

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 2020

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, 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, 2020.

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 12, 2021. The NFS is drafted by the Corporate Sustainability function, in cooperation with all Corporate functions, divisions, 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.

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. 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 "Leading the path to energy transition", which was published in October 2020 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 2018-2020, 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. Any changes in the collection methods from the previous year are suitably indicated in the document.

Starting from 2019, for a sample of the Group's companies (which was extended in 2020) Saipem has implemented an Internal Control System that is dedicated specifically to Non-Financial Disclosures and is based on the Framework of the Committee of Sponsoring Organization (CoSO). The aim of the Internal Control System is to further increase the reliability of non-financial reporting as a whole, and to introduce an additional internal auditing process by the functions.

The Control System on Non-Financial Disclosures is governed internally by the "Management System Guideline for Internal Control System over Non-Financial Information". The system envisages two monitoring sessions: Line Monitoring, carried out by internal functions on the data for which the function is responsible, and Independent Monitoring, carried out by the Internal Audit function on other Company functions.

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 cyber security 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 security 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, its progress, results and the impact it has produced, and also to guarantee the comparability of its performance in relation to the information published in other corporate documents, in addition to the complete 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.

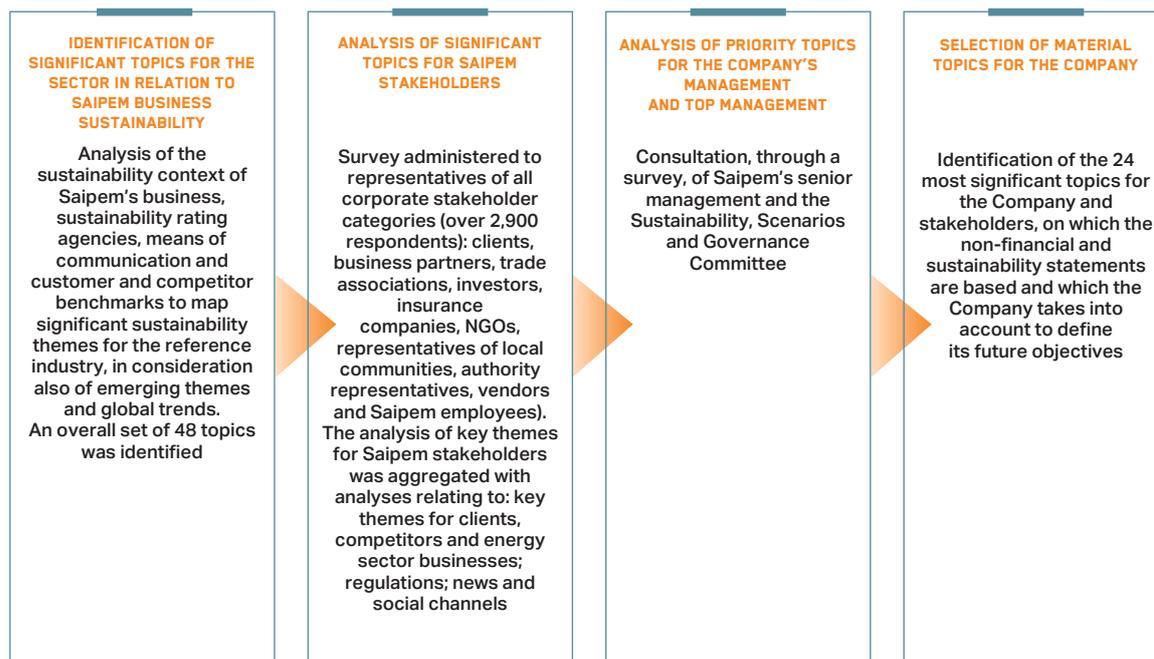
Material topics	External boundary	Limitations
Occupational health & safety	Vendors and subcontractors, some local communities	Partial, for vendors
Safety Leadership and culture	Vendors and subcontractors, some local communities	Partial, for vendors
Business ethics	Business partners, vendors and subcontractors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

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 respondents (external stakeholders, Saipem employees and senior management) identified the most important topics, assessing them in accordance with the responsibility principle (topics that the respondent considers must be managed by Saipem as the company in charge) and the value (economic, social, cultural, reputational, environmental, etc.) created for Saipem itself, in favour of its stakeholders, and for civil society in the broadest sense.

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 2020 materiality matrix therefore includes 48 issues that are analysed, from which 24 have been highlighted as a higher priority. More details and a representation of the results are available in section "Methodology and reporting criteria" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".

The Board of Directors was involved in the analysis process through the Sustainability, Scenarios and Governance Committee, whose members expressed their evaluations during the meeting on November 17, 2020.

The end results of the materiality analysis were validated by the Sustainability Committee, chaired by the CEO and consisting of the Company's top management, and agreed with the Sustainability, Scenarios and Governance 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, across-the-board for all business lines, that is later 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.

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 and its subsidiaries' overall Enterprise Risk Management system.

	Related to strategic positioning	Related to technological development	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
MATERIAL TOPICS/RISKS DESCRIBED IN THE DIRECTORS' REPORT - "RISK MANAGEMENT"									
Occupational health & safety			■			■			■
Transition to low-carbon business	■	■	■						
GHG emissions & reduction	■		■						
Anti-corruption & bribery					■		■		
Business ethics					■		■		
Energy efficiency	■		■						
Climate change risks & management	■		■						
Air emissions & reduction (non GHG)	■		■						
Water management			■						
Environmental and social responsibility throughout the supply chain			■		■				
Employee attraction, talent management & retention									■
Use of alternative fuels	■								
Recycling and reduce waste			■						
Safety Leadership and culture			■						
Employee development		■		■					■
Local community support & development						■			
Diversity & inclusive workplace									■
Employee engagement and satisfaction									■
Employee health & wellbeing			■			■			■
Employee incentives & benefits									■
Artificial Intelligence and digitalisation	■	■		■			■	■	
Advanced technologies & innovations	■	■		■					
Transition to a circular economy	■								
Guaranteeing human rights through the supply chain					■				

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

Areas laid down in D.Lgs. No. 254/2016	Saipem material topics	GRI Standards	Icon	Sections of the Saipem 2020 NFS	Discussion in other documents
Company management and organisation model Article 3.1, subsection a		GRI 102: General Disclosures 2016 GRI 201: Economic Performance 2016 GRI 204 : Procurement Practices 2016		Company management and organisation model.	More information in "Human resources" and "Governance" chapters of the Directors' Report. 2020 Corporate Governance and Shareholding Structure Report.
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 www.saipem.com .
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 efficiency. Reduction in GHG emissions. Reduction in air pollutants (non GHG). Management of risks connected to climate change. Transition towards activities with low carbon emissions. Use of alternative fuels. Water resource management. Recycling and reduction of waste.	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 303: Water and Effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020		Energy efficiency and GHG emissions. Spill prevention and recovery. Innovation and research into climate change; innovation in people management.	Chapters "Driving the energy transition", "Growing the leaders of the future" and "Generating shared value" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".
Human resources management Article 3.2, subsection d Impacts on health and safety Article 3.2, subsection c	Workplace Health and Safety. Leadership and safety culture. Support and development of local communities. Development of employees. Diversity and inclusive working environment. Involvement and satisfaction of employees. Health and well-being of employees. Incentives and benefits for employees. Attracting employees, management and retention of talent.	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		Safety. Health. Skill and knowledge development.	Chapters "Driving the energy transition", "Growing the leaders of the future" and "Generating shared value" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".
Social aspects Article 3.2, subsection d		GRI 202: Market presence 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016		Creation of sustainable value over time. Ethical supply chain management. Security practices. Saipem people and all subsections.	Chapter "Generating shared value" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".
Respect for human rights Article 3.2, subsection e	Human Rights. Support and development of local communities.	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 "Generating shared value" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".
Fighting corruption Article 3.2, subsection f	Business ethics Fight against corruption.	GRI 205: Anti-corruption 2016 GRI 415: Public policy 2016		Fighting corruption.	



OUR 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 44 vessels and an onshore drilling fleet of 85 units, of which 82 owned and 3 owned by third parties but operated by Saipem. The Group operates in Europe, the Americas, the CIS, Africa, Middle East, Far East and Oceania. The Group 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 the 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 Saipem Group's 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 Annual Report.

Metrics of operational activities in the year	Unit of measurement	2020
Onshore drilling rigs ^(a)	(number)	86
Offshore drilling rigs ^(b)	(number)	12
Onshore wells	(number)	156
Metres drilled onshore	(metres)	487,821
Offshore wells	(number)	72
Metres drilled offshore	(metres)	15,805
Total backlog ^(c)	(€ million)	22,400

(a) Of which 83 are company owned and 3 are owned by third parties.

(b) Of which 3 are on a long term lease. Compared to the assets reported in 2019, a plant was transferred in December for decommissioning in accordance with the current regulations (green recycling).

Development of the market scenario and strategy

More than a year after its outbreak, the spread of the Coronavirus epidemic has caused a profound change in global stability and economic dynamics. The major impacts that were clearly seen during 2020 may well have repercussions both in the medium and long term future. In the shorter term, the reversal of the collapse in aggregate demand that was seen in 2020 has already begun at different speeds in the various global economies, with China leading the way. In the various regions, the speed and extent of the recovery will depend on multiple factors, including the duration and extension of new waves of the infection, the speed of the vaccination campaigns and the effectiveness of vaccines, especially for the increasing number of new virus variants. The considerable economic support mechanisms implemented in the various regions will represent, in 2021 and in the years to come, an important driver of the recovery and will make sustainability a key factor in the selection of development projects and investments.

The long-term prospects in the post-COVID era point to a global economy that is increasingly able to reduce its dependence on energy consumption, particularly from fossil sources.

Scenarios based on an increase or stabilisation of CO₂ emissions from current levels are becoming increasingly less likely. Conversely, scenarios characterised by lower levels of CO₂ emissions are becoming much more probable for a variety of reasons: the widespread awareness of climate risks by citizens in different regions of the world, the drive from investors (who are increasingly focused on ESG issues, especially climate-related ESG issues), technological evolutions (which are making certain energy sources or energy carriers increasingly competitive), policies and commitments from the world's major economies (the EU, China and, more recently, the US, that has rejoined the Paris COP 21 agreement following the inauguration of the new President). Although low CO₂ emission scenarios offer a range of projections, they point to a gradual reduction in global energy demand in coming decades, alongside a change in the energy mix (with less fossil fuels, particularly coal and oil) and the use of technologies that are expensive but deemed important for achieving the challenging decarbonisation targets the world is setting (e.g. the capture and storage of carbon dioxide produced by industrial activities and the production of hydrogen as an energy carrier). The COP 26, which will be held in 2021, will play an important role in consolidating efforts and commitments in this direction.

There are obviously different challenges that must be faced to put into practice all the stated commitments and policies, starting from laws and regulations on greenhouse gas emissions that are binding for the majority of countries and economic actors, while achieving a sustainable balance with the legitimate economic aspirations of emerging countries and the complex regulations on global trade.

To exploit the opportunities of this new scenario and remain competitive, Saipem has leveraged its organisational structure, with five more independent divisions, and has increased its efforts in the field of sustainability for its portfolio, with significant growth in non-oil sectors, including gas and LNG, and a focus on clean technologies, digitalisation and decarbonisation.

On the other hand, Saipem has a contractor DNA, capable of integrating engineering skills and capabilities implementation and problem solving, constant orientation towards innovation and multiculturalism; such DNA makes able to adapt to changes in the context, to support customers – as a technological and operational partner – in the proposal of solutions that are always new and suitable for specific contexts and needs in the energy field and other businesses in which the contractor's experience and skills can be spent.

Beyond the traditional markets (traditional and subsea developments), the Offshore E&C Division is today becoming one of the leading contractors for offshore wind farm developments. This actual diversification builds on our execution skills and the opportunity to use our conventional offshore construction fleet in this new market. In the Onshore E&C business, gas and renewables will be the main drivers in decarbonisation progress for the current portfolio, along with technical solutions for minimising the carbon footprint of plants, with the goal of reducing to zero the overall carbon emissions along the EPC value chain. An increasing focus will be placed on the technological portfolio and emerging green technologies, like hydrogen, bio-technologies, hybrid solutions and Carbon Capture Utilisation and Sequestration (CCUS). The development of these innovations is important to support Saipem's traditional Oil&Gas clients in the energy transition, by providing targeted solutions for reducing carbon emissions, as well as improving the management of waste, pollutants, consumption of water and the overall environmental impact. Innovation will continue to play a crucial role and will also be supported by the XSIGHT engineering Division, which will help to identify and define transversal technical solutions for both Oil&Gas and renewables, including the conversion of plastic materials, bio refineries, integration in the use of renewable and traditional sources, the production of hydrogen and a range of interventions to achieve decarbonisation. Both drilling divisions will keep focusing on the continuous improvement of their operational efficiency, also through the digitalisation of their assets contributing to the reduction their carbon footprint, as well as the diversification and extension of their fleet, clients and geographical areas, as a result of an increasingly well-balanced sustainable global portfolio.

Sustainable development partnerships

In May 2020, Saipem signed a Protocol of Understanding with Cassa Depositi e Prestiti [Italian welfare fund] to jointly assess launching innovative, high environmental, social and economic sustainability projects, for promoting energy transition both nationally and internationally.

