



**SAIPEM SUSTAINABILITY
SUMMARY 2015**



SAIPEM AT A GLANCE

€11.5 bln
TOTAL SALES

€15.8 bln
TOTAL BACKLOG



70

NUMBER OF COUNTRIES WHERE WE OPERATE
PRESENT IN ALMOST EVERY OIL & GAS MARKET
AROUND THE WORLD

46,346

NUMBER OF SAIPEM
EMPLOYEES



128

NUMBER OF EMPLOYEE
NATIONALITIES

*The market scenario that the Company had to face in 2015 was very complex and multi-faceted, from the point of view of the socio-economic contexts and in terms of energy outlook. We have to move forward with the topics linked to corporate restructuring, while at the same time we need to tackle the ones that are part of the reality in which we operate. We are now adapting to the changing context by leveraging on our skills and abilities, as well as on the network of relations we have established in the countries in which we are present. Considering the existing and future scenario, together with our highly diversified business offer, our long lasting local commitment becomes an opportunity for us. **Sustainability has always been in Saipem's DNA.***



Stefano Cao, Saipem CEO



Innovation, Research & Development

Providing the most advanced solutions to clients.



Local hiring and Human Capital Development

- Generating profit thanks to a competent and committed workforce.
- Strengthening employee attraction and retention.



Local and ethical supply chain

- Simplifying the supply logistic.
- Reducing counterparty risk and operational costs.

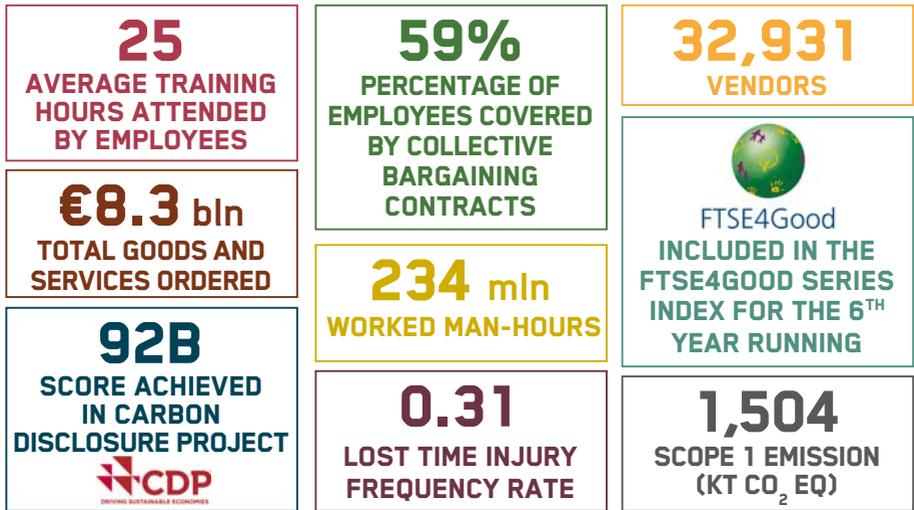
Value for Saipem

Value for Society

Enabling the industry to meet the global energy demand.

Creating job opportunities and increasing skills for local development.

- Supporting the local market.
- Strengthening entrepreneurial capabilities.



HOW WE CREATE SHARED VALUE

We have grown from an Italian-based company established more than 60 years ago, to a global leader in the Oil & Gas contracting services sector specialising in onshore, offshore and drilling services. Since the beginning of our operations, the focus on working responsibly, collaborating with

local stakeholders, creating long term value, and providing innovative solutions to our clients, have been key drivers of our business strategy and have generated success and recognition worldwide. These are the founding elements of how we create shared value.



Local community programmes integrated into business

▶ Enhancing stakeholder engagement and licence to operate.

▶ Supporting community well-being.



Long-term partnerships with local stakeholders

- ▶ Strengthening Saipem's licence to operate.
- ▶ Reducing the risk of work interruptions.

▶ More influence in addressing Saipem's areas of intervention for local communities.



