent a key factor and the use of technology will facilitate different working processes and the "liveability" of the spaces.

The new Headquarters comprise two buildings, Spark1 and Spark2, which have obtained the following LEED certifications thanks to their innovative design: Platinum level and WELL: Gold level. In the final months of the year, the interior design project for the environments was defined, designed to ensure flexible spaces that are suitable for the different working needs, with particular regard to cooperation between colleagues. To analyse the real requirements of the people impacted by the transfer to the new headquarters, in April 2021, a survey was conducted on the Time Saving, Mobility, Health and well-being services. With a response rate of 80.5% (2,545 people) and 1,150 comments and feedback, the information received through the survey represented the starting point for developing a new model of workplace well-being services for the new headquarters, that will represent a benchmark for the different operating structures of the Saipem Group.

The technological equipment of Saipem's people was overhauled to achieve superior performance and ease of use. The app for hoteling services is also in its final development phases and will allow employees to independently manage the booking of all the assets they require to make the best possible use of these spaces and carry out their working activity in an optimal manner.



## BUSINESS ETHICS

GRI 407-1  
GRI 408-1  
GRI 409-1

SASB  
EM-SV-510A.1  
EM-SV-510A.2  
EM-SV-530A.1



### Respect for human rights

Saipem is committed to protecting and promoting human and labour rights when conducting its business, taking into consideration both the work standards recognised at international level and the local legislation in the countries where Group companies operate. This commitment is part of Saipem's *modus operandi* and is also made clear in its Code of Ethics.

With reference to the management of relations with personnel worldwide, Saipem adheres to the principles of the UN Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. Moreover, the CEO of Saipem has confirmed Saipem's membership of the United Nations Global Compact, by formally committing to comply with the promotion of ten principles, six of which refer specifically to the promotion and protection of human rights and work.

During the course of 2021, as a further step to confirm Saipem's commitment towards this issue, Saipem has decided to adhere to the Building Responsibly (hereinafter BR) initiative, a coalition of leading engineering and construction companies working together to raise the bar in the promotion of the rights and well-being of workers throughout the whole sector. As a new member, Saipem participated in the BR meetings, collaborating and sharing experiences and discussing the main efforts and obstacles met. Moreover, the BR working groups aim to develop strategies and tools to promote welfare principles for workers and establish a shared baseline in terms of safety, protection and well-being for all people working in the sector of engineering and construction.

During the course of 2021, a tool was introduced to analyse potential risks associated with project activities that could have an impact on the human rights of internal and external stakeholders, including direct and indirect workers, local communities and vulnerable groups (indigenous populations, children, women, etc.). The analysis considers the different types of risk, associated for example with child labour and forced labour, discrimination, remuneration, freedom of association and collective bargaining, considering both the direct activities carried out by Saipem and the risks associated with its supply chain.

After a preliminary testing phase in 2020, this tool was implemented, in 2021, in 23 countries where the Group has operating activities, for a total of 250 potential risks that were identified and assessed. These risks can be broken down into the following areas: Security (31%), Labour rights and employment (26%), Supply Chain (18%), Country/systemic risks (17%), Impacts on local communities (8%). For each risk identified a series of mitigation actions were defined and implemented which may include, *inter alia*, the training of staff, including subcontractors, on ethics and human rights, the improvement of internal monitoring activities or the verification of the supply chain. The analysis of risks in the operational areas is updated periodically, on an at least annual basis.

In protecting and promoting the rights of workers, Saipem operates in accordance with the conventions of the International Labour Organisation (ILO) which concern the protection against forced labour and child labour, the fight against discrimination in employment and the workplace, freedom of association and collective bargaining.


Especially with reference to the latter, Saipem has a sound record of relations with trade union organisations in a variety of countries and covering several segments of its business. Further details can be found in the "Industrial relations" section hereto.

Saipem has defined the protection and promotion of human rights as founding principles in its Code of Ethics and all Saipem people must comply with these principles, including by reporting any non-compliant conduct, in accordance with the Whistleblowing procedure (please refer to the section "Reporting suspected violations").

In order to strengthen information on the principles of protection of human rights and labour and the existing whistleblowing system for all workers, including subcontractors, an awareness-raising activity was devised within the site induction process which targets anyone accessing one of Saipem's operating sites. This will allow Saipem to reach all workers, including those of our subcontractors, to make them aware of the basic principles on human and labour rights adopted by the Company and the system for reporting any possible violations. In addition, the information is also disseminated through posters put up in project sites, in positions that have been selected to be accessible for workers. In 2021, this activity was implemented in some Onshore E&C projects involving 11 countries.

Saipem's attention to labour rights extends also to offshore personnel with full abidance to the principles and the rights recognised to seafarers promoted under the ILO Maritime Labour Convention of 2006 (MLC 2006). To ensure each of them is aware of their rights, all people working on offshore vessels receive a copy of the related procedure and all the forms necessary to file a complaint, together with a copy of their employment agreement. The captain and/or the Company examines any complaint, and any instance of harassment is managed in compliance with the Company's disciplinary procedures.