These initiatives and projects, which have as their goal the decarbonisation, the circular economy and energy efficiency, will mainly involve:

- > the development and construction of infrastructure for the production of energy from renewable sources, including conventional photovoltaic systems and floating systems for use on both water basins and offshore wind farms (on fixed and/or floating foundations);
- > the development of circular economy projects, with an additional focus on investment procedures including the use of specific technologies (such as technologies for exploiting household and industrial waste, the disposal of plastics);
- > intervention models for the promotion, development and construction of infrastructure for the supply, transformation and use of liquefied natural gas (LNG) in maritime transport.

In the same month, Saipem also signed a framework agreement with Equinor lasting two years to provide engineering services at a global level for the Company's future projects, including energy projects in the onshore, offshore and floating wind farm sectors. This agreement adds to the existing agreement for the development of an innovative technological solution for a floating solar farm for coastal installations.

In August, a Memorandum of Understanding was signed with Fincantieri, with the aim of analysing the development potential of the Deep Sea Mining (DSM) market, i.e. the sustainable use of resources from the seabed at a depth of more than 3,000 metres. This strategic partnership will establish the sustainable feasibility, development and business opportunities in the design, engineering, construction and management of DSM systems.

In September 2020, Snam and Saipem signed a Memorandum of Understanding which establishes a partnership between the two companies on new technologies focused on energy transition. The agreement, which was signed by the companies' CEOs, aims to identify and to jointly develop initiatives linked to the production and transport of green hydrogen and the capture, transportation and reuse or storage of carbon dioxide (CCS and CCU), in order to fight climate change and contribute to the launching of the hydrogen market by supporting the European Commission's Hydrogen Strategy.

The partnership between Snam and Saipem is already ongoing for the development of water electrolysis technology, a process that will make it possible to reduce CO₂ emissions to zero in the production of green hydrogen, thereby effectively fighting global warming.

This agreement also involves a collaborative effort to develop feasibility studies in order to find new solutions for the transportation of hydrogen in a liquid or gaseous form by using and adapting existing infrastructure and networks, as well as by transporting it by maritime vessel, and the capture, transportation, storage or exploitation of CO₂.

In November 2020, a collaboration agreement was signed with Italy's National Research Council (CNR) that will enable the body to use the Hexafloat concept, Saipem's solution for a pendulum-type floating foundation for wind turbines. The solution will be used in a strategic research project for the industrial system of the offshore renewable energies sector (studies on floating wind and solar farms at sea), financed by the electrical system research fund in Italy and which fall within the scope of the programme agreement that was drawn up with the Ministry of Economic Development for the three-year period 2019-2021.

In the same month, a framework agreement – Long Term Agreement (LTA) – was also signed with Saudi Aramco. This will last twelve years and will cover onshore engineering and construction activities. The agreement will involve activities for improving the efficiency of existing facilities and is part of Saudi Aramco's broader long-term plan to modernise its facilities in the country's Eastern Province with the aim of optimising consumption and reducing CO₂ and H₂S emissions.

Also in November, a collaboration was signed for a free of charge agreement for studies and research in the geothermal sector with the Italian National Institute of Geophysics and Volcanology (INGV). This research will be shared with the scientific community and civil society and will lead to a study of the Mediterranean's geothermal resources in order to exploit these on a large scale.

Finally, in December 2020, a Memorandum of Understanding was signed with Eni, for cooperation in identifying and engineering decarbonisation projects and initiatives in Italy, particularly for the capture, transportation, reuse and storage of CO₂ produced by industrial districts in Italy.

Through the MoU, Eni and Saipem will also evaluate whether to take part in programmes funded by the EU through its Green Deal, and propose the potential inclusion of specific initiatives within the plan for supporting member states of the European Union in the post COVID-19 phase ("Recovery and Resilience Fund").

Company management and organisation model

For Saipem 2020 was marked by a continual research for rapid responses to the evolution of the markets and the complex global context which characterised the entire year, by developing initiatives to make the most of opportunities within its business sector and promptly respond to the request to diversify its offer, whilst continuing to pursue efficiency maximisation, the improvement of the Company's performance and profitability, the alignment and simplification of organisational structures and underlying operational models, in order to maintain its competitive advantage.

The organisational structure of Saipem has:

- > an operational Corporate structure with Group-level leadership and control that is responsible for managing issues relating to critical or relevant aspects of corporate governance;
- > five Divisions – Onshore E&C, Offshore E&C, Onshore Drilling, Offshore Drilling, XSIGHT – each with full responsibility over global business results and with all the decision-making, management and operational powers that are necessary to the pursuit of the targets set;
- > a network of operating companies and branches located in the different countries in which Saipem operates, reporting directly to the five Divisions, ensure the development of commercial and operational activities in the relevant national and international markets.

During the course of 2020, while always respecting Saipem's compliance requirements and governance principles, as well as the expected trade-off between the "Corporate role" and the "level of independence of the Divisions", the following main organisational interventions were carried out:

- > definition of the new organisational configuration and operating model of the Chief Financial Officer, aimed at greater alignment with the Saipem divisional configuration, including by introducing dedicated roles in each Division for monitoring and satisfying the requirements of those business branches' administration, finance and control needs;
- > reorganisation of Strategies and M&A activities, for greater focus on defining strategic scenarios, lines and directions to support the company management, as well as optimise process synergies for evaluating and managing corporate strategic operations;
- > review of the company ICT/Digital operating model, in order to optimise the effectiveness and efficiency of the dedicated organisation and the company's working processes and digital expertise;
- > establishment of a dedicated structure for grasping new opportunities for Saipem within the context of investments in facilities for the recovery and resilience of the various countries of interest;
- > development of the initiative "Simplification and Optimisation of the Saipem Operating System", with the aim of reducing organisational and operational complexity in interactions between the Corporate office and the

Divisions, while also increasing the accountability and operational independence of the Divisions for activities they develop;

- > within the Onshore Engineering & Construction Division: definition of operating models to enable a modular approach in the execution of projects and achieve an increasing integration of the engineering and procurement activities; launching of the "Procurement Excellence Programme" to identify the most advanced driving force of procurement;
- > within the Offshore Engineering & Construction Division: definition of the new operating model for the new challenges stemming from the evolution of the competitive scenario and the market situation, based on three Business Lines and the optimisation of geographical coverage;
- > within the Onshore Drilling, Offshore Drilling and XSIGHT Divisions: fine-tuning and alignment of the organisational and operational structures, for a continual research of effectiveness and efficiency both in Italy and abroad.

Supply chain management

GRI 102-9
GRI 204-1

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 almost 24,000 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, which are classified to define uniform vendor-product combinations, total around 2,200, of which more than 1,000 are classified as strategic categories, i.e. deemed essential for the development of the Company's core business. In 2020, the product categories with the highest purchase volume were those relating to mechanical assemblies, design, production and installation of cryogenic tanks, equipment (generators with gas turbines), steel components, civil works and services relating to staff.

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.

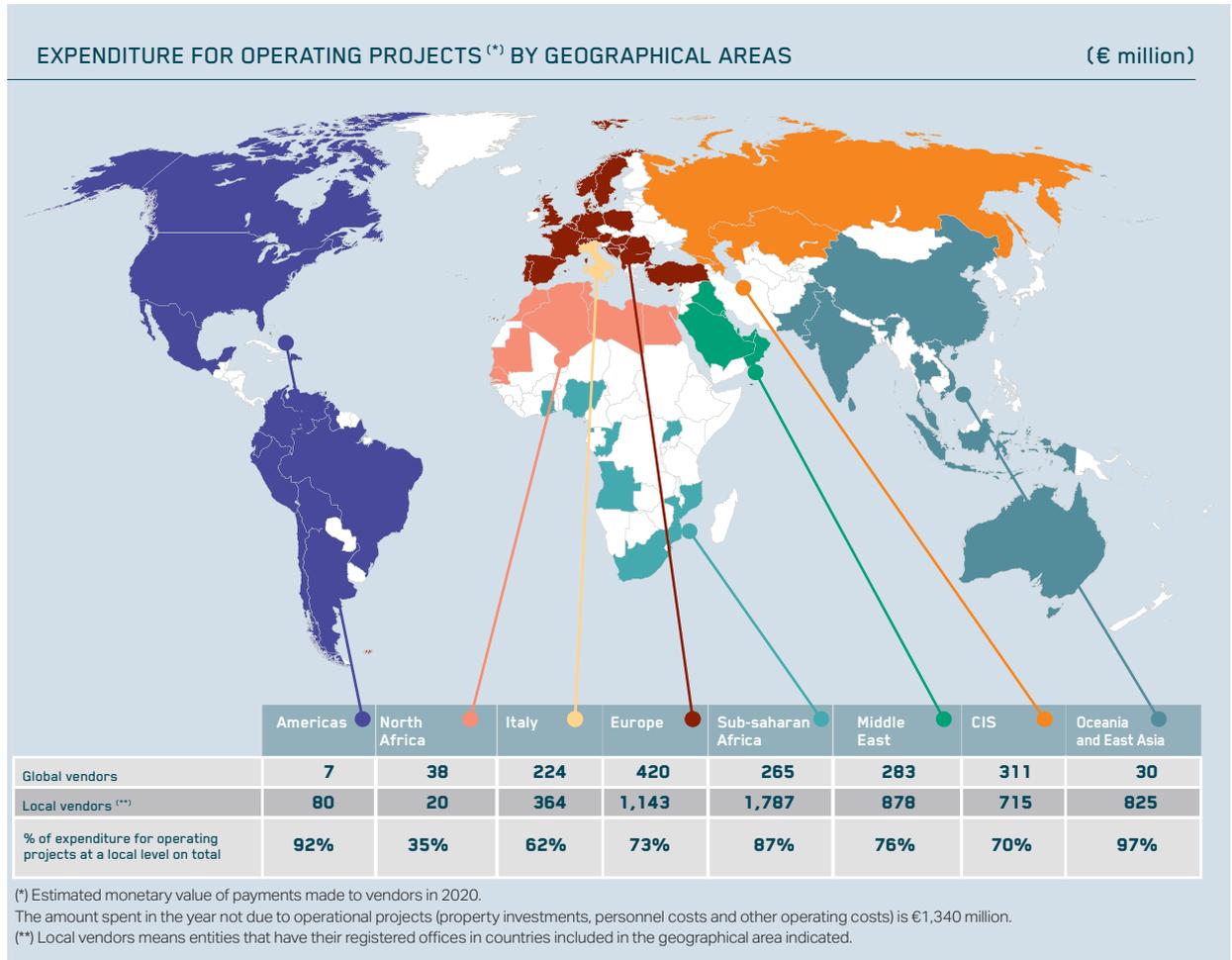
Saipem demands to its vendors to apply the highest standards of health and safety, combating bribery and corruption, respect for human rights and environmental protection. More details on the management of the supply chain in terms of the sustainability of their operations, with particular attention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



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.



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.

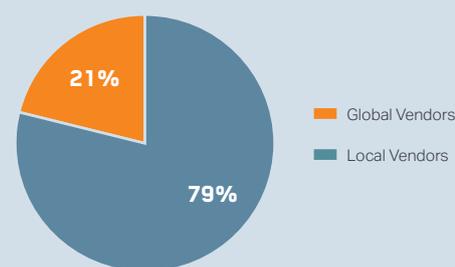
GRI 201-1
GRI 201-4

How our business model creates value

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

Through the activities of the Group's companies, the relations they have with stakeholders in all territories, as well as 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 are available in the "Directors' Report" of the 2020 Annual Report, specifically in the chapters "Offshore Engineering & Construction", "Onshore Engineering & Construction", "Offshore Drilling" and "Onshore Drilling".

AMOUNT SPENT FROM LOCAL SUPPLIERS FOR OPERATIONAL PROJECTS



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 2020, Saipem generated economic value worth €6,689 million, a reduction of 24% compared to the previous year. €7,806 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 €5,347 million (68% of the overall value distributed, compared to 72% in 2019) and employees, to whom €1,625 million were distributed (€1,670 million in the previous year), equal to 21% of the total. A significant share of the value was also distributed to suppliers of capital (€691 million, equal to 9% of the value distributed, compared to €643 million in 2019).

The share destined to the public administration – in the form of taxes and charges – was €143 million (2% of the distributed value).

Economic value generated and distributed

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

(*) These are understood to be local communities in the countries the company operates in, for social economic development, environmental preservation, cultural, humanitarian, scientific and sporting projects.