Safety

- ▶ Guaranteeing a safe workplace.
- ▶ Increasing operational efficiency.

▶ Spreading a safety culture.

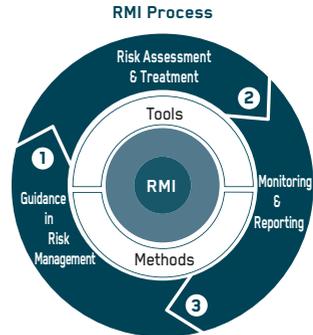
OUR INTEGRITY-BASED BUSINESS



*Saipem is equipped with an advanced Corporate Governance system. The only way to operate in many countries of the world and with such complex and diversified businesses is indeed to have robust governance structures. In this framework it is important that **sustainability be a foundational and natural element of governance.***

RISK MANAGEMENT

The **Integrated Risk Management** (RMI) function supervises the development and maintenance of our Integrated Risk Management System. In 2015, it performed a Risk Assessment of 21 strategically relevant subsidiaries.



RESPONSIBLE LEADERSHIP

For us leadership means more than just a tool for managers: it also concerns the conduct expected of each employee. The Saipem Leadership Model is a

new reference model in line with the new strategy and identity, based on **knowledge, vision, integrity, decision-making, people** and **communication**.

workshops delivered to Saipem personnel

11

FIGHT AGAINST CORRUPTION

The principle of **'zero tolerance' for corruption** drives our way of conducting business with transparency and integrity, in compliance with both domestic and foreign laws, regulations and

requirements. We are committed to observing international standards and guidelines such as the United Nations Convention against Corruption. Saipem people are regularly informed of and trained in Business Ethics topics.

employees trained in Business Ethics training programmes

+1,900

countries

19



PROMOTING HUMAN RIGHTS ACROSS BUSINESS

Promoting Human Rights is a priority of the Oil & Gas business in terms of security management, intercultural and workforce issues, relations with local communities. To this end, we have implemented an internal

awareness training programme (HOPE, Human OPERational Training Programme) dedicated to people working in community relations, human resources, operations, HSE and security, that values Human Rights while taking specific socio-cultural environments into account.

participants in the 'HOPE' Training session in the Ambriz Yard, Angola

22

A SUSTAINABLE SUPPLY CHAIN

Vendors are key partners for the success of our business. The Vendor Management process ensures vendor reliability not only in terms of technical, financial and

organizational capabilities, but also in terms of observance of laws and regulations related to social responsibility issues. To this end, vendors have been involved in several initiatives, such as:

SR audit campaign at vendor operating sites

Audits carried out to gather vendor performance information on major social responsibility issues since 2011

~100

Vendor qualification system including questions on SR issues

Questionnaires analysed to assess vendor compliance with social and labour rights since 2013

+1,000

Increasing supplier awareness on conflict minerals

suppliers involved in the conflict minerals survey to check disclosure of products, manufactured and contracted to manufacture containing conflict minerals in 2015

89

PROTECTING PEOPLE AND THE ENVIRONMENT



Today we must continue to drive a culture of caring throughout all levels of our organisation. There is no conflict at all between safety and efficiency, it is well established that the safer we are the more efficient we become. Safety is a real value for everyone and as we like to say at Saipem 'the safer, the better'.

A SAFE WORKFORCE

To create and maintain a safe and healthy working environment, over the years we have implemented comprehensive management systems meeting

international law requirements and the best standards. 2015 TRIFR* performance reached and exceeded the established target of 1.09:

Total Recordable Incident Frequency Rate

1.08

Since 2007 we have been engaged in the **Leadership in Health & Safety (LiHS)**

programme to foster leadership development and cultural change within the Company.

LiHS programme phases implemented

5

LiHS events

+1,100

The IOGP (International Association of Oil & Gas Producers) **Life Saving Rules (LSR)** consist of a set of 'non-negotiable' industry standard rules related to safe operation practices.