## RISKS COVERED BY ITALIAN LEGISLATIVE DECREE NO. 254/2016: HUMAN RIGHTS

	Risks identified by the Company	Summary of adopted risk mitigation measures
Saipem material topic Human and labour rights	<p>Human rights violations committed by security service providers in critical geographical areas or in developing countries.</p> 	<p>Saipem periodically carries out checks on the reliability of security services, especially during the qualification and selection phase of the relevant providers. Contracts include clauses concerning the protection of human rights. Furthermore, Saipem organises specific training courses for personnel (both internal and external) engaged in security services.</p>

GRI 410-1  
GRI 412-3

## Security practices

The Saipem Security model is based on a correct analysis of what is referred to as the "Operational Environment", to allow the identification of potential threats and the necessary mitigation measures for protecting the health and safety of people, the integrity of assets and the protection of company information.

The organisational/management model detailed by Legislative Decree No. 231/2001 has become a reference to follow for developing a tool that is able to govern all risks, inform employees, make responsible choices in the knowledge that people and their integrity are the real value of a Company.

Standard ISO 31000 on "Risk management - Principles and guidelines" is used as a best practice for setting up the "risk management process" where the risk is understood to be the effect of internal and external factors and influences on the ability of the company organisation to reach its goals.

While, on the one hand it is essential to make workplaces and the circulation of people safe from a physical point of view, on the other it is important to instil within the Company a "culture of security". By adopting a responsible attitude towards safety and being aware of risks, workers reduce the possibility of being involved in situations that are potentially dangerous for their health. The "Corporate Responsibility" that is attributed to the employer requires employees to comply with company rules and conduct themselves on the basis of the suggestions and precautions which, following an assessment of risks, the Company shares during training and information meetings on security.

Over the years, given the high level of geographical mobility by employees, which often sees them operate in countries that are politically and socially unstable and with a high risk of terrorism and crime, the company's security function has defined the Security Model, which includes:

- a body of documents with standard procedures and guidelines to govern security aspects, including roles and responsibilities relating to activities conducted in countries considered to be particularly exposed to risks for security;
- a corporate methodology for the assessment and mitigation of physical and cyber risks based on Threat, Vulnerability, Impact and Probability. The assessment of the Company's vulnerability is determined through the application of statistically reliable qualitative and quantitative methodologies and includes risk factors that are applicable to the individual threats in question. The relevant function provides an assessment and monitoring of the security risk in all relevant countries;
- the monitoring of physical and cyber security events that have an impact on Saipem;
- a process that is integrated with the other company functions for the management of emergencies and crises;
- specialist support to commercial activities from the bidding phase onwards;
- a travel management process (TMS) which enables the tracking of expatriate staff and correct training/information on specific risks linked to the working environment and the respective situation for the countries in which Saipem operates (pre-travelling induction).

To support initiatives on issues relating to security ad hoc activities are also offered on Cybersecurity issues. In particular, in 2021, three training campaigns were launched that were dedicated to this issue, during the course of which three editions were carried out, which were open all throughout the year, for as many e-learning modules, each of which was designed in consideration of the different level of risk (standard-high risk, critical risk for the role of the employees and recipient; during the year a total of 4,947 hours of training were provided for a total of 1,994 participants.

The COVID-19 pandemic has had a significant impact on the activities of the companies in the Saipem Group and against this backdrop the safety managers of all the Divisions have played a key role and have provided support to managers for the implementation of rules on health security and the environment (HSSE RCM) in the management of local crisis units (LCU) at a branch level.



The function maintains close contact with the local authorities/embassies in the countries in which it operates and, at a central level with the Crisis Unit of the Ministry of Foreign Affairs.

In the management of security, Saipem gives utmost importance to respecting human rights. Saipem is committed to adopting preventive measures aimed at minimising the need for response by public/private security forces in the case of any threats to the safety of its people and the integrity of its assets.

The Company manages relations with local security forces in order to ensure a shared commitment to human rights, as well as the adoption of rules of engagement that limit the use of force.

Before signing a contract, providers of security goods and services are subjected to a due diligence to verify that there are no counter-indications connected with the violation of human rights.

Saipem has introduced clauses regarding the respect for human rights in its contracts with these vendors since 2010, and failure to observe them leads to the withdrawal of the Company from the contract<sup>7</sup>.

For new operational projects in which Saipem is responsible for security, a Security Risk Assessment on the country in question is made prior to any offers being tendered. If it decides to go ahead with issuing a call for bids, Saipem prepares the Project Security Execution Plan in which the security risk connected with the operating activities and the context is analysed, including human rights violation issues. On the basis of the risks identified, the actions needed both to manage and reduce these to a minimum are decided upon.