Tax transparency

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 2019 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 aims to define 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)	Incomes taxes accrued - current year	Workforce (units)
	Non-Related Parties	Related Parties	Total				
(€ million)							
Gap between tax rates							
Americas							
range 20%<x<25% total ⁽¹⁾	214.5	46.2	260.7	(16.8)	11.6	6.0	580
range x>25% total ⁽²⁾	381.9	41.5	423.3	(88.3)	8.3	7.6	2,135
Total Americas	596.4	87.7	684.0	(105.1)	19.9	13.6	2,715
⁽¹⁾ Includes: USA, Bolivia, Ecuador, Guyana.							
⁽²⁾ Includes: Canada, Chile, Peru, Argentina, Mexico, Colombia, Brazil, Venezuela.							
CIS							
range 20%<x<25% total ⁽¹⁾	873.4	9.6	883.0	244.5	53.3	52.9	2,193
Total CIS	873.4	9.6	883.0	244.5	53.3	52.9	2,193
⁽¹⁾ Includes: Georgia, Kazakhstan, Russia, Azerbaijan.							
Europe							
range x<10% total ⁽¹⁾	152.1	185.1	337.2	(95.5)	5.1	1.3	615
range 10%<x<15% total ⁽²⁾	96.4	29.0	125.4	8.2	0.3	1.2	104
range 15%<x<20% total ⁽³⁾	315.7	177.5	493.2	56.4	2.5	3.1	763
range 20%<x<25% total ⁽⁴⁾	1,435.2	1,614.5	3,049.7	(300.6)	17.8	(8.7)	4,956
range x>25% total ⁽⁵⁾	938.5	314.6	1,253.2	139.6	28.4	33.5	1,684
Total Europe	2,937.9	2,320.7	5,258.7	(192.0)	54.1	30.4	8,122
⁽¹⁾ Includes: Portugal.							
⁽²⁾ Includes: Bulgaria, Cyprus, Albania, Serbia.							
⁽³⁾ Includes: Romania, Luxembourg, UK, Poland. Most of the income from this cluster comes from dividends that are subject to Participation Exemption.							
⁽⁴⁾ Includes: Norway, Switzerland, Italy, Netherlands, Austria. No Deferred Tax Assets were identified for the majority of the losses for this cluster.							
⁽⁵⁾ Includes: France. Tax losses from previous financial years were used to offset part of the taxable income.							
Far East							
range 15%<x<20% total ⁽¹⁾	7.9	98.2	106.1	36.4	0.0	8.2	106
range 20%<x<25% total ⁽²⁾	454.6	132.4	587.0	3.3	18.6	16.8	3,092
range x>25% total ⁽³⁾	15.4	10.9	26.3	30.6	0.0	0.0	12
Total Far East	477.9	241.5	719.4	70.3	18.6	25.0	3,210
⁽¹⁾ Includes: Thailand, Singapore.							
⁽²⁾ 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 actually achieved.							
⁽³⁾ Includes: Australia. The income for this cluster was completely offset by the tax losses in previous years.							
Middle East							
range x<10% total ⁽¹⁾	35.5	93.8	129.3	0.2	0.0	0.0	1,213
range 10%<x<15% total ⁽²⁾	661.6	0.0	661.6	11.6	0.1	0.1	1,469
range 20%<x<25% total ⁽³⁾	1,533.5	139.9	1,673.4	13.2	1.8	(10.5)	7,654
range x>25% total ⁽⁴⁾	24.4	0.0	24.4	(14.1)	3.7	1.7	116
Total Middle East	2,255.0	233.7	2,488.7	10.9	5.6	(8.7)	10,452
⁽¹⁾ Includes: United Arab Emirates.							
⁽²⁾ Includes: Oman, Kuwait, Qatar. The income for this cluster was completely offset by tax losses from previous years carried forward.							
⁽³⁾ Includes: Saudi Arabia. Deferred Tax Assets on tax losses in previous financial years were greater than the current taxes on income.							
⁽⁴⁾ Includes: Iraq. Irrespectively of the ordinary tax on income, activities in Iraq are taxed on the basis of the presumed profit.							
North Africa							
range 20%<x<25% total ⁽¹⁾	652.0	319.4	971.4	16.3	0.0	0.7	1,374
range x>25% total ⁽²⁾	2.3	0.0	2.3	(0.0)	0.2	0.2	26
Total North Africa	654.3	319.4	973.7	16.3	0.2	0.9	1,400
⁽¹⁾ Includes: Egypt, Tunisia, Libya, Algeria. The income from this cluster was partially offset with tax losses from previous years and partially exempt.							
⁽²⁾ Includes: Morocco. The drilling activities in Morocco are taxed on the basis of a presumed profit.							
Sub-Saharan Africa							
range x>25% total ⁽¹⁾	661.3	68.2	729.4	33.0	42.2	43.4	4,952
Total Sub-Saharan Africa	661.3	68.2	729.4	33.0	42.2	43.4	4,952
⁽¹⁾ 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.							
Total all areas	8,456.2	3,280.8	11,736.9	78.0	193.9	157.5	33,044

Therefore, in compliance with the Code of Ethics and Group Sustainability Policy, the Group has adopted 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.

For the purpose of ensuring an even better process for managing taxes, during the course of 2020 the Group developed, starting with Saipem SpA, and with the aim of progressively extending this to the most relevant foreign companies, its own "Tax Control Framework" (TCF), i.e. its own system for managing and controlling tax risks. This instrument will be added within the company's broader Internal Control and Risk Management system and is in line with the principles and aims contained in the Tax Policy, which represents a fundamental pillar thereof.

The development of the Tax Control Framework involved the development of the Risks and Controls matrices used to manage tax risks linked to each company process and to identify the overview and supervision mechanisms for mitigating these. An adaptation was made of procedures for company processes that could result in tax risks and the necessary series of documents were prepared for the functioning of the TCF. The Model also envisages the strengthening of the tax function through the appointment of a Tax Risk Manager dedicated to the performance of the monitoring activities on the operation and the correct functioning of the TCF.

The implementation of the Tax Control Framework will be finalised during the course of 2021, following its approval by the Board of Directors of Saipem SpA that is scheduled for the third quarter.

The Tax Policy is currently being reviewed, in order to reflect the updates relating to the implementation of the Internal Control System for the Tax Risk.

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 with all stakeholders, promoting positive and mutually advantageous interactions, both in relations with global stakeholders and local stakeholders 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, which is 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.

This year the main claims emerging from the stakeholder engagement process are related to material topics. Among these, the priorities were: occupational health & safety, safety leadership and culture, business ethics, anti-corruption & bribery, environmental and social responsibility throughout the supply chain, guaranteeing human rights through the supply chain, artificial intelligence and digitalisation, advanced technologies & innovation, employee development, local community support & development, diversity & inclusive workplace, employee engagement and satisfaction, employee health & well-being, employee incentives & benefits, employee attraction, talent management & retention, energy efficiency, GHG emissions & reduction, transition to low-carbon business, climate change risks & management, air emissions & reduction (non GHG), use of alternative fuels, water management, recycling and reduce waste, transition to a circular economy.

In order to meet the stakeholders' expectations on these issues in terms of transparency and the definition of concrete commitments, Saipem provides detailed reporting in this statement and the 2020 Sustainability Report "Ready for the transition - Enabling a green future".

During the course of 2020, Saipem also continued the "Open Talks" programme, with events organised to further encourage a dialogue with its stakeholders in an open discussion format by planning the event in June "Mozambique: energy transition and new geopolitical balances" with a focus on a continent that will be decisive in these processes and on an emerging country in Africa's south-eastern region. The Talk saw the involvement of the Minister of Mineral Resources and Energy of the Republic of Mozambique, Ernesto Max Tonela, Carlos Zacarias, Chair of the National Institute of Oil, Giulia Pellegrini, Deputy Chief Investment Officer for Emerging Markets Fixed Income at Allianz Global Investors, Professor Paolo Magri, Executive Vice-president and Director of ISPI (Institute for International Political Studies), Alessandro Blasi, Senior Advisor to the Executive Director of the IEA (International Energy Agency). For Saipem, the CEO Stefano Cao, the Chairman Francesco Caio and the COO of the Onshore E&C Division Maurizio Coratella, were in attendance.

APPROACH ADOPTED FOR STAKEHOLDER ENGAGEMENT

 <p>Financial stakeholders</p>	 <p>Clients</p>	 <p>Employees</p>	 <p>Authorities and local governments</p>
<p>Continuous dialogue with the financial community.</p> <p>Commitment to ensuring full transparency and fair access to confidential information.</p> <p>Periodic publication of information through press releases and presentations.</p> <p>Periodic meetings with institutional investors and financial analysts.</p> <p>Individual shareholders can liaise directly with the Company Secretariat.</p>	<p>Constant reporting and frequent meetings on operational projects.</p> <p>Inclusion of aspects relating to business sustainability in meetings organised with clients and potential clients.</p> <p>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.</p> <p>Involvement in HSE initiatives, including the environmental awareness campaigns and LiHS (Leadership in Health and Safety) programmes.</p>	<p>Commitment to recruiting and retaining talented personnel, fostering their development, motivation and competence.</p> <p>Commitment to guaranteeing safe and healthy working environments and stable relations with trade unions in order to establish open and cooperative dialogue.</p> <p>Commitment to guaranteeing equal treatment and inclusion</p>	<p>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.</p> <p>Institutional and official relations with the authorities, as well as cooperation with public bodies to launch initiatives aiming to create local value.</p>
<ul style="list-style-type: none"> ➤ Organisation of 7 road show days and participation in 5 international investor conferences. <ul style="list-style-type: none"> ➤ Engagement activities with 19 financial stakeholders on ESG topics. ➤ Over 900 people took part in four conference calls and webcasts on the quarterly financial results. ➤ 25 financial stakeholders involved in the Saipem materiality analysis. 	<ul style="list-style-type: none"> ➤ Involvement of clients through a customer satisfaction monitoring system (53 clients involved through customer satisfaction questionnaires). ➤ Partnerships and agreements signed with clients for the joint development of technological innovations, including for use in new renewable energies markets and the sustainable use of resources (more information in the section "Partnerships for sustainable developments"). ➤ Clients involved in events on HSE topics through the LiHS campaigns (e.g. Safe Driving Campaign). ➤ 42 clients involved in the Saipem materiality analysis. <ul style="list-style-type: none"> ➤ Engagement initiatives and dialogue on different business sustainability topics (e.g. Saipem Open Talks). 	<ul style="list-style-type: none"> ➤ Employee engagement initiatives, including the 4 Deep In Saipem workshops, aiming to improve knowledge of operational projects, disseminate the use of best practices and a culture of innovation. <ul style="list-style-type: none"> ➤ Training and talent retention initiatives, including Reverse Mentoring (contamination of digital, technical and managerial skills and behaviour among junior and senior resources). ➤ Employees involved in events on HSE issues (e.g. LiHS, road safety, health and rules of conduct, environmental campaigns). ➤ More than 5,000 employees involved in the survey on the company's reputational profile. ➤ Approximately 2,800 employees and senior managers involved in the Saipem materiality analysis. 	<ul style="list-style-type: none"> ➤ Institutional relations and pro-active cooperation to jointly implement local development programmes. ➤ Contribution to consultation processes at an institutional level that took place in 2020 (more details in the section "Relations with institutions and trade associations"). ➤ 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 (more information can be found in the Sustainability Report 2020 in the chapter "Generating Shared Value"). ➤ 2 representatives of local authorities involved in the Saipem materiality analysis. ➤ In 2020, 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

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.

- > 20 development initiatives for local communities in 12 countries (Angola, Saudi Arabia, Azerbaijan, Bolivia, Equatorial Guinea, Guyana, Kazakhstan, India, Indonesia, Italy, Mozambique, Senegal), which reached a total of more than 64,000 beneficiaries. €1.6 million invested in these initiatives.
 - > Cooperation in many countries with local schools and universities to encourage the development of human capital (e.g. training paths, internships, research projects, lessons in universities), provision of scholarships and training courses (more information is provided in the Sustainability Report 2020 in the chapter "Generating Shared Value").
- > Raising awareness of HSE topics through workshops and conferences with the involvement of local communities.
- > 5 representatives of local universities, institutions and associations involved in the Saipem materiality analysis.
- > Engagement initiatives and dialogue on different business sustainability topics (e.g. Saipem Open Talks).
 - > Partnerships and agreements with research centres and universities for sharing knowledge and the joint development of technological innovations.



Local organisations and NGOs

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.

- > Community initiatives developed through partnerships and cooperation with non-governmental organisations (e.g. Eurasia Foundation of Central Asia-EFCA in Kazakhstan for an educational programme; AVSI for a health initiative in Congo); Good World Shelter in Azerbaijan for an environmental initiative.



Vendors

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.

- > Desktop, on-site audits and analyses on social responsibility and respect of human rights for vendors (10 vendors involved in Nigeria with a questionnaire to assess respect of ILO principles on labour rights).
 - > Subcontractors involved in initiatives on HSE issues (e.g. programmes carried out in Saudi Arabia, Kuwait, Mozambique).
 - > 51 vendors and business partners involved in the Saipem materiality analysis.
 - > Engagement and dialogue initiatives on various issues relating to business sustainability (more information available in the section "Sharing value along our supply chain" of the Sustainability Report 2020).



Insurers

Commitment to developing and maintaining long-term relations with insurers. 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.

- > Engagement initiatives and dialogue on different business sustainability topics.
- > 7 insurance companies and brokers involved in the Saipem materiality analysis.
- > Organisation of the annual insurance road show in London. On this occasion, Saipem's risk profile and the aspects of its business sustainability were presented.



Trade associations and International organisations

Active participation and support to numerous local and international associations, contributing to the sharing of "best practices" in Saipem's areas of activity.

Strengthening of Saipem's role in its sector and its relations with other stakeholders.

- > Active member of 98 local and international business and trade associations.
 - > In particular, the parent is a member of 45 associations and organisations, including: ANIMP (Italian Association of industrial plants), Assorisorse, IADC (International Association of Drilling Contractors), IMCA (International Maritime Contractors Association), UN Global Compact, WEF (World Economic Forum), WEC (World Energy Council), Confindustria, Renewable UK, Windeurope, BNOW (Business Network for Offshore Wind).
 - > Over €1 million spent in association memberships.
 - > 6 representatives of business associations 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.

A direct assessment is regularly carried out involving clients through specific meetings and by collecting information through satisfaction questionnaires. Moreover, an indirect assessment is also carried out without the explicit involvement of clients, through the regular monitoring and analysis of specific indicators that can measure satisfaction. All results deriving from the customer satisfaction system are regularly examined by the company's management in order to identify critical areas and any preventive or improvement measures. In 2020, 53 operating projects were involved in a direct assessment, with a response rate of 68%. 97% of interviewees expressed satisfaction for Saipem's conduct (i.e.: they assigned an overall score greater than or equal to 7 on a scale of 0 to 10), while 58% of interviewees (compared to 50% in 2019) stated that they were completely satisfied with the company's activities (i.e. they assigned an overall score of 9 or higher on a scale of 0 to 10).