We have tailored them to our specific contexts, resulting in the 'Life Saving Rules Campaign'. The campaign focuses on three core rules: Safe Working at Height, Confined Spaces and Moving & Energised Equipment.

events organised

479

participants

~20,000

(*) TRIFR value is calculated on the basis of 1 mln hours worked, in compliance with the standards applied internationally in the industry.



A SAFE ENVIRONMENT

Operating responsibly also means not causing damage to the environment. We promote the use of proven technologies and proposals for innovative solutions to limit consumption and subsequent emissions into the atmosphere.

A SAFE SUPPLY CHAIN

The win-win strategy established with our subcontractors also includes cooperation and engagement in HSE-related issues. Over the past few years we have delivered HSE forums to help subcontractors improve their knowledge and culture of HSE topics.

subcontractors who attended
3 HSE forums organised in Turkey,
Nigeria and Saudi Arabia in 2015

76

tonnes of fuel consumption was saved

105

tonnes of CO₂ avoided due to the route optimisation programme

328

energy savings obtained at the Edmonton Yard
(Canada) in 2015 thanks to the 2014
energy assessment

MWh 300

We have a state of the art **Oil Spill Response Team (OSRT)** that has been providing high level services since 1990. It is specialised in marine protection activities to fight pollution caused by industrial activities. Furthermore, avoiding pollution or contamination of the land, air or water is a top priority for Saipem. Our pollution prevention approach is a guiding principle for all our activities: when facing a spill contingency, besides training, preparedness, and emergency response, prevention is, indeed, the most important area to be considered.

spill volume in 2015 compared to 2014

-90%

Reinforcing leadership and commitment of management to safety

- Safety Leaders Championship
- Leadership & communication workshop for drilling team leaders
- Human factors training course for area managers
- Tool Box Wrap Up (a dedicated time to discuss the lessons learned and main events)
- Top Management HSE inspection
- Development of a Model to calculate cost for incidents.

Giving priority to a competent, reliable and motivated workforce

- 'Know your barriers' campaign (definition of the offshore drilling unit's barrier concept to identify and share a method for barrier management)
- Competencies Assurance System (system developed for floaters to ensure a transparent competence evaluation).

Managing subcontractors to guarantee compliance with Saipem's safety standards

- Reinforcing Subcontractor management (development of a series of actions to improve subcontractor safety alignment and performance)
- Use of a 3D model to prevent accidents (3D model to anticipate HSE issues during the project execution phase).

A new approach to problems related to routine risks

- Rig Tutoring
- Local cultural training for expatriate personnel
- HSE real time operations
- Job Safety Analysis for routine operations
- 'Take care of your colleague'
- Daily Tour and Five Stars intervention
- Highlighting hazards of routine activities on board
- Improving learning from mistakes.

issues in the four business lines of our Company. They can be grouped into four areas of intervention: reinforcing leadership and commitment of management to safety; giving priority to a competent, reliable

and motivated workforce; managing subcontractors to guarantee compliance with Saipem's safety standards; and a new approach to problems related to routine risks.

Awareness: focus on culture, communication, teamwork, and better comprehension of HSE documents.

Responsibility: focus on monitoring remote rigs in real time and intervening in case of unsafe conditions, improving the supervisors' sense of responsibility and sensitivity to HSE topics.

OUR CAPACITY TO EXCEL AND INNOVATE



The ability to innovate is an aspect that has always distinguished Saipem and that will increasingly characterise it in the future. I mean: technological innovation, offered critically and constructively in the face of issues, not taking anything for granted nor as a given, not falling into the trap of simplifying by saying 'we have always done it this way', always asking if the current approach is still effective or if we should adapt it to new contexts.'