Potential breaches of human rights are in fact assessed in all the Company's operations using country risk sheets, in which the risk is assessed using specific quantitative and qualitative indicators.

In particular, the security risk factors of the operating environment are the subject of specific assessment by the Employer (Responsible for compliance on health and safety) in Saipem SpA and in the subsidiaries, pursuant to Legislative Decree No. 81/2008. The level of exposure to these risks depends on hygienic-environmental, socio-political and cultural factors, as well as on factors connected to the phenomena of criminality and terrorism, in a variable percentage depending on the country in which one operates. The document for the Security Risks Assessment (VRS) is the document that identifies the security risks pertaining to each organisational structure/permanent site of an operating company or subsidiary and which defines the main mitigation actions to be undertaken.

The census of all operating sites both onshore and offshore and the tracking of Saipem employees and subcontractors (On Board Personnel) present on the various operating sites/management offices, both onshore and offshore. As security risk prevention measures, the Company adopts specific measures such as:

- > implementation of reception procedures in the country of destination (Meet & Greet);
- > selection of accommodation;
- > provision of local "security induction" on arrival at the destination of the expatriate personnel, with indications of local threats, conduct to be followed and precautions to be taken daily in the specific work site/country;
- > assignment of a security escort, with use of armoured vehicles, where necessary, according to local security conditions;
- > journey management plan;
- > use of GPS geopositioning systems;
- > safety plans;
- > management plans for emergencies and crises - evacuation (where deemed necessary).

The implementation of security plans and the provision of evacuation plans are tools used at all Company operational sites/offices. The synergy of different company functions also allows them to implement Local Crisis Units for the management of emergencies and crises.

The corporate functions also work in operational coordination with Embassies, Consulates, the Ministry of Foreign Affairs (MAE) - Crisis Unit, Client and Third Party Security (JV).

Consistently with and in compliance with Italian Legislative Decree No. 81/2008 "Consolidated Act on Occupational Safety" the Group Health and Security functions have also implemented the IT Time Management System (TMS) for managing business trips/travel right from the moment of booking/authorisation, and for tracking personnel on short-term trips or those working abroad. The system is an integral part of the authorisation process for staff business travel managed by HR and is made available to resources travelling on mission, secondment or work shift rotations between Italy and a foreign country aims to provide Pre travelling induction accompanied by a series of information on the Security and Health aspects specific to the destination country, as well as to guarantee tracking of workers travelling abroad.

In the month of March 2021, the Company handled a crisis situation in Mozambique following subversive incidents in the town of Palma, located in the northern province of Cabo Delgado, location of an important natural gas liquefaction site. Saipem staff and those of the Joint Venture CCS (Saipem, McDermott International and Chiyoda Corp), were working for the customer Total on the LNG project on the site. JV staff were not exposed to any risk, as they were already working in the protected area in which the project is underway and, as soon as the crisis began, actively participated in the team set up by the customer for immediate response to the emergency. More than 1,450 local and expatriate staff, including employees of

(7) Human rights clauses are in the "General terms and conditions" of all contracts.

the JV, the customer and subcontractors, were evacuated from Palma by sea in two separate evacuations. Both of them concluded successfully and lasted less than 24 hours.

With regard to training, since 2020 an e-learning programme has been launched focusing on ethics, human rights and compliance issues, dedicated specifically to people operating in security: Since the start of the programme 110 people were trained, of which 51 during 2021, while the remainder of the identified population will be identified next year.



GRI 205-2  
GRI 205-3  
GRI 415-1

## Fighting corruption

Saipem has always conducted its business with openness, fairness, transparency, integrity and in full observance of laws and regulations. In this context, corruption is an intolerable impediment to the efficiency of business and to fair competition.

Among the various initiatives, Saipem has designed an "Anti-corruption Compliance Programme", a detailed system of regulations and controls for the purpose of preventing corruption, in line with international best practices and with the principle of "zero tolerance" expressed in the Code of Ethics.

In particular, Saipem's Code of Ethics (included in Model 231) establishes that *"Corruption practices, illegitimate favours, collusion, solicitation, direct and/or through third parties of personal and career advantages for oneself or others, are without exception prohibited"*.

In particular, Saipem's "Anti-Corruption Compliance Programme" is dynamic and is constantly focused on the evolution of the national and international framework of regulations and best practices.

Over the course of the years, in a perspective of continuous improvement, the "Anti-Corruption Compliance Programme" has been constantly updated in line with the reference provisions (including among others the United Nations Convention against Corruption, the Organisation for Economic Co-operation and Development Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions, Italian Legislative Decree No. 231 of June 8, 2001, the US Foreign Corrupt Practices Act, the UK Bribery Act and the French Sapin 2 law).