At the start of the year the Customer Relationship Management system was put into place, which centralises on a collaborative digital platform workflows, data and insights on commercial initiatives, clients and markets. In 2021, the solution, which already sees the active involvement of 400 colleagues, will be developed further to enable synergies between the Divisions and the Corporate functions involved in responding to the expectations of client stakeholders. Additional elements of improvement in relations will emerge thanks to ad hoc interaction opportunities organised with the highest management levels for clients and the aggregate results of Saipem reputation perception interviews conducted by an external consulting firm with client decision-makers.

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 2020, 13 events were carried out with the financial community, including 7 roadshows, 5 international investor conferences and there were about 200 contacts with analysts and portfolio managers, as well as an analyst day in the month of March. This year, Saipem interacted on sustainability topics with 19 financial stakeholders interested specifically in ESG (Environment, Social, Governance) topics. Saipem is also included in key sustainability indices, particularly the Dow Jones Sustainability World and Europe Indices, and is the leader in its reference sector; it has also held a leadership position in the FTSE4Good index for the past ten years and has a leading position in the Euronext Vigeo Eiris indices and in the STOXX® Global ESG Leaders index.



Relations with institutions and trade associations

By implementing works and plants in different business sectors with the necessary authorisations from its clients, Saipem does not need to establish institutional relations to promote its interests. Saipem encourages dialogue with institutions and with organised associations of civil society in all the countries where it operates. 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. The Company can contribute to institutional consultations.

Saipem is also active in the round table dedicated to the topic “Smart Mobility and Artificial Intelligence” initiated by Lombardy Region (Italy) and participated in the 11th Italy-Latin America Conference organised by the Ministry of Foreign Affairs and International Cooperation.

By way of example, in Italy Saipem participated in a hearing with a parliamentary committee during the course of an enquiry into the prospects of implementation and adaptation of the National Energy Strategy to the National Plan for Energy and Climate for 2030, and was part of the Gas Industry’s Advisory Committee, for which the Italian contingent was chaired by the Ministry of the Exterior, and is active in the consultation process for the definition of the Italian Hydrogen Strategy launched by the Ministry of Economic Development.

Saipem is also involved in the Energy roundtable chaired by the Ministry of the Exterior and the Ministry of Economic Development, as well as the roundtable on the theme “Smart Mobility and Artificial Intelligence” launched by the Lombardy Region (Italy), and attends various webinars organised by the Italian embassies throughout the world, with interventions as speakers by its managers, and will have its own installation in the Italy Pavilion at the forthcoming Universal Exposition that will be held in the United Arab Emirates in 2021 - Expo Dubai.

By virtue of the Group’s solid international vocation, with a presence in over 70 countries, Saipem cooperates with the Italian diplomatic network and the embassies in Italy of the countries where it operates. This cooperation, along with the presence in industrial and trade associations, guarantees the consolidation and communication of Saipem’s long-term commitments and the value it generates in the territories it operates in.

At territorial level, Saipem guarantees dialogue and interaction with local representatives and civil society in the host communities, 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 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 its initiatives.

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 also a member of several energy transition associations and networks, including the Global Carbon Capture & Storage Institute (GCCSI), and the associations CO₂ 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 to 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 cooperation, in particular Saipem has supported the organisation of a seminar focusing 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 scenario analyses.

In this context, in 2020 Saipem decided to become a Supporter of the Task Force on Climate-related Financial Disclosure (TCFD) and its recommendations.



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 new Corporate Governance Code promoted by the Italian Stock Exchange and the trade associations – which came into force on January 1, 2021 – and the best practices on the subject.

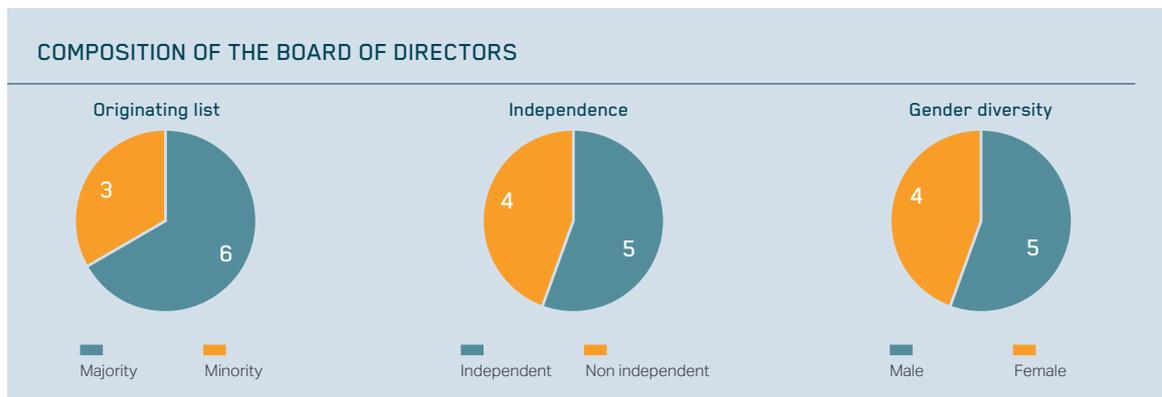
Saipem's system of Corporate Governance is based on the central role of the Board of Directors, on transparency and the effectiveness of the internal audit system. It should be noted that the Sustainability, Scenarios and Governance Committee is responsible for examining the "non-financial disclosure" laid down in Legislative Decree No. 254 dated December 30, 2016, and issuing a prior opinion to the Board of Directors, which is required to approve this document. 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", in particular the paragraph "Sustainability Model" and the sections regarding the Board of Directors, 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 102-19
GRI 405-1

The Board of Directors comprising nine directors, of which four are female, was appointed by the Shareholders' Meeting on May 3, 2018 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, 2020. 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. All the directors are aged over 50. The curriculum with the personal and professional characteristics of the directors is available on the website 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.



With regard to training and information to the members of the Board of Directors, during the course of its mandate the Board was constantly involved in initiatives and presentations for increasing its knowledge of the operating activities of the Company, scenarios and analyses pertaining to energy transition, risks connected with climate change and the protection of human rights and governance-compliance. For example, the Board was recently involved in a study on "Energy scenarios and strategic implications for the industry" prepared by an internationally renowned company, which also looked at the different climate change scenarios and the respective implications and opportunities for the company in the management of the energy transition as reflected in the company strategy.

Further details on the composition, appointment, responsibilities, activities and training of the Board of Directors can be found in the relevant section of the "Corporate Governance and Shareholding Structure Report 2020".

To perform its tasks more effectively, the Board has appointed its own internal Compensation and Nomination Committee (made up entirely of non-executive and 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 connected to the performance of the Company's activities, to the dynamics of interactions with all the stakeholders, to the Company's social responsibility, to the review of scenarios for the preparation of the strategic plan, and to the Company's and Group's corporate governance. The Sustainability, Scenarios and Governance Committee and the Chief Executive Officer-CEO promote sustainability issues within the Board of Directors, which during the year discussed 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.

In 2007, Saipem established a management Sustainability Committee, composed of the top corporate management and heads of divisions, chaired by the Chief Executive Officer-CEO. 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 Chief Executive Officer-CEO. 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. In the 2020 Plan, an increase in the percentage weight was envisaged for the objectives on sustainability issues in the context of short term variable incentives. For the 2021 Plan, which is described in detail in the "Report on the Remuneration Policy and Paid Compensation 2021", 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 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 net-zero scope 2 by 2025 is paramount.

THE MAIN SUSTAINABILITY TOPICS FACED BY THE BOARD OF DIRECTORS IN 2020

- > Consolidated Non-Financial Statement 2019 (includes the materiality analysis)
- > Report on Remuneration and definition of objectives for the next year, which include business sustainability objectives
- > HSE performance and achievement of objectives, included in the respective Plan
- > Modern Slavery Statement 2019 in accordance with the UK "Modern Slavery Act"
- > Document "2019 Sustainability Report - Making Change Possible - 4 Challenges for the Energy Transition"
- > Document "Leading the path to energy transition" drafted in accordance with 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 the models;
- > the results of supervision activities and the findings of internal audit activities;
- > the evolution of the legislative framework and the Guidelines by Confindustria.

COMMITMENTS, RESULTS AND OBJECTIVES

SAIPEM MATERIAL TOPIC

CLIMATE CHANGE RISKS & MANAGEMENT
 ENERGY EFFICIENCY
 GHG EMISSIONS & REDUCTION
 TRANSITION TO LOW-CARBON BUSINESS
 AIR EMISSIONS & REDUCTION (NON GHG)

COMMITMENT

- > Gradually reducing our dependence on fossil fuels, concentrating on fields that have a lesser impact on the climate, investing in renewable technologies and developing more sustainable uses of fossil fuels, as well as diversifying activities.
- > Optimising energy consumption, using the best available technologies and increasing operational efficiency.

2020 RESULTS

- > Developed a specific Emission Methodology to forecast GHG emissions of a plant designed by Saipem during its operating phase (Scope 3 emissions for Saipem), that will soon be certified and validated by a Third Party.
- > Reached a reduction in emissions of 26.68 kt of CO₂ eq.
- > Extended until 2024 the GHG Strategic Plan for a total cumulative reduction of 255 kt of CO₂ for the period 2019-2024.
- > Avoided emissions into the atmosphere of 319.9 t of NO_x.
- > Avoided emissions into the atmosphere of 15.4 t of SO₂.
- > Avoided emissions into the atmosphere of 50.3 t of CO.
- > Avoided emissions into the atmosphere of 17.1 t of NMVOC.
- > Avoided emissions into the atmosphere of 10.2 t of PM₁₀.
- > Carried out 15 energy diagnoses and feasibility studies.
- > Completed 18 energy efficiency initiatives.
- > Completed 6 energy saving initiatives.
- > Completed 2 initiatives for the use of renewable energy.
- > Completed 3 monitoring activities of energy consumption.

RESULTS 2020 VS. OBJECTIVES 2020

- Implemented specific GHG management initiatives (24, with specific objectives for each Division).
- Reduced CO₂ emissions (annual target of 19.3 kt of CO₂ eq, with specific objectives for each Division).
- Review of the GHG Strategic Plan by end of 2020.
- Performed specific energy diagnoses/feasibility studies (18, with specific objectives for each Division)*.
- Increased the number of specific initiatives with the aim of reducing energy consumption/increase energy efficiency.
- Where applicable, identified the potential production/use of renewable energy in projects and sites.

2021 OBJECTIVES

- > Group Target for scope 1 and 2 GHG emissions, detailed under the section "GHG reduction strategies for Saipem's assets and operations to achieve Net-Zero": 50% reduction in 2035 compared to the 2018 emissions baseline.
- > Achieve 2020-2024 strategic plan objectives for 2021 (specific for each Division) in terms of savings on emissions (36,500 t of CO₂ eq), with this figure not currently based on Science Based Targets.
- > Define carbon neutrality Strategy (Net-Zero) for the Divisions and the Group.
- > Define the implementation Plan for carbon neutrality (Net-Zero) for the Divisions and the Group.
- > Third party validation of the documentation produced (strategies and implementation plans) for carbon neutrality (Net-Zero).
- > Assess all assets connected to the electricity grid to explore the possibility of obtaining 100% electricity certificated from renewable sources.
- > Define a set of asset specific KPI (vessels, rings, Temporary Construction Facility (TCF), yards and offices) for the assessment of GHG reduction initiatives and the implementation of the associated reporting.

(*) The objective is deemed to have been reached following the review of Group objectives relating to the COVID-19 emergency which set 11 energy diagnoses/feasibility studies.

SAIPEM MATERIAL TOPIC

WATER MANAGEMENT

COMMITMENT

- > The correct and conscious management of water resources is an integral part of the whole environmental strategy.
- > The approach is focused on maximising the reuse of water where possible and reducing to a minimum water consumption in all our operating sites and projects, especially when these are located in areas characterised by a particular scarcity of water.

2020 RESULTS

- > Offshore E&C: Yard Energy and Water Efficiency Management Plans ("YEWEMP") mapping of sites and projects operating in water stress areas.
- > YEWEMP in the fabrication yards: Ambriz (Angola), Arbatax (Italia), Karimun (Indonesia) and SCNL (Nigeria).
- > Onshore E&C: feasibility studies completed for the Marjan pack 10 project and the Berri project (both of which are in Saudi Arabia) with measures for saving water and calculating savings.

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.
- > 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.

SAIPEM MATERIAL TOPIC

RECYCLING AND REDUCE WASTE

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.

2020 RESULTS

- > Presentation of the "Plastic Free" Campaign in the new Saipem offices in Milan Rogoredo.
- > Offshore E&C Fleet: replacement in the catering services of all single-use plastic in part with material that can be reused and in part with single-use material that is less dangerous, such as paper, cardboard or wood.
- > Offshore E&C vessel FDS 2: it was supplied with an on-board drinking water treatment plant with a respective distribution system, for a resulting reduction in the use of plastic bottles. This solution will soon be installed on other vessels of the Saipem fleet like FDS and Castorone.

2021 OBJECTIVES

- > Define a programme for the reduction in the use of single-use plastic.
- > Implement specific communication activities on the reduction of waste during the European Waste Week.
- > 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.