OUR KEY FACTOR: THE KNOWLEDGE

Investing in increasing the knowledge and skills of our people is a critical success factor for us.



employees whose performance was evaluated

18,446

skill evaluations completed

3,589

million of training man-hours delivered

1.64

Saipem's E&C flagship

The Saipem Group possesses a strong, technologically advanced and highly versatile fleet, as well as world class engineering and project management expertise. These unique capabilities and competencies, together with a long-standing presence in strategic frontier markets, represent an industrial model that is particularly well suited to EPCI projects.

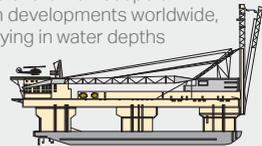
Castorone



Ice class pipelaying vessel which can perform S-lay in shallow waters and steep S-lay in deepwaters (more than 2,000 m/6,562 ft), switching to J-lay mode for ultra-deepwaters (up to and more than 3,000 m/9,842 ft) or where the project requirements limit pipe bending and longitudinal stresses. This versatility has been achieved through numerous distinctive features such as a DP-3 dynamic positioning system designed for pipelay operations; a high bollard pull to counteract pipe bottom tension; and a ramp system with pipe roller supports that is fully remote-controlled without having to abandon the pipe, and capable of attaining a near-vertical ramp exit angle.

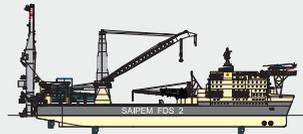
Saipem 7000

Semisubmersible crane vessel with a state-of-the-art J-lay tower, upgraded dynamic positioning capability and fast ballasting system. It has the capacity to handle the entire workscope of offshore construction developments worldwide, encompassing pipelaying in water depths greater than 2,000 metres and heavy lift operations up to 14,000 tonnes. The vessel's Class 3 DP system of 12 thrusters ensures that the vessel maintains good station keeping even in the most difficult weather conditions.



FDS 2

Multipurpose monohull dynamically positioned crane and pipelay (J-lay) vessel utilised for the development of hydrocarbon fields in deep waters, equipped with cutting-edge class 3 DP and pipeline fabrication systems. The FDS 2 has a vertical J-lay tower with a holding capacity of 2,000 tonnes capable of laying quad joint sealines of up to 36' in diameter and also possesses the capability to lay pipes in S mode.



SAIPEM INNOVATION SHOWCASE

Some example of our latest and most significant innovations by area of application.

Technology for the SURF

market: the 'Fusion bonded joint' technique is an example of technology designed to reduce costs.

Materials technology: 'Internal plasma welding' technology for carbon steel and clad sealines increases productivity and achieves higher quality reducing costs.

Developments in subsea

field: development of skills, high technological leverage and strong content in subsea processing and remote operations.

New remote intervention

technologies: development and manufacturing of the first prototype of the Innovator 2.0, the

new generation, high power, high reliability, work class ROV (Remote Operated Vehicles).

Urea plants: Snamprogetti™

SuperCups increase the mixing of the liquid and gaseous phases, thus optimising the product conversion rate in the reactor.

MAIN FLEET VESSELS INNOVATION: NORMAND MAXIMUS

Normand Maximus is a DP class 3, new top-class offshore construction vessel. It is the result of an innovative design philosophy that couples SURF installation capabilities with ultra-deep water field development activities. The vessels received the Clean Design Class Notation, achieving a 95% NO_x emission reduction.



Saipem's Drilling flagship

At year-end 2015, the Saipem offshore drilling fleet consisted of 15 vessels: 7 deepwater units for operations at depths exceeding 1,000 metres (the drillships Saipem 10000 and Saipem 12000 and the semi-submersible drilling rigs Scarabeo 5, Scarabeo 6, Scarabeo 7, Scarabeo 8 and Scarabeo 9), 1 for mid water operations at depths of up to 500 metres (the semi-submersible Scarabeo 3), two high specification jack-ups for operations at depths of up to 375 feet/114 metres (Perro Negro 7 and Perro Negro 8), 4 standard jack-ups for activities at depths up to 300 feet/91 metres (Perro Negro 3, Perro Negro 4 and Perro Negro 5) and one bare tender rig (TAD).