More specifically, the Board of Directors of Saipem SpA approved the "Anti-Corruption Management System Guideline" (Anti-Corruption MSG) on April 23, 2012. This repealed and replaced the previous Anti Corruption Compliance Guidelines in order to optimise the compliance system in force. All the detailed anti-corruption procedures for specific risk areas were then updated (inter alia, the procedures for joint venture agreements, sponsorship, gifts, non-profit initiatives, vendors and consultants, relations with public administration and merger & acquisition operations).

In 2019, Saipem SpA issued the latest revision of the "Anti-Corruption" MSG which represents an improvement of the regulatory context of the "Anti-Corruption Compliance Programme" and of Saipem's Corporate Governance systems on Anti-Corruption issues.

The adoption and implementation of the aforementioned MSG are obligatory for Saipem SpA and all its subsidiaries.

All Saipem personnel are responsible for complying with the anti-corruption laws: for this reason all documents relating to this topic are easily accessible on the Company's website and intranet portal. In this context, a particularly important role is played by the managers, who are called upon to enforce observance of the anti-corruption procedures, also by their collaborators.

Furthermore, Saipem was among the first Italian companies to achieve the international certificate ISO 37001:2016 "Anti-bribery management systems". This certification, awarded by an independent accredited body, identifies a management standard that helps organisations in the fight against corruption, establishing a culture of integrity, transparency and compliance. The certification process, which included an audit phase that began in January 2018 and ended in April 2018, took into consideration such factors as the organisational structure, local presence, processes and services.

Subsequently, the audit activities necessary for the recertification were carried out and on April 28, 2021, the new ISO 37001:2016 certificate was issued with a three-year validity and expiring on April 27, 2024.

Aware that the primary element for developing an effective strategy to combat the phenomenon of corruption lies in fostering thorough knowledge of the tools for its prevention, Saipem considers training activities and awareness-raising activities of paramount importance and confirms the strategic importance of these also to promote and disseminate knowledge on Compliance, Ethics and anti-corruption.

In 2021, 13% of employees for the full consolidated perimeter and 11% for the Group perimeter was trained on these issues, down respectively by 11% and 9% compared to the previous year, considering the hours of training supplied in these areas was 11,700 for the Group perimeter (11,106 for the full consolidated perimeter) down for both parameters compared to the total number of hours of training provided the previous year.

Moreover, the Internal Audit function of Saipem shall independently review and assess the internal control system in order to verify compliance with the requirements of the Anti-corruption MSG, on the basis of its own annual audit programme approved by the Board of Directors of Saipem SpA.

Any violation, alleged or confirmed, of the anti-corruption laws or procedures must be reported immediately via one of the channels indicated in the procedure "Whistleblowing reports received by Saipem and its subsidiaries", available on the Company website and intranet portal. Disciplinary measures are provided for

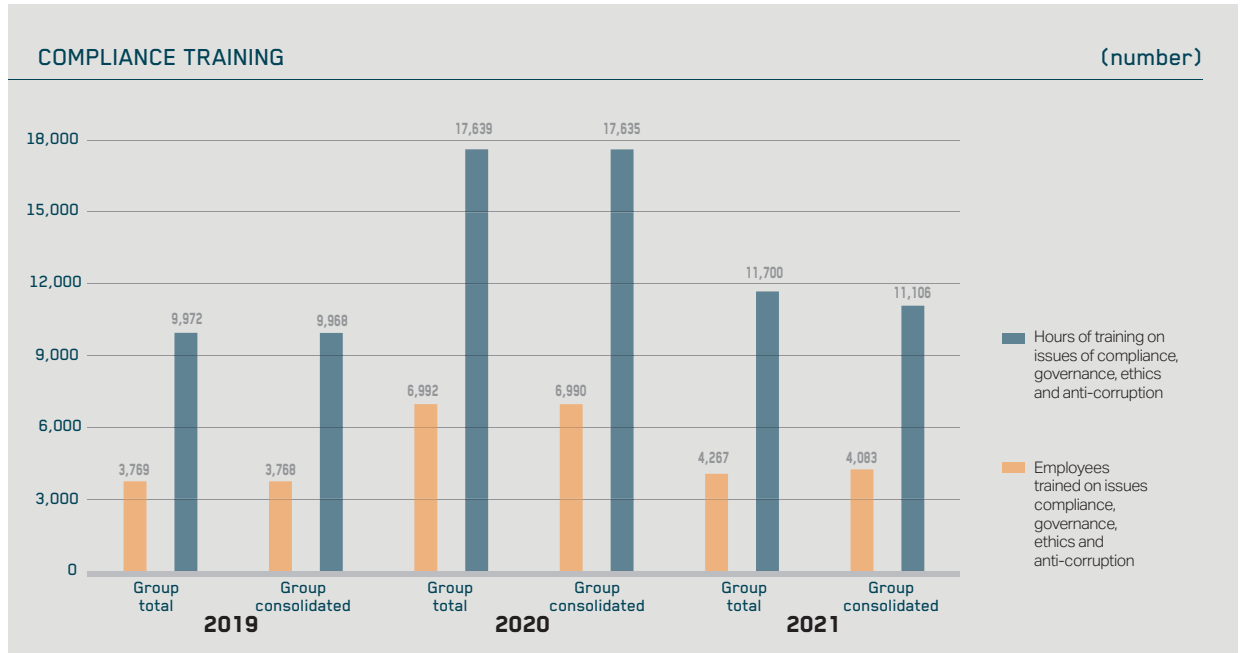
people in Saipem who violate the anti-corruption regulations and omit to report violations that they are aware of.