SAIPEM MATERIAL TOPIC

USE OF ALTERNATIVE FUELS

COMMITMENT

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

2021 OBJECTIVES

- > Assess the possibility of using SAF (Sustainable Aviation Fuel) for a share of flights purchased before the end of 2021.

SAIPEM MATERIAL TOPIC

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 measure.

2020 RESULTS

Coverage reached:

- > O&CM (Oil & Chemical Mapping) for 38 sites/logistics bases and 25 Offshore E&C and Drilling vessels.
- > SRA (Spill Risk Assessment) implemented for 20 sites/logistics bases and Offshore E&C and Drilling vessels.
- > 547 spill response exercises were carried out.

RESULTS 2020 VS. OBJECTIVES 2020

- 100% coverage of sites/projects with specific accidental pollution emergency plans.
- Increased the number of spill drills, including scenarios relating to spills into water bodies.

O&CM target:

- 100% of offshore vessels (operational);
- 100% of offshore sites (operational);
- 40% of offshore drilling vessels (carried out before 2020);
- 100% of onshore sites for yards/logistics bases;
- at least 1 onshore project (postponed because of COVID).

SRA target:

- 100% of offshore vessels operational in 2020;
- at least 2 offshore sites;
- at least 1 onshore sites/logistics base.

2021 OBJECTIVES

- > 100% coverage of sites/projects with specific accidental pollution emergency plans.
- > Increase the number of spill drills, including scenarios relating to spills into water bodies.
- > 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.
- > SRA target: 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.

SAIPEM MATERIAL TOPIC

OCCUPATIONAL HEALTH AND SAFETY
SAFETY LEADERSHIP AND CULTURE

COMMITMENT

- > Confirming the renewal of the Group's ISO 45001 and ISO 14001 certifications.
- > Improving the TRIFR-target objective for 2020: 0.44.
- > Pursuing continuous improvement by promoting and developing a safety culture (with a particular focus on road accidents and commuting accidents) and improving the HSE audit planning system.

2020 RESULTS

- > Renewed the Group's certification based on ISO 14001 and ISO 45001 Standards.
- > TRIFR improved by reaching 0.36.
- > 1.3 million hours of HSE training delivered, 39% of which to employees and 61% to subcontractors.

RESULTS 2020 VS. OBJECTIVES 2020

- Renewed ISO 114001 and 45001 Group certificates.
- The TRIFR for the year as a whole was 0.36, which was much lower than the target of 0.44.

2021 OBJECTIVES

- > Confirm the renewal of the Group's ISO 14001 and ISO 45001 certifications.
- > Ensure the safety of personnel by continued monitoring of the injury frequency rate (TRIFR) and the introduction of an additional metric, the HLF (High Level Frequency Rate), with a view to measuring all near misses that might have caused serious injuries and understanding better the most critical areas, so that suitable programmes can be implemented to constrain the underlying causes.

SAIPEM MATERIAL TOPIC

LOCAL COMMUNITY SUPPORT & DEVELOPMENT

COMMITMENT

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

2020 RESULTS

- > 20 initiatives implemented for local communities, targeting over 64,000 beneficiaries in 12 countries. €1.6 million invested.
- > The economic value generated directly by Saipem is €6.7 billion.

RESULTS 2020 VS. OBJECTIVES 2020

- Continued 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.
- Continued to contribute to the fight against the COVID-19 pandemic to support local communities in some of the countries affected.
- Continued to plan initiatives to contribute to the SDGs.

2021 OBJECTIVES

- > Continue to plan initiatives to contribute to the SDGs.
- > Continue to contribute to the fight against the COVID-19 pandemic to support local communities in some of the countries affected.
- > Continue to contribute to socio-economic development, also through hiring local staff, with training and transfer of know-how and by working with local vendors and subcontractors.

SAIPEM MATERIAL TOPICGUARANTEEING HUMAN RIGHTS THROUGH THE SUPPLY CHAIN
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY THROUGHOUT THE SUPPLY CHAIN**COMMITMENT**

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

2020 RESULTS

- > Continued with the social responsibility campaign in the supply chain: 504 vendors assessed during the qualification phase and 1 audit on site conducted.
- > Check on 44 vendors on the subject of Human Rights during the performance of the contract.
- > Carried out of a desktop audit on 10 subcontractors in Nigeria.
- > Tool to estimate Saipem's carbon footprint along the supply chain applied in a test phase with 6 important vendors.
- > Assessment of the technical expertise of 143 potential employment agencies. 4 Assessments (2 conducted remotely and 2 on site) carried out with agencies in Saudi Arabia, United Arab Emirates and Italy (with the latter relating to employment services for Italy, Bulgaria, Romania and the United Arab Emirates).
- > GPS (a company of the Group) provided an eLearning course to 14 manpower agencies, including an effectiveness test.
- > Assessment of the performance of the agencies monitored through interviews with international staff.
- > An internal survey was carried out for monitoring 13 agencies.

RESULTS 2020 VS. OBJECTIVES 2020

- Continued to support the improvement of the supply chain in terms of HSE standards and human and labour rights, including through partnerships with local business associations and institutions in the areas we operate in.
- Identified further areas/assets where a green procurement approach can be implemented.

2021 OBJECTIVES

- > Identify further areas/assets where a green procurement approach can be implemented.

SAIPEM MATERIAL TOPIC

BUSINESS ETHICS AND ANTI-CORRUPTION & BRIBERY

COMMITMENT

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

2020 RESULTS

- > Model 231 and the Anti-Corruption procedures were updated.
- > 100% coverage of the countries due to receive training on Anti-Corruption and 231 Compliance.

RESULTS 2020 VS. OBJECTIVES 2020

- Model 231 and Anti-Corruption Procedures updated.
- 100% coverage of the countries due to receive training on Anti-Corruption and 231 Compliance.

2021 OBJECTIVES

- > Maintain the suitability of Model 231 and the respective procedures.
- > Continue to maintain a suitable internal control and risk management system.
- > Continue to improve transparency in relations and communication with stakeholders.
- > 100% coverage of the countries envisaged by the training plan for Anti-Corruption and 231 Compliance.

SAIPEM MATERIAL TOPIC

ARTIFICIAL INTELLIGENCE AND DIGITALISATION

ADVANCED TECHNOLOGIES AND INNOVATION

COMMITMENT

- > Aligning Saipem's business offering with the new business requirements and market scenario through innovation.
- > Developing a methodology to map value creation through sustainable innovation during project execution.

2020 RESULTS

- > 21 new patent applications, 10 of which for decarbonisation technologies.
- > 14 cooperation agreements/licences signed, of which 10 were for decarbonisation projects and 2 for diversification projects.
- > 204 FTE (full-time equivalent) resources involved in research and development.
- > €35 million spent on Research & Development; a total of €74 million spent on innovation, of which around 25% was for decarbonisation (excluding gas).
- > Developed a methodology to map value creation through sustainable innovation during project execution.

RESULTS 2020 VS. OBJECTIVES 2020

- > Searched for ground-breaking innovation solutions and maintained high levels of investment in technological innovation.
- > Developed a methodology to map value creation through sustainable innovation during project execution.

2021 OBJECTIVES

- > Identify and develop decarbonisation technologies enabling a selective access to commercial development projects; launch of ground-breaking approaches to explore new areas of opportunity for the Company.
- > Additional developments and application of the methodology for mapping the creation of value from sustainable innovation.
- > Ensure support to digital transformation.

SAIPEM MATERIAL TOPIC

EMPLOYEE DEVELOPMENT

COMMITMENT

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

2020 RESULTS

- > Launched a Mentoring programme focused on Diversity and Inclusion.
- > Launched a scholarship dedicated to colleague Egidio Palliotto.
- > Agreed partnerships with training institutions in Mozambique for supporting teaching.
- > Launched 4 "Deep in Saipem" workshop, a series of initiatives which aim to improve knowledge of operating projects delivered by the Divisions all over the world in order to promote the use of best practices and the

culture of knowledge and innovation, develop a sense of belonging to a unique global company and engage our employees and promote knowledge of Saipem's leadership model.

RESULTS 2020 VS. OBJECTIVES 2020

- Continued to implement training initiatives, the transfer of know-how and cooperation with schools in the countries the Group operates in.
- Continued to attract talents, with a specific focus on women and youngsters.

2021 OBJECTIVES

- > Continue to attract talents, with a specific focus on women and youngsters.
- > Attract talents with digital skills.
- > Launch of Talent4Saipem.
- > Continue to develop Local Content initiatives in Mozambique.
- > Develop digital skills (hard and soft) through a dedicated digital training programme.
- > Continue to invest in cyber security culture and skills.
- > Continue to improve HSE culture through specific training activities.
- > Continue to develop competencies relating to compliance and governments with dedicated training courses.
- > Continue the focus on project management for developing technical and managerial competencies applicable all throughout the Saipem Group and targeting all expert employees involved in a company project.
- > Make the most of managerial competencies in accordance with Saipem's Leadership Model.
- > Develop new ad hoc development programmes and career paths for talents of different levels of seniority (Millennials, Middle Managers and Senior Managers).
- > Adopt new tools for assessing managerial competencies linked to the Saipem Leadership Model of our brightest talents and make the most of their potential in the long-term.
- > Continue to promote a meritocratic culture through development initiatives for making the most of the abilities and competencies of our employees.
- > Launch the initiative "Internal Saipem Academy" with the objective of developing and sharing transversal competencies and technical abilities by making the most of internal teaching as a strategic asset.

SAIPEM MATERIAL TOPIC

EMPLOYEE ATTRACTION, TALENT MANAGEMENT & RETENTION

COMMITMENT

- > Maintaining employee skills in line with business needs and strengthening the Company image in order to retain and attract talented people.

RESULTS 2020 VS. OBJECTIVES 2020

- Continued to attract talents, with a specific focus on women and youngsters.

SAIPEM MATERIAL TOPIC

DIVERSITY AND INCLUSIVE WORKING ENVIRONMENT

COMMITMENT

- > Promoting the creation of an inclusive company culture.

2020 RESULTS

- > Saipem's CEO has signed a declaration supporting Women Empowerment Principles (WEP) and the Manifesto for female employment of the association Valore D.

RESULTS 2020 VS. OBJECTIVES 2020

- Launched a Mentoring programme with the aim of promoting the Diversity and Inclusion process.

2021 OBJECTIVES

- > Promote an inclusive culture that nurtures diversity and guarantees equal opportunities.
- > Monitor the voluntary turnover rate of women.

SAIPEM MATERIAL TOPIC**ENGAGEMENT AND SATISFACTION OF EMPLOYEES****2020 RESULTS**

> The major upheaval in 2020 stemming from the pandemic connected to the COVID-19 virus meant it was not possible to ensure the commencement of the periodic and consolidated engagement analysis process for the entire company population. Nevertheless, in November 2020 a survey was carried out targeting all employees on their perception of Saipem's reputation and their strategic alignment, which a total of 5,085 employees took part in (16.5% of the workforce involved in the survey).

2021 OBJECTIVES

> During the third quarter of 2021 an engagement survey on the company population will be launched once again, during the course of which people's main tangible and intangible factors of motivation and engagement will be analysed and assessed in terms of their operating and organisational environment, while maintaining a continuity and consistency with that which was addressed during the reputational survey carried out in 2020. Based on the results that emerge, specific objectives and action areas for the following year will be defined and identified.

SAIPEM MATERIAL TOPIC**EMPLOYEE INCENTIVES & BENEFITS****2021 OBJECTIVES**

> In consideration of certain local practices and regulations, such as those for Italy which set forth, in the context of level 1 and 2 collective bargaining agreements, forms and procedures for employees to access supplementary pension and healthcare benefits, with the respective cost to be partially covered by the company, or the possibility to convert a share of a company productivity bonus to a welfare credit, during the course of 2021 a mapping process will be started in the main foreign branches, with the aim of analysing the existence of equivalent mechanisms/contractual instruments in order to subsequently assess the possibility of ensuring a more homogeneous and transversal approach strategy for pension and healthcare.

SAIPEM MATERIAL TOPIC**EMPLOYEE HEALTH & WELL-BEING****COMMITMENT**

> Fully and completely involving the medical service in the health management of the pandemic with the aim of lessening its impact, protecting the health of workers and guaranteeing the continuity of the worldwide healthcare services and more generally the business continuity of the Company's.

2020 RESULTS

- > Established a Health Task Force, reporting directly to the Medical Officer, who is a member of the company Crisis Unit, for monitoring the development of the pandemic.
- > Published a periodic bulletin on the development and status of the pandemic.
- > Updated the integrated pre-travel Health & Secur system with info on COVID-19.
- > Drafted in specific accompanying documents and the respective risk matrices for geographical areas of the world, for a suitable assessment of risk.
- > Identified and managed "fragile" and "vulnerable" workers.
- > Institutional relations with the Italian civil protection service to support help/support programmes for the national public healthcare facilities. Technical and scientific verification of all material that was donated.
- > Continual contact with the national ministries of health, the WHO, CDC and regional Italian ATS/ASL for all provisions regarding Italian and foreign employees in Italy and abroad.
- > Acquired scientifically advanced tools that were adopted and distributed in Saipem's operating site in response to the pandemic and which may be used for other future diagnostic assessments.

RESULTS 2020 VS. OBJECTIVES 2020

- Continued to implement a complete system for prevention and monitoring of the pandemic.
- Ensured ongoing education and training for medical staff.
- Intensified the audit programme.

2021 OBJECTIVES

> Aside from the measures for containing the pandemic that have been tried and tested, introduce Sars-Cov-2 COVID-19 vaccinations.