Saipem 10000

5th generation ultra deepwater drillship, can operate up to around 3,000 metres underwater and drill up to approximately 10,000 metres in depth. The ship has an integrated, automated control and monitoring system. The drillship is designed to function as an integrated unit allowing all systems including propulsion, power management, power generation, fluid flow systems, fluid storage systems



and drilling systems to be monitored and controlled via a single integrated monitoring and control network. The unit is 'zero pollution' certified.

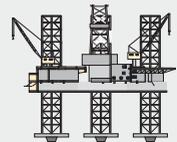
Scarabeo 8

Last generation semisubmersible drilling unit, it represents the state-of-the-art of harsh environment and unmanned operation drilling units. The unit complies with Norwegian regulations and standards and holds the Basic DNV Winterization class notation level. Scarabeo 8 is classified to operate with a dynamic positioning DP3 system or moored thrusters assisted. The unit is designed to be 'zero pollution' and 'zero discharge' in compliance with the strictest environmental regulations.



Perro Negro 8

Self-elevating, non-propelled drilling platform, suitable for worldwide drilling operations. It is rated for 350 feet water depth and has a drilling depth capability of 30,000 ft. The jacking structures consist of three columns, connected to the hull around the leg well at the lower side and by means of bracings at the top above the main deck.



OUR PRESENCE IN LOCAL CONTEXTS

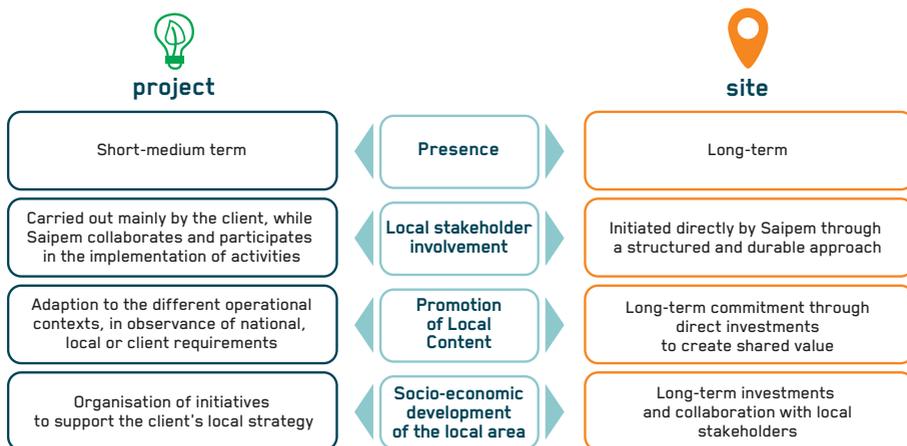


*For many years it was of great importance to employ local resources and create opportunities for professional growth. Building industrial bases and fabrication yards were essential to obtain a licence to operate in a broader sense. Over time, these conditions ended up being necessary but were clearly not enough. The real challenge now is to **focus on the aspects that will ensure the socio-cultural growth of these areas.***

OUR LOCAL PRESENCE

To build win-win relationships with local communities, we adopt ad-hoc approaches based on factors such as impacts

generated, geographical locations and local stakeholder expectations. Hence our presence in host countries takes on two forms:



LOCAL-CONTENT ORIENTED

Providing social benefits to the host countries is a top priority for us and an unquestionable value of our business philosophy. Investments, employment and development of subcontractors are at the basis of our Local Content strategy, which, from our perspective, also means developing continuous

relationships with local communities, clients and suppliers. In particular, local employment enriches the diversity of the Saipem workforce, providing young talented people from around the world with the opportunity to grow professionally within our Company.



Local Content strategy



Local skills development

We issue scholarships, set up apprenticeship programmes and provide on-the-job training to increase the number of local employees and to promote their professional growth and skills.



Employment opportunities

Maximising local employment is a universally valid business principle that has gradually gained a foothold in all operating contexts.