In 2021, no confirmed cases of corruption were reported.

More information on legal proceedings in which the Group is involved is available in Note 29 to the Notes to the consolidated financial statements "Guarantees, commitments and risks - Legal proceedings".

Saipem demands compliance by its Business Partners with the applicable laws, including the anti-corruption laws pertinent to the business activities carried out with Saipem, and the commitment to follow the reference principles contained in the Anti-Corruption MSG.

It should also be noted that Saipem does not make direct or indirect contributions, in whatever form, to political parties, movements, committees, political organisations, or to their representatives and candidates. Direct or indirect contributions may be made to trade unions and their representatives, to the extent this is provided for by mandatory legislative requirements or applicable collective labour contracts.



(No.)	2020		2021	
	Group total	Full consolidated	Group total	Full consolidated
<b>Employees who have received training on compliance <sup>(1)</sup></b>				
<b>For category of employees</b>				
Blue collars	18	18	33	22
White collars	4,702	4,700	2,578	2,447
Managers	2,081	2,081	1,486	1,444
Senior managers	191	191	170	170
<b>For geographical area</b>				
Americas	450	450	189	189
CIS	188	188	2	1
Europe	4,017	4,017	2,823	2,810
Middle East	1,120	1,118	678	634
North Africa	87	87	35	35
Sub-Saharan Africa	683	683	400	273
Far East	447	447	141	141

(1) Please note that the figures relate to companies with which the employees are formally part of the workforce, not the companies they are providing services for.



GRI 406-1

## Reporting suspected violations

A fundamental part of Saipem’s structured system for managing stakeholder complaints is the reporting management process (“whistleblowing”) governed by a special Corporate Standard made available to all employees (through various means, among which the intranet and company notice boards) and external stakeholders (published on the Company’s website).

The term “report” refers to any information, new, fact or conduct which in any way is brought to the attention of Saipem staff regarding possible violations, behaviour and practices that do not conform to the provisions in the Code of Ethics and/or which may cause damage or injury to Saipem SpA (even if only to its image) or

any of its subsidiaries, on the part of Saipem SpA employees, directors, officers, audit companies and its subsidiaries and third parties in a business relationship with these companies, in one or more of the following areas: the internal control system, accounting, internal accounting controls, auditing, fraud, administrative responsibilities under Legislative Decree No. 231/2001, and others (such as violations of the Code of Ethics, mobbing, theft, security, and so on). Saipem has prepared various channels of communication in order to facilitate the sending of reports, including, but not necessarily limited to, regular post, fax numbers, yellow boxes, e-mail, and communication tools on the intranet/internet sites of Saipem SpA and its subsidiaries. The Internal Audit function ensures that all appropriate controls are in place for any facts that have been reported, guaranteeing: (i) that these are carried out in the shortest time possible and respecting the completeness and accuracy of the investigation; (ii) the utmost confidentiality with methods suitable for protecting the person reporting. The investigations are composed of the following phases: (a) preliminary control; (b) verification; (c) audit; (d) monitoring of corrective actions. The Internal Audit prepares a quarterly report on reports received that, following examination by the Saipem Board of Statutory Auditors, is transmitted to the relevant people for suitable assessment.

The following cases were opened in 2021: 2 cases concerning reports of discrimination, both closed; 22 cases reporting workers' rights issues, 2 of which are pending, while the remaining 20 have been closed; 35 cases reporting mobbing/harassment, 12 of which are pending, while the remaining 23 have been closed; no cases have been opened concerning local communities. All 59 files have been submitted to the competent bodies in the Company (Saipem SpA Board of Auditors, Saipem SpA Supervisory Body and the Compliance Committee of the companies concerned).

With regard to the discrimination issues, with reference to the 2 closed cases, in all cases the competent company bodies decided to dismiss them on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported, whilst violation was confirmed in 1 case, though without violation, corrective action was taken, aimed at improving relations between employees. It should also be noted that 1 case reported in 2019 was closed in 2021 and 5 discrimination cases of 2020 were still open at the time of the last reporting. Of the 6 cases that were closed, 2 were unfounded, while in 1 case the violation was confirmed and in 3 cases, despite the absence of violations, corrective actions were identified. The following corrective actions were taken: assessment of various types of disciplinary measures and awareness-raising activities for the correct application of the provisions of the Code of Ethics.