OUR CONTRIBUTION TO MITIGATING CLIMATE CHANGE

The climate change reduction strategy

Saipem expects to gradually reduce its dependence on the fossil fuel sector, reducing its CO₂ 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 "Leading the Path to Energy Transition" 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 wind farm, 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.



Analysis of the climate-related scenario

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. 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 CO₂ 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 "Leading the path to energy transition", which was drafted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.



Technological innovation and digitalisation

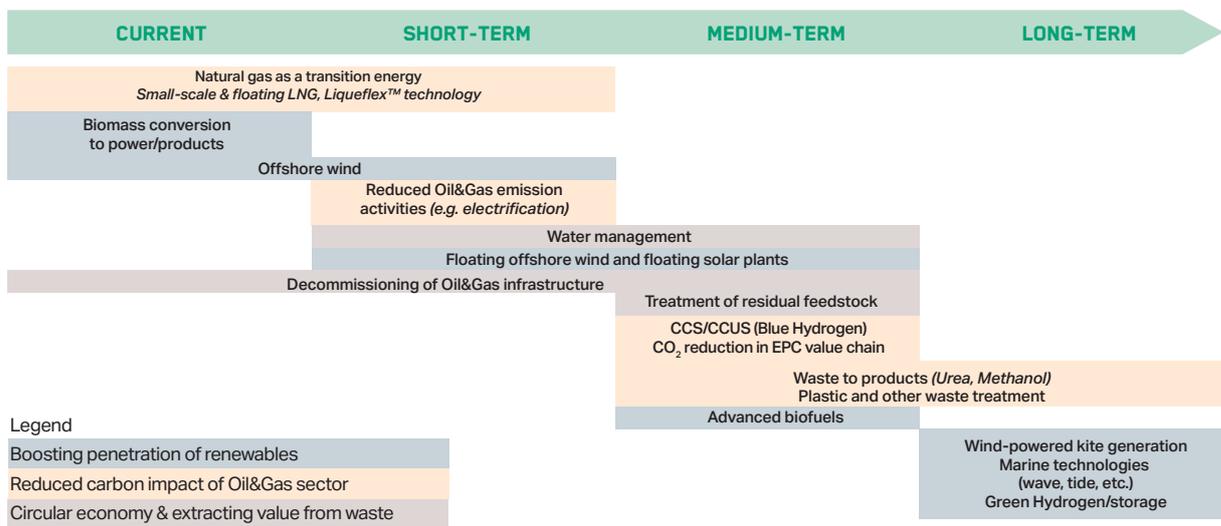
Across all its technological innovation activities, Saipem registered 16 new patent applications in 2020. In addition, Saipem is in fifth place in the league table drafted by the European Patent Office for Italian businesses with the greatest number of patent applications filed in 2019.

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 2020, the Company spent €35 million on research and development and the application of decarbonisation technologies, out of a total of €74 million spent on technological innovation. Moreover, 21 patents have been deposited, including 10 for new decarbonisation technologies.

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

SAIPEM INVESTMENT STRATEGY IN THE TRANSITION TO A LOW-CARBON FUTURE



Energy efficiency

Direct energy consumption in 2020 fell by 26% compared to 2019 for the full consolidated perimeter (21% for the Group perimeter), in line with the contraction of activities during the year because of the COVID-19 emergency (-18% hours worked, reduction of ship and rig operations). In particular, the sites with most consumption were the Tangguh LNG Expansion Project (32 ktoe), the Saipem 7000 vessel (17 ktoe), the Mozambique LNG project (16 ktoe) and the Saipem FDS 2 vessel (14 ktoe).

In this context, we can see a general reduction in the direct consumption of fuel used for electric generators and internal combustion engines, which confirms the operational fall in the use of vessels and rigs 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 six of the International Convention for the Prevention of Pollution from Ships (MARPOL). These changes resulted in the updating of the reporting categories of fuels used in ships: phase-out of Heavy Fuel Oil, Intermediate Fuel Oil and Light Fuel Oil and integration of Marine Fuel Oil and Marine Gas Oil, which are categorised based on sulphur levels above or below 0.1%.

GRI 302-1
GRI 302-3
GRI 302-4
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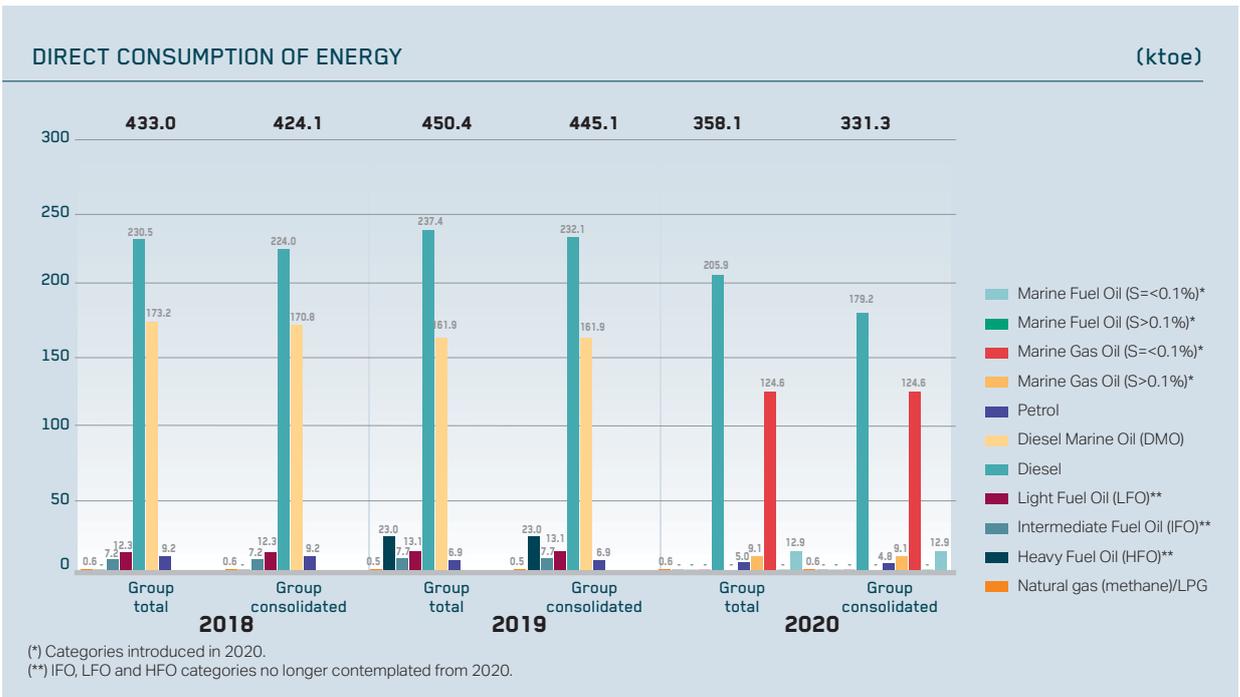
The reduction in electrical energy is mainly attributable to a reduction of operating activities in the Kuryk yard and the suspension of operations on two onshore rigs in Kazakhstan which are powered by the electricity grid, and the closing of numerous offices due to the pandemic. Despite this, Saipem continues to implement numerous initiatives aiming to reduce its own energy consumption and, consequently, its CO₂ 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 2020, these initiatives led to a reduction in energy consumption of 352,402 GJ (355,808 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 solar light towers, a better management of energy in offshore rigs (Saipem 12000 and Scarabeo 8), etc. More information is available in the chapter "Enabling carbon footprint reductions" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Indirect energy consumption							
Electricity	(MWh)	88,996	85,069	80,171	78,177	54,797	44,387
Renewable energy							
Electricity produced from renewable sources	(MWh)	297.6	297.6	368.3	368.3	299.6	299.6
		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Total direct consumption of energy	(TJ)	18,128	17,756	18,857	18,635	14,992	13,870
Total indirect consumption of energy	(TJ)	321	307	290	283	531	430
Total consumption of energy	(TJ)	18,450	18,063	19,147	18,918	15,523	14,300
Energy intensity	(TJ/€ mln)			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 (COP 21 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:

- > become a key partner for its clients in their decarbonisation actions, while also extending its offer in sectors with a lower impact on climate and an evolution of the business model and organisation in order to transform Saipem into a global solution provider in sustainable energy transition, as described in sections “The strategy for the reduction of climate change” in this document and in the annual Sustainability Report;
- > improve the efficiency of its assets and operations to reduce its greenhouse gas emissions.

With regard to the second pillar, Saipem has defined a strategy for the reduction of GHG emissions to reach the Net-Zero objective, with regard to Scope 1, Scope 2 and Scope 3 emissions.

GRI 405-1
 GRI 405-2
 GRI 405-3
 GRI 405-4
 GRI 405-5

GHG reduction strategies for Saipem's assets and operations to achieve Net-Zero

Short-term strategy (2019-2024)

Starting in 2018, the process of improving the efficiency of its most energy-intensive assets (vessels, rigs and yards), which involved carrying out ad hoc energy diagnoses, was systematised with the issuing of the first Strategic Four-year Reduction Plan for GHG, that has been renewed and updated annually and has become part of the company's MBO.

The objective of the plan is to identify specific areas of improvement and targets for reducing in the short term Saipem's overall GHG emissions, which also represent a part of the indirect (upstream) emissions of clients.

Medium and long-term strategy (2030-2050)

Elements considered in the medium (2030) and long (2050) term roadmap, to be pursued in parallel:

1. reduction in its emissions (priority activity);
2. offsetting of residual "difficult to abate" emissions.

Through a multidisciplinary approach, measures to reduce emissions will be identified, as will the expectations and requirements of the communities in the areas in which the company operates, in order to develop projects to improve accessibility to sustainable energy, the quality of life and socio-economic development in these territories through pilot schemes.

Reduction activities refer to scope 1, scope 2 and scope 3 emissions, in accordance with the procedures described below.

Group Targets for scope 1 and 2 GHG emissions

50% reduction in 2035 compared to the 2018 emissions baseline:

- for scope 1 the main technological, plant and electrification actions are ongoing on the most energy-intensive assets, such as Vessels, Rigs (Onshore and Offshore), Accommodation camps/Temporary Construction Facilities (TCFs) and Yards;
- scope 2 emissions are indirect and generated through the use of electrical energy from the grid, in particular Office Buildings located all over the world, as well as certain Fabrication Yards in non-remote areas, where connections to the local electricity grid are available. The use of electrical energy from renewable sources will be maximised even for clients and projects where possible;
- moreover, the Hub in San Donato Milanese, which represents the main management office in terms of the number of employees and energy consumption, will be relocated in 2022 to 2 new office buildings, which are currently under construction, with a high energy efficiency, in a strategic location in terms of regional and national mobility, in Milan's Rogoredo neighbourhood. Similar choices have also been made in the past in other important branches, such as GPS in Zürich, Moss Maritime in Norway and Saipem Ltd in London and will be the blueprint for future choices.

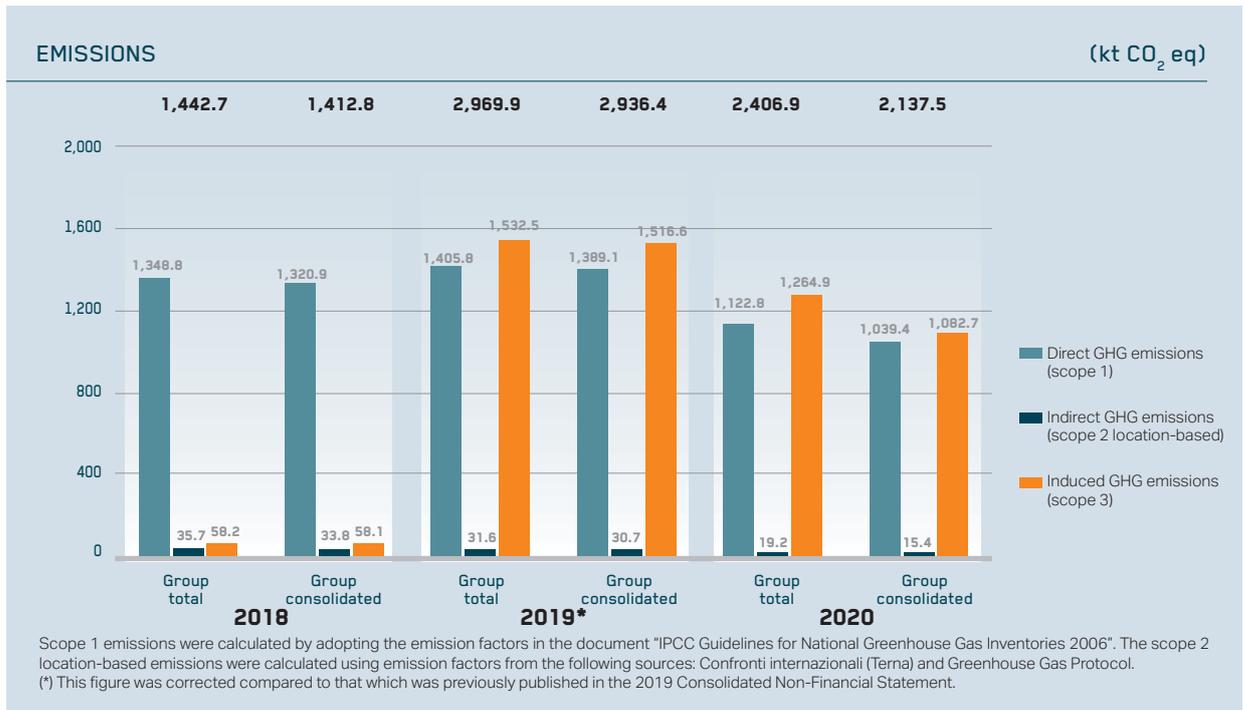
Target emissions scope 3

Saipem wants to have a leading role in supporting and encouraging clients, suppliers and various actors in the value chain to reach the same objectives:

- thanks to a reporting system for scope 3 emissions that is reliable, traceable and validated by an independent third party, Saipem wants to work in synergy and partnership with suppliers for the reduction of emissions, particularly in the procurement of materials and in aspects linked to mobility.