Local business optimisation

A series of measures, such as medium-to-long-term agreements, contribute to developing forms of multi-year cooperation. We help local vendors boost their skills, expand their businesses and satisfy our requirements.



Partnering local communities

We render local communities inclusive and participatory, employing dedicated tools, techniques and methodologies aimed at forging a tailor-made stakeholder engagement strategy over time.

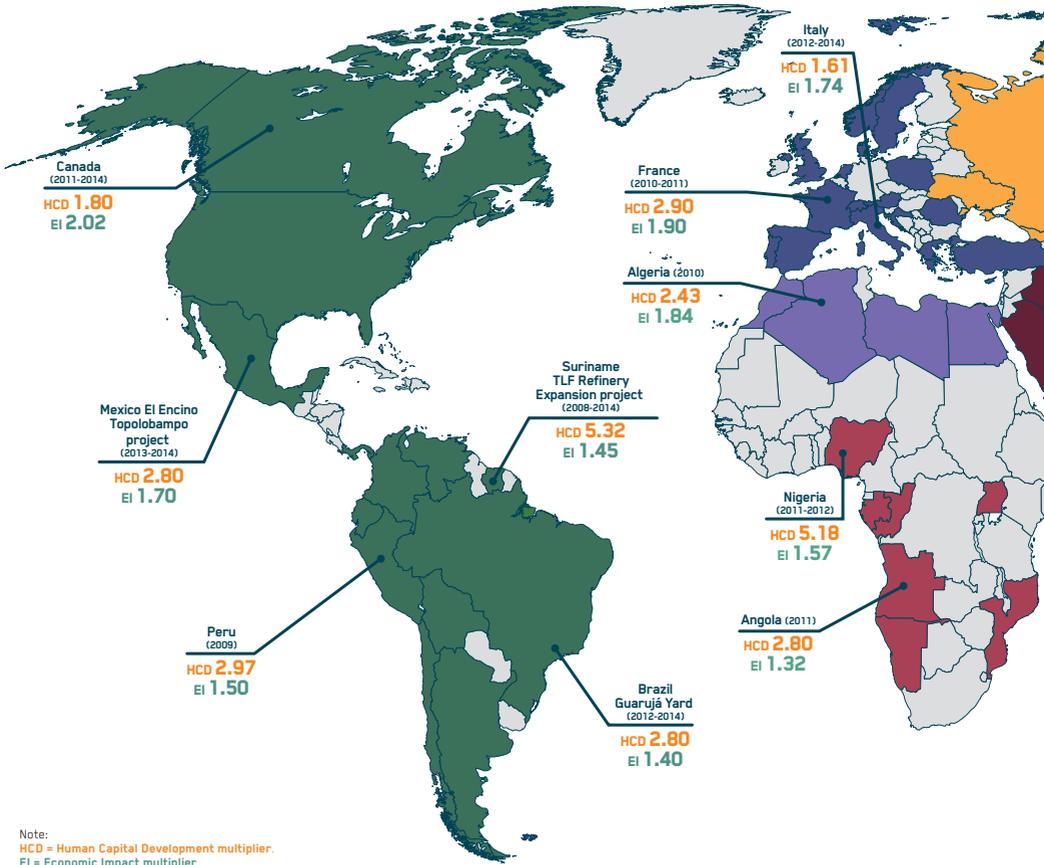
QUANTIFYING A LOCAL COMMITMENT

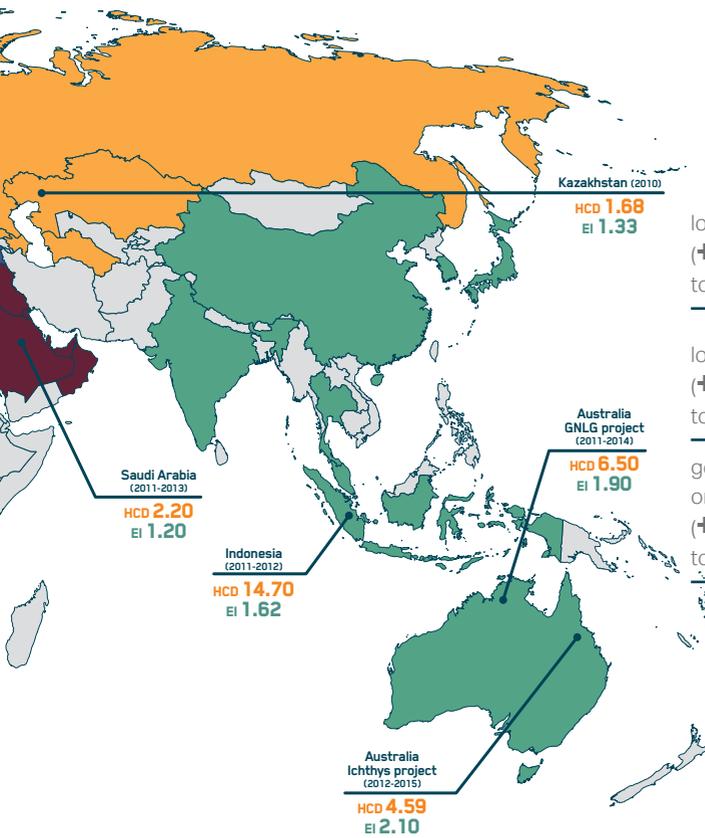
In the framework of the Local Content strategy, in the last few years we have developed a model to quantify Saipem's contribute to the socio-economic development in host areas. In particular, considering the creation of local employment opportunities and know-how transfer, and the contribution to local economies,

we have calculated the value that Saipem has generated in the countries.

The map on the next few pages shows, in addition to general Local Content numbers, the multiplier effect of each dollar invested by Saipem to train local employees (**HCD**) and introduced into the economy through local spending, local wages and taxes paid (**EI**).