(No.)	2019	2020	2021
<b>Number of cases reported</b>			
Total, of which:	146	158	158
- founded or partially founded	42	43	40
- unfounded	103	115	93
- open	1	-	25

(No.)	2019	2020	2021
<b>Files on cases of discrimination</b>			
Total, of which:	9	9	2
- founded or partially founded	1	1	-
- unfounded	8	8	2
- open	-	-	-
<b>Files in relation to workers' rights</b>			
Total, of which:	20	28	22
- founded or partially founded	4	2	2
- unfounded	16	26	18
- open	-	-	2
<b>Files regarding violations of the rights of local communities</b>			
Total, of which:	1	1	-
- founded or partially founded	-	-	-
- unfounded	1	1	-
- open	-	-	-
<b>Files regarding mobbing and harassment (*)</b>			
Total, of which:	36	21	35
- founded or partially founded	11	6	11
- unfounded	24	15	12
- open	1	-	12

The data is updated as of December 31, 2021.

(\*) Note: starting from the year 2021 the Company has included a new reporting category in order to provide even more detailed information to its stakeholders. The category "Mobbing and harassment" includes mobbing, assaults, abuse, offensive conduct, verbal harassment, threats.

With regard to the issues concerning workers' rights, with reference to the 20 closed cases, in 17 cases the competent company bodies decided to dismiss them on the basis of the investigation carried out, deeming that the events reported did not represent a violation of the Code of Ethics, while in 2 cases a violation was confirmed, and in 1 case corrective action was identified even though there had been no violation. The corrective actions involved consideration of disciplinary proceedings of various kinds and correction of anomalous situations in terms of remuneration.

Moreover, 5 cases pertaining to workers' rights reported in the year 2020 that remained open as of the last reporting date were closed in the year 2021; all 5 of these cases were dismissed as unfounded, and no corrective actions were identified.

In the area of mobbing/harassment, the competent company bodies dismissed 9 of the 23 cases closed in the year on the basis of the investigation carried out, deeming that the events reported did not represent a violation of the Code of Ethics, while a violation was confirmed in 11 cases and corrective actions were implemented even in the absence of violations in 3 cases. The corrective actions involved consideration of disciplinary proceedings of various kinds, training in the areas of communications and occupational health and safety, analysis of the work environment, and promotion of awareness of the importance of maintaining a suitable work environment.

One case reported in the year 2019 and 7 cases reported in 2020 regarding mobbing/harassment issues that were still pending as of the last reporting date were closed in 2021. Of the 8 cases closed, 2 were found to be unfounded, while in 3 cases a violation was confirmed and in 3 more cases corrective actions were identified despite the fact that no violation was found to have taken place. The corrective actions involved consideration of disciplinary proceedings of various kinds, promotion of awareness of the importance of maintaining a suitable work environment and analysis of the work environment.

No cases concerning relations with local communities were opened in the year 2021.

## GRI CONTENT INDEX

### In accordance with GRI Standards - Core option

#### Legend of the documents

**NFS21:** Consolidated Non-Financial Statement 2021

**AR21:** Annual Report 2021

**CG21:** Corporate Governance and Shareholding Structure Report 2021

### GRI 102: GENERAL DISCLOSURES 2016

Disclosure	Section name and page number or link
<b>Organisation profile</b>	
102-1	Cover (AR21).
102-2	"Directors' Report", pages 17-31 (AR21).
102-3	Fourth cover (AR21).
102-4	Second cover (AR21).
102-5	Table "Information on shareholding structure" (CG21).
102-6	"Directors' Report", pages 13-16 (AR21).
102-7	"Company profile and key operations", page 94 (NFS21); "Workforce trend", pages 155-157 (NFS21); "Letter to the Shareholders", pages 2-4 (AR21); "Financial and economic results", pages 32-45 (AR21).
102-8	"Workforce trends", pages 155-157 (NFS21).
102-9	"Social aspects", pages 142-145 (NFS21).
102-10	"Social aspects", pages 142-145 (NFS21).
102-11	"Company management and organisation model", page 101 (NFS21).
102-12	"Business ethics", pages 163-169 (NFS21).
102-13	"Relations with stakeholders", pages 107-112 (NFS21); "Relations with institutions and trade associations", page 112 (NFS21).
<b>Strategy</b>	
102-14	"Letter to the Shareholders", pages 2-4 (AR21).
<b>Ethics and Integrity</b>	
102-16	"Company management and organisation model", page 101 (NFS21); second cover (AR21).
<b>Corporate Governance</b>	
102-18	"Governance of business sustainability", pages 113-115 (NFS21).
<b>Stakeholder engagement</b>	
102-40	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Company management and organisation model", page 101 (NFS21); "Relations with stakeholders", pages 107-112 (NFS21); "A sustainable supply chain", pages 144-145 (NFS21); "Industrial relations", pages 157-158 (NFS21).
102-41	
102-42	
102-43	
102-44	
<b>Reporting practice</b>	
102-45	"Consolidation scope as of December 31, 2021", pages 213-217 (AR21).
102-46	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Consolidation scope as of December 31, 2021", pages 213-217 (AR21); "Changes in the consolidation scope", page 218 (AR21).
102-47	
102-48	
102-49	
102-50	
102-51	"Consolidated Non-Financial Statement" (NFS20), approved March 12, 2021.
102-52	"Methodology, principles and reporting criteria", pages 87-93 (NFS21).
102-53	Inside back cover (AR21).
102-54	"Methodology, principles and reporting criteria", pages 87-93 (NFS21).
102-55	"GRI content index", pages 170-174 (NFS21).
102-56	"Independent Auditors' Report", pages 175-178 (NFS21).