Through the energy saving initiatives described in the previous section, in 2020 CO₂ eq savings of 26,436 tonnes (26,689 tonnes at Group level) were achieved. In 2020, Saipem recorded a GHG intensity of 155.5 t CO₂ 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 has been estimated that through its GHG Strategic Plan, Saipem will achieve emissions reduction of 255,000 tonnes of CO₂ equivalent in the time span 2019-2024. As described later in the section, the scope 3 categories that are monitored are unchanged since 2019. In 2020, there was a general reduction in emissions (-29% for the full consolidated perimeter, -17% for the Group perimeter), due mainly to:

- a reduction in the procurement of materials, -30% emissions for the consolidated perimeter and -13% of emissions in the Group perimeter, in relation to the general reduction in activities (68% of the total);
- a lower number of flights as a result of the pandemic, -60% emissions in both parameters (2% of the total);
- a lower quantity of fuel used, -20% emissions for extraction and transport of these in both perimeters (20% of the total).



(kt CO ₂ eq)	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Market-based scope 2 emissions	38.2	36.3	33.8	32.9	21.5	20.0

The marked-based scope 2 emissions have been calculated using 2018 European Residual Mix (AIB) emission factors.

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 14064-3:2012. 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 procurement and disposal;
 - procurement of materials and waste disposal;
 - shipment of materials;
 - employees' use of cars in Italy;
 - hotel accommodation during business travel managed by Italy;
 - flights for business travel managed by Italy.

The Company is also developing a specific methodology to forecast GHG emissions for plants designed by Saipem during their projected 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 is also being certified and validated by an independent third party in accordance with the principles of regulation UNI EN ISO 14064-3:2012.



PROTECTING THE ENVIRONMENT AND MINIMISING ENVIRONMENTAL IMPACTS



Environmental management policies and system

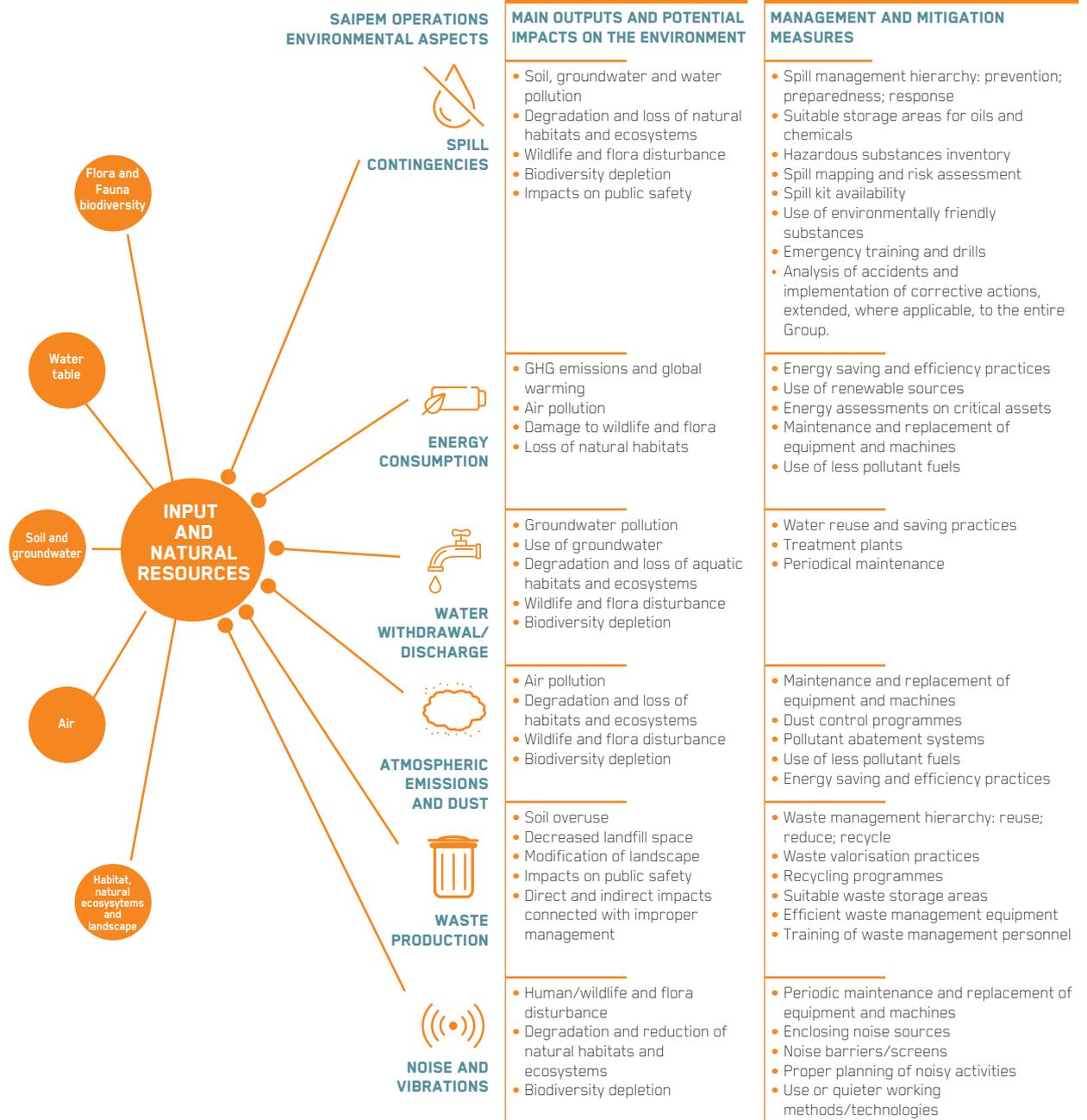
Saipem is aware that all its activities, from the planning and design stages to construction and operation, may potentially have an impact on the environment, both directly and along its business value chain.

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 "Ready for the transition - Enabling a green future - Sustainability Report 2020".



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

	Risks identified by the Company	Summary of adopted risk mitigation measures
Saipem material topic	Spill prevention and response Environmental pollution 	To prevent and mitigate this risk, Saipem has adopted an ISO 14001 certified environmental management system that applies for the Group from the operational standpoint. Furthermore, the Company employs environmental risk assessment techniques and tools and conducts audits and training and awareness courses for its personnel and main contractors. Finally, Saipem has developed response plans to prevent and manage environmental emergencies (for example in the event of spills).
	Technology, innovation and operational research Failure to exploit technologies, innovative ideas and business models that are disruptive 	Saipem is committed to developing and diversifying its portfolio of technologies and patents through significant investment in research and development and to monitoring technological developments in the pertinent industries also performing benchmark analyses and scouting innovative start-ups. A key element of the risk mitigation and prevention strategy on this issue is the initiative concerning its incubator of ideas and prototyping laboratory, "Innovation Factory", designed to test solutions that respond to the challenges of the industry in which Saipem operates through new technologies (digital first and foremost) and new methods.
	Failure to expand the technology portfolio linked to the energy transition 	The mitigation and prevention of this risk is performed by focusing on the development of technologies and patents linked to the ongoing energy transition (e.g. renewable energies and capture of CO ₂) through its research and development activities. Moreover, Saipem is committed to continually monitor and further technological developments related to the energy transition. Finally, Saipem is committed to exploiting technological solutions it is the proprietor of or for which it has drawn up contracts for exploitation, by offering commercial solutions to existing or potential new clients.
	Energy efficiency Prevention of climate change and greenhouse gas emissions Loss of competitiveness of assets because of changes to laws on greenhouse gas emissions 	Saipem is committed to constantly monitor the evolution of laws and regulations in the field of greenhouse gas emissions at the international level in order to mitigate and prevent such risk. In addition, the Group has defined a four-year strategic plan with quantitative targets for the reduction of greenhouse gas emissions, which were applied at both the division and corporate levels, and involve actions for improving energy efficiency.
	Water management Environmental impact on the management of water resources during operations 	The risk, although considered as manageable in ordinary operations, is subject to mitigation by Saipem through various prevention initiatives, including the mapping of consumption in areas subject to water stress, the introduction into HSE reporting system for a new category of accidents related to water discharges uncontrolled, as well as water efficiency initiatives.



GRI 306-3

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 2020, 547 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.

More information on the actions taken by Saipem to reduce the risk of spills is available in the "Generating shared value" chapter of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Number of spills							
Total	(No.)	18	17	54	54	106	38
Spills of chemical substances	(No.)	5	5	16	16	7	4
Spills of oily substances	(No.)	13	12	38	38	79	23
Spills of biodegradable substances (*)	(No.)	-	-	-	-	7	7
Spills of drilling muds (*)	(No.)	-	-	-	-	3	3
Spills of wastewater (*)	(No.)	-	-	-	-	10	1
Volume of spills							
Total	(m ³)	7.22	3.25	10.40	10.40	13.04	6.22
Spills of chemical substances	(m ³)	0.77	0.77	7.60	7.60	3.09	3.08
Spills of oily substances	(m ³)	6.46	2.49	2.90	2.90	0.43	0.15
Spills of biodegradable substances (*)	(m ³)	-	-	-	-	2.42	2.42
Spills of drilling muds (*)	(m ³)	-	-	-	-	0.52	0.52
Spills of wastewater (*)	(m ³)	-	-	-	-	6.58	0.05

(*) Category introduced in 2020.

Since 2019, the internal reporting rule is in place, with the minimum spill limit for reporting reduced from 10 litres to 1 litre, to ensure better alignment with internal incident management rules which state that any spills with a spilled volume of 1 litre or more must be treated as incidents. Out of 106 total spills, in fact 70 were less than 10 litres. The sites with the highest number of spills in excess of 10 litres are the onshore project Mozambique LNG (Mozambique, 16), the offshore project Barzan Pipeline (Qatar, 3) and the vessels Scarabeo 8 (4) and Saipem 7000 (4). The total number of spills has increased because of the 67 spills which occurred in the project Mozambique LNG, which are attributable to a company that is not included in the consolidated perimeter. Because of the high number of spills in the first half of year, an in-depth audit was conducted on the project in August, which resulted in the implementation of specific corrective measures, including the establishment of a monthly inspection and TBT schedule for subcontractors, the creation of dedicated checklists on the topic (Hazmat, Refuelling and Spill Prevention Control), issuing of specific HSE bulletins (HSE Spill) and a request for reports from the exercises conducted on this topic by subcontractors.

The volume of spills in 2020 within the consolidated perimeter fell from 2019, while, for the Group perimeter, there was an increase in the volume due mainly to the following event which occurred in Mozambique:

- > 5 m³ spill of a mix of kitchen fat and water which leaked onto the ground during transfer from a tanker to a truck for disposal at the onshore project Mozambique LNG (Mozambique).

Among the most significant events, we also report:

- > 1.6 m³ spill for a leak on a strut which caused a discharge into the sea of BOP (Blow Out Preventer) fluid, made of water (76%), propylene glycol (20%) and Pelagic 50 (4%), on the Scarabeo 8 vessel;
- > 1.2 m³ spill due to a loose hydraulic coupling which caused a discharge into the sea of biodegradable oil on the Saipem 7000 vessel;
- > 1 m³ spill due to the breakage of a hose which caused a discharge into the sea of BOP fluid on the Scarabeo 8 vessel.

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

GRI 303-4 (2018)
GRI 303-5 (2018)

SASB
EM-SV-140A.1
EM-SV-140A.2

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 issue of annual Group HSE plans, which are then implemented by the divisions 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 reduce water 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, 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.

Saipem is aware of the fundamental importance and correlation between the use of energy and water. Specifically, in offshore fabrication yards, contrarily to what occurs on board an offshore vessel, the use of water and energy is not concentrated as it is spread across a vast area: this poses significant challenges for monitoring, especially when an exact calculation is made of how much fuel and how much water were used for a specific activity (or series/types of activities, such as fabrication works or for accommodation toilets). Moreover, as can be seen in the water stress maps, which are produced by Saipem, certain yards are situated in areas with a high water stress or, at any rate, in regions where a significant pressure is exerted on water resources.

For this reason, the Saipem Offshore E&C Division has chosen to go beyond legal requirements and implement within its fabrication yards a Management Plan for energy and water efficiency (YEWEMP), based on the same concept introduced by the IMO for ships (MARPOL annex VI) of the Ship Energy Efficiency Management Plan - SEEMP.

The main idea is that energy and water must be treated as precious and scarce resources, so an increased attention must be placed on procedures for their management and use. This is analysed systematically with energy and water flow diagrams mapping the paths of each of these from the source (e.g. public network for site generation plants) to each individual use within the premises. Therefore, the plan provides a tool for implementing efficiency initiatives, by assigning priorities based on the expected impact or benefit, and a series of KPI to enable careful monitoring on a monthly basis. Since they are activity/business-specific, these indicators also make it possible to quantify more precisely the footprint of fabrication activities in terms of greenhouse gas emissions: this estimate will become increasingly useful in bidding phases to demonstrate to clients Saipem's commitment to reducing emissions during the entire life cycle of a project (including fabrication).