LOCAL CONTENT IN NUMBERS





local employees
(+1% compared to 2014)

80%

local managers
(+1% compared to 2014)

44%

goods and services
ordered locally
(+12% compared to 2014)

68%



HOW WE CONTRIBUTE TO THE SOCIO-ECONOMIC DEVELOPMENT AT THE LOCAL LEVEL

ENVIRONMENT



INITIATIVES: 11 initiatives carried out
MAIN TARGETS ACHIEVED: 3,332 participants in environmental initiatives and workshops
COUNTRIES INVOLVED: 6 countries

HEALTH PROMOTION



INITIATIVES: 19 initiatives carried out
MAIN TARGETS ACHIEVED: 3 countries involved in Malaria and HIV awareness campaigns; 11,384 people involved in other health initiatives*
COUNTRIES INVOLVED: 9 countries

SOCIO-ECONOMIC DEVELOPMENT



INITIATIVES: 25 initiatives carried out
MAIN TARGETS ACHIEVED: 1,204 FamiLihs participants; 285 participants in entrepreneurship projects; 120 participants in workshops against gender violence
COUNTRIES INVOLVED: 11 countries

PROFESSIONAL TRAINING



INITIATIVES: 16 initiatives carried out
MAIN TARGETS ACHIEVED: 176 students involved in training programmes; 1,500 participants in the 'Introduction to drilling' workshop
COUNTRIES INVOLVED: 9 countries