### MATERIAL TOPICS

Specific Standard	Section name and page number	Notes/Omissions
<b>GRI 201: Economic Performance 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Saipem's business", pages 94-106 (NFS21); "The contribution to mitigating climate change", pages 124-132 (NFS21).	
201-1: Direct economic value generated and distributed	"Economic value generated and distributed", pages 103-104 (NFS21).	

**MATERIAL TOPICS**

Specific Standard	Section name and page number	Notes/Omissions
<b>GRI 201: Economic Performance 2016</b>		
201-2: Financial implications and other risks and opportunities due to climate change	"Analysis of the climate-related scenario", page 124 (NFS21); "Climate-related risks and opportunities", pages 125-126 (NFS21).	
201-4: Financial assistance received from government	Note 42 "Obligations regarding transparency and disclosure. Italian Law August 4, 2017, No. 124 (Article 1, sections 125-129)", page 297 (AR21).	
<b>GRI 202: Market Presence 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Local presence", pages 143-144 (NFS21).	
202-2: Proportion of senior management hired from the local community	"Local presence", pages 143-144 (NFS21).	
<b>GRI 203: Indirect Economic Impacts 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Saipem's business", pages 94-106 (NFS21).	
203-2: Significant indirect economic impacts	"Relations with stakeholders", pages 107-112 (NFS21).	
<b>GRI 204: Procurement Practices 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Supply chain management", pages 102-103 (NFS21).	
204-1: Proportion of spending on local suppliers	"Supply chain management", pages 102-103 (NFS21).	
<b>GRI 205: Anti-corruption 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Business ethics", pages 163-169 (NFS21).	
205-2: Communication and training about anti-corruption policies and procedures	"Fighting corruption", pages 166-167 (NFS21).	For more information on the training received by the Board of Directors please refer to the section "Board of Directors' induction" of the "Corporate Governance and Shareholding Structure Report".
205-3: Confirmed incidents of corruption and actions taken	"Fighting corruption", pages 166-167 (NFS21).	
<b>GRI 207: Tax 2019</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Saipem's business", pages 94-106 (NFS21).	
207-1, 207-2, 207-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Tax transparency", pages 104-106 (NFS21).	
207-4: Country-by-country reporting	"Tax transparency", pages 104-106 (NFS21).	
<b>GRI 302: Energy 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Sustainable development partnerships", pages 100-101 (NFS21); "The contribution to mitigating climate change", pages 124-132 (NFS21).	
302-1: Energy consumption within the organisation	"Energy efficiency", pages 128-129 (NFS21).	The percentage of electrical energy produced from renewable sources and consumed by the Group depends on the individual national electricity mix.
302-3: Energy intensity	"Energy efficiency", pages 128-129 (NFS21).	
302-4: Reduction of energy consumption	"Energy efficiency", pages 128-129 (NFS21).	
<b>GRI 303: Water and Effluents 2018</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Protecting the environment and minimising environmental impacts", pages 133-141 (NFS21).	
303-1, 303-2	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Water resource management", pages 136-139 (NFS21).	
303-3: Water withdrawal	"Water resource management", pages 136-139 (NFS21).	

## MATERIAL TOPICS

Specific Standard	Section name and page number	Notes/Omissions
<b>GRI 305: Emissions 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Sustainable development partnerships", pages 100-101 (NFS21); "The contribution to mitigating climate change", pages 124-132 (NFS21); "Protecting the environment and minimising environmental impacts", pages 133-141 (NFS21).	
305-1: Direct (Scope 1) GHG emissions	"GHG emissions", pages 129-132 (NFS21).	
305-2: Energy indirect (Scope 2) GHG emissions	"GHG emissions", pages 129-132 (NFS21).	
305-3: Other indirect (Scope 3) GHG emissions	"GHG emissions", pages 129-132 (NFS21).	
305-4: GHG emissions intensity	"GHG emissions", pages 129-132 (NFS21).	
305-5: Reduction of GHG emissions	"GHG emissions", pages 129-132 (NFS21).	
305-7: Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	"Preserving the air quality", pages 139-140 (NFS21).	
Reduction of air pollutant	"Preserving the air quality", pages 139-140 (NFS21).	
<b>GRI 306: Waste 2020</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Sustainable development partnerships", pages 100-101 (NFS21); "Protecting the environment and minimising environmental impacts", pages 133-141 (NFS21).	
306-1, 306-2	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Waste management", pages 140-141 (NFS21).	
306-3: Waste generated	"Waste management", pages 140-141 (NFS21).	
306-4: Waste diverted from disposal	"Waste management", pages 140-141 (NFS21).	
306-5: Waste directed to disposal	"Waste management", pages 140-141 (NFS21).	
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Social aspects", pages 142-145 (NFS21).	
308-1: New suppliers that were screened using environmental criteria	"A sustainable supply chain", pages 144-145 (NFS21).	
<b>GRI 401: Employment 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Human capital", pages 152-162 (NFS21).	
401-2: Benefits provided to full-time employees	"Equal treatment and enhancement of differences", pages 158-162 (NFS21).	
<b>GRI 403: Occupational Health and Safety 2018</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Safeguarding the health and safety of people", pages 146-151 (NFS21).	
403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Safeguarding the health and safety of people", pages 146-151 (NFS21).	
403-9: Work-related injuries	"People safety", pages 146-149 (NFS21).	
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<b>GRI 404: Training and education 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Human capital", pages 152-162 (NFS21).	
404-1: Average hours of training per year per employee	"Competences and knowledge", pages 152-155 (NFS21).	
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<b>GRI 405: Diversity and equal opportunity 2016</b>		
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405-2: Ratio of basic salary and remuneration of women to men	"Equal treatment and enhancement of differences", pages 158-162 (NFS21).	



**MATERIAL TOPICS**

Specific Standard	Section name and page number	Notes/Omissions
<b>GRI 406: Non Discrimination 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Business ethics", pages 163-169 (NFS21).	
406-1: Incidents of discrimination and corrective actions taken	"Reporting suspected violations", pages 167-169 (NFS21).	
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407-1: Operations and suppliers in which the freedom of association and collective bargaining may be at risk	"Respect of human rights", pages 163-164 (NFS21).	
<b>GRI 408: Child Labour 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Social aspects", pages 142-145 (NFS21); "Business ethics", pages 163-169 (NFS21).	
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<b>GRI 409: Forced and Compulsory Labour 2016</b>		
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409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	"Respect of human rights", pages 163-164 (NFS21).	
<b>GRI 410: Security Practices 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Business ethics", pages 163-169 (NFS21).	
410-1: Security personnel trained in human rights policies or procedures	"Security practices", pages 164-166 (NFS21).	
<b>GRI 412: Human Rights Assessment 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Social aspects", pages 142-145 (NFS21); "Business ethics", pages 163-169 (NFS21).	
412-2: Employee training on human rights policies or procedures	"Respect for human rights", pages 163-164 (NFS21); "A sustainable supply chain", pages 144-145 (NFS21).	The indicator is addressed in the chapter on "Respect for human rights". The number of hours of training is not specified, but it is reported that all Saipem staff are informed of the principles of protection of human rights.
412-3: Investment agreements and contracts that include human rights clauses	"A sustainable supply chain", pages 144-145 (NFS21); "Security practices", pages 164-166 (NFS21).	
<b>GRI 413: Local Communities 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Social aspects", pages 142-145 (NFS21).	
413-2: Operations with significant actual and potential negative impacts on local communities	"Social aspects", pages 142-145 (NFS21).	
<b>GRI 414: Vendor Social Assessment 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Social aspects", pages 142-145 (NFS21).	
414-1: New suppliers that were screened using social criteria	"A sustainable supply chain", pages 144-145 (NFS21).	
<b>GRI 415: Public Policy 2016</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Business ethics", pages 163-169 (NFS21).	
415-1: Political contributions	"Fighting corruption", pages 166-167 (NFS21).	

**MATERIAL TOPICS**

Specific Standard	Section name and page number	Notes/Omissions
<b>Digital transformation</b>		
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Amount spent on decarbonisation R&D and technology application	"Technological innovation and digitalisation", pages 127-128 (NFS21).	
Number of signed cooperation/license agreements for energy decarbonisation projects	"Technological innovation and digitalisation", pages 127-128 (NFS21).	
Environmental product innovation	"Technological innovation and digitalisation", pages 127-128 (NFS21).	
<b>Cybersecurity</b>		
103-1, 103-2 and 103-3	"Methodology, principles and reporting criteria", pages 87-93 (NFS21); "Security practices", pages 164-166 (NFS21).	

# INDEPENDENT AUDITORS' REPORT

The independent auditors' report, which concerns the Consolidated Non-Financial Statement included in the dedicated section of the Annual Report, is accessible through this [link](#).





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Annual Report (in English)

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al 30 giugno (in Italian)

Interim Financial Report as of June 30  
(in English)

Sustainability Report 2021 (in Italian and English)

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