EDUCATION & CULTURE

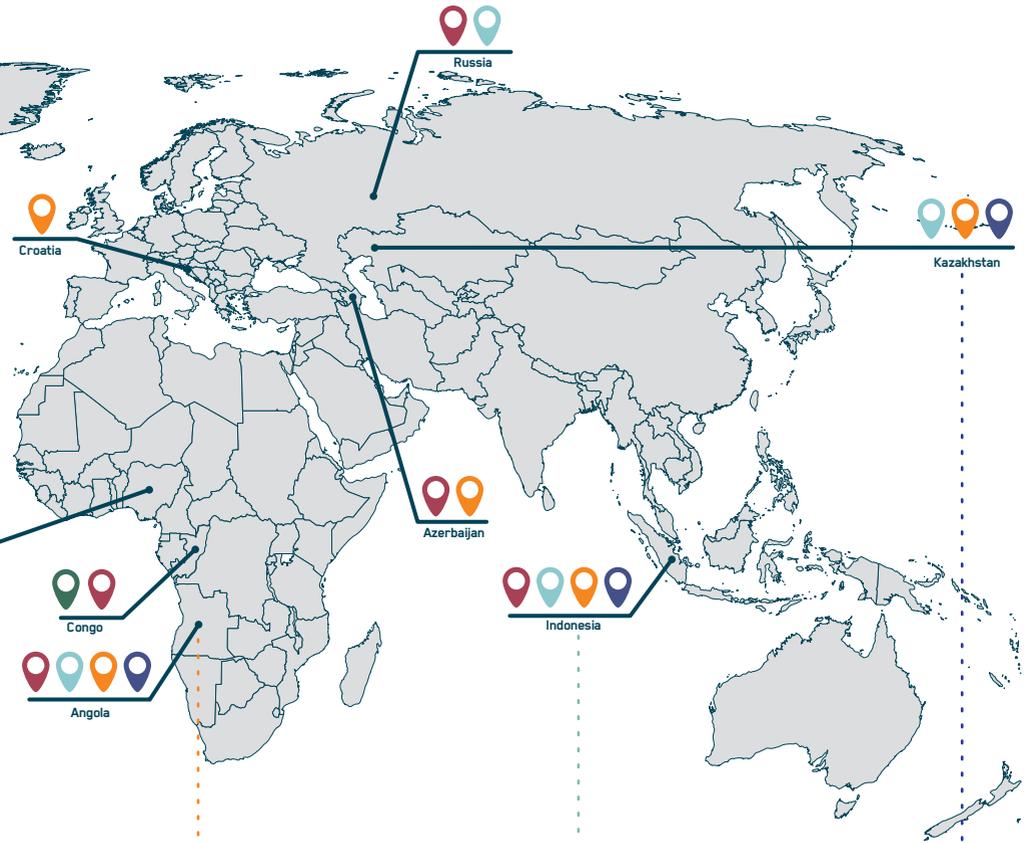


INITIATIVES: 14 initiatives carried out
MAIN TARGETS ACHIEVED: 513 children involved in Little LiHS and Junior firefighter initiatives; 14 schools involved in the Montessori programme
COUNTRIES INVOLVED: 7 countries



Costal Cleanup Day: collecting 121 kg of waste from rivers and sea in the Guarujá and Santos areas

(* Saipem has also implemented the Malaria Control Programme (MCP) since 2003 to prevent and control the spread of malaria at its worksites operating in high-risk areas. In 2015, all 48 Saipem worksites located in high-risk malaria areas were included in the MCP.



Talentissimo programme:
developing young talents
for a career in Oil&Gas

An MoU signed with
the Regency of Karimun
to improve the emergency
management capacities
of the local hospital

Growing Together
Preschool Education
initiative: a tailored
Montessori programme
for Kurik caretakers

MORE ON SAIPEM



We are online! Visit us at the:

- Sustainability section of the Saipem site
- interactive report

Thematic leaflets

Recent leaflets focusing on Biodiversity and Local Content



Sustainability Performance 2015

Our sustainability performance in detail



Saipem Sustainability 2015

Our sustainability commitment in practice



Saipem around the world

Country and project reports that describe our activities, best practices and results in terms of sustainability

We approach each challenge with innovative, reliable and secure solutions to meet the needs of our clients.

Through multicultural working groups we are able to provide sustainable development for our Company and for the communities in which we operate.

FOLLOW US:



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Società per Azioni
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€2,191,384,693 fully paid up
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Cover picture:
'Pipe initiation operation',
by Charles-Antoine Guiche, Nigeria.



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