Between 2019 and 2020, Saipem's main sites developed their own YEWEMP, i.e. Ambriz (Angola), Arbatax (Italy), Karimun (Indonesia) and SCNL (Nigeria). Thanks to the behavioural practices put in place by the staff, which are inspired by combining energy and water according to the principle that the production of fresh water requires energy and providing energy means using water, through responsible behaviour and the implementation of technical improvements, the objective in these sites is to achieve energy and water efficiency. The initiative will continue in 2021 by developing and implementing the plan in other sites and fabrication yards.

In 2020, in the Onshore E&C Division, Temporary Construction Facilities (TCF) feasibility studies were prepared for energy efficiency for the Marjan pack 10 and Berri projects, with both studies containing measures to deliver water savings. The Marjan field should be operational by September 2021 while the Berri field should be operational from July 2021.

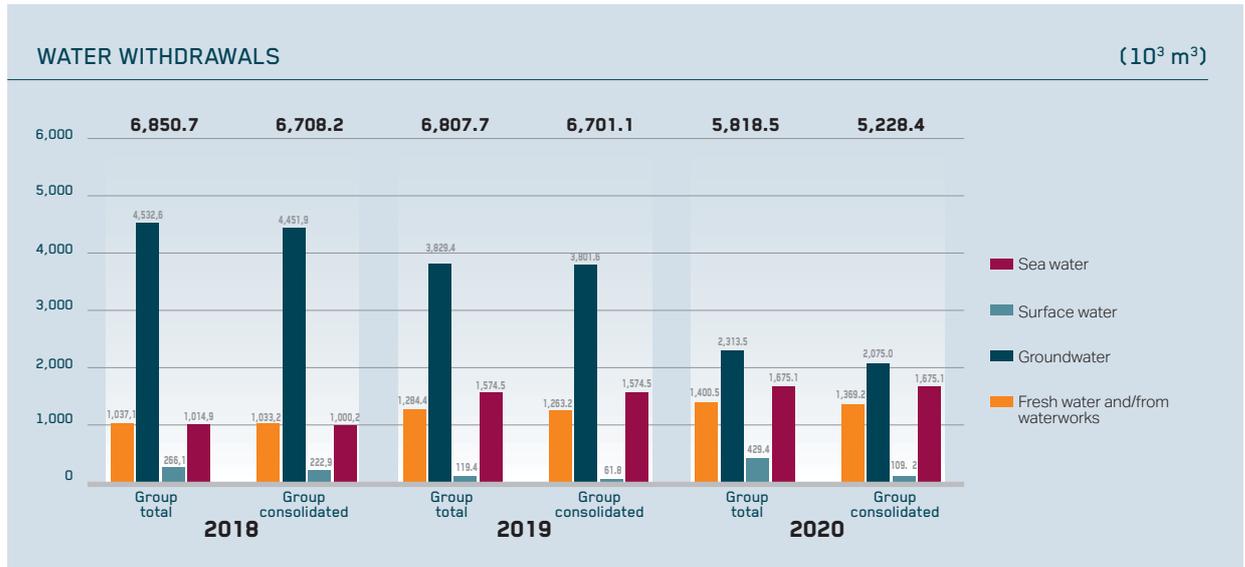
With regard to water savings, there follows below the estimated savings for both projects calculated on the basis of the peak number of people: 20,000 litres per day (peak of 600 people in the field) 15,000 litres per day (peak of 450 people in the field).

It should also be noted that the new Italian headquarters are under construction and will involve the transfer to Milan of the company's headquarters in San Donato Milanese. The new complex, which is inspired by the most modern architectural solutions, from the perspective of technological innovation with a focus on sustainability and respect for the environment, will allow for a significant reduction in the consumption of drinking water thanks to the efficiency of the plant and equipment that have 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 the 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 hygiene conditions.



	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Recycled and re-used water						
Re-used water	(10 ³ m ³)	1,641.0	1,640.8	1,657.1	1,657.1	802.5
	(%)	24	24	24	24	14

Sewage water discharge

(10 ³ m ³)	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Total discharged water, of which:	4,232.9	4,099.7	3,468.9	3,424.7	2,780.8	2,628.6
- water discharged into the sewer systems	380.4	377.6	185.5	180.1	240.4	175.7
- water discharged into bodies of surface water	2,388.6	2,388.6	1,592.3	1,592.3	1,040.3	1,040.3
- water discharged into the sea	729.3	677.3	1,115.2	1,076.4	1,500.0	1,412.6
- water discharged to other destinations (**)	734.7	656.3	575.8	575.8	-	-

(*) Category no longer considered as of 2020.

In terms of total water withdrawals for the year (excluding water from underground aquifers), withdrawal of freshwater represents 28.3% (31.4% for the Group perimeter) of total withdrawals, while withdrawals of saltwater account for 32.0% (28.8% for the Group perimeter). In-depth assessments of water from aquifers will be conducted starting from the next reporting cycle.

Water consumption fell by 23% compared to 2019 (it was 15% for the Group perimeter), mainly as a result of a sharp reduction in the withdrawal of groundwater. In particular the following were recorded:

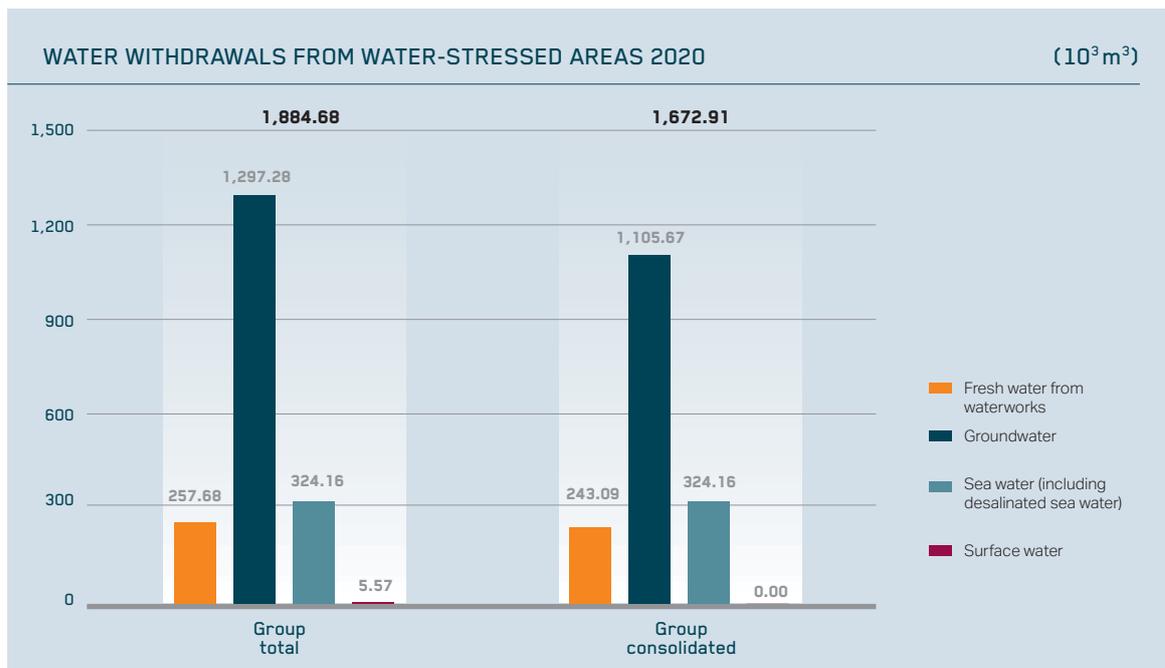
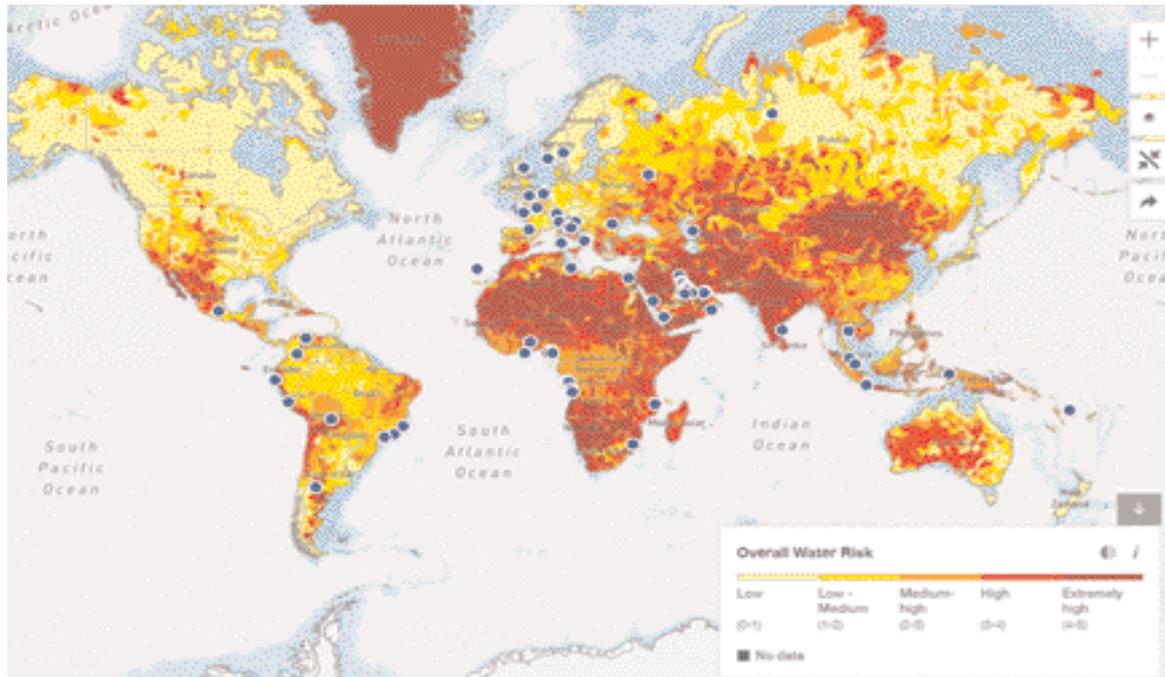
- > an increase in withdrawal from fresh water/mains water systems, mainly in the onshore projects Duqm (Oman) and SGCP (South Gas Compression Plant - Saudi Arabia), and Arctic LNG 2 (Russia), and in the Karimun yard (Indonesia);
- > a reduction in the water withdrawn from underground aquifers, due to reduced supplies to the San Donato Milanese offices (which use water for the internal air conditioning system) which coincided with the closure of the offices due to the pandemic;
- > a slight increase in the withdrawal of seawater, due mainly to its use in the onshore project Tangguh LNG Expansion Project (Indonesia).

The increase in water discharges in sewage systems is mainly due to the commencement of the onshore project Mozambique LNG (Mozambique) in 2020.

Discharges in bodies of surface water fell following lower consumption in the site in San Donato Milanese (Italy).

Discharges into the sea, which increased in the Group perimeter, are mainly due to operating activities in the onshore projects in Duqm (Oman) and Tangguh LNG Expansion (Indonesia) and in the offshore project of the Trans Adriatic Pipeline (Albania).

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



GRI 305-7

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. Saipem’s methodology for estimating emissions includes the following pollutants: NO_x, SO₂, CO, PM₁₀ and NMVOC. The emission factors were updated during the last reviews of the calculation methodology. In particular, during the 2018 methodology update, the NO_x and CO emission factors were significantly reduced, the NMVOC and PM₁₀ factors slightly increased and SO₂ 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%).

This update resulted in a sharp reduction in emissions of SO₂, mainly due to the large quantity of HFO (23 ktoe) consumed in 2019 by the vessels Saipem 7000, Castorone and DeHe. For the other 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)	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
NO _x	15,899	15,648	16,536	16,338	13,338	12,326
SO ₂	5,045	4,958	6,514	6,483	571	545
CO	9,448	9,393	7,935	7,889	5,989	5,618
NMVOc	1,119	1,101	1,146	1,131	922	837
PM ₁₀	596	581	636	628	516	465

The energy efficiency interventions and processes described in section “Energy efficiency” also led to reductions in the emissions of other air pollutants, particularly NO_x and CO. The reduction of SO₂ is lower, in line with the above considerations on fuels used since 2020.

Reduction in pollutant emissions

(t)	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
NO _x	50.1	36.2	257.8	257.2	319.9	316.7
SO ₂	15.2	13.1	111.3	111.2	15.4	15.4
CO	6.9	5.0	33.0	32.9	50.3	49.8
NMVOc	2.7	1.9	7.8	7.8	17.1	17.0
PM ₁₀	1.6	1.2	8.4	8.4	10.2	10.1



GRI 306-2

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.

Saipem ensures appropriate waste management through waste management procedures/plans at both operating company level and individual project and site level. 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.).

We report a significant increase in waste exclusively for the Group perimeter (11% compared to 2019), while for the consolidated perimeter this was up 1% compared to 2019; this increase is mainly due to the increase in the category of recycled waste (hazardous and non-hazardous) in the onshore projects Moscow Refinery (Russia) and Nong Fab LNG Receiving Terminal (Thailand).

The reduction in waste disposed of in landfills in 2020 is connected to the introduction of the category “disposed of in other structure”, which mainly includes discharged water disposed of legally as waste (non-hazardous or hazardous according to local law) in processing sites that are not included in other categories.

	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
(kt)						
Total weight of waste produced, of which:	381.5	378.6	953.0	933.3	1,057.9	943.1
- hazardous waste disposed of in landfill sites	102.2	102.1	238.5	238.5	10.3	10.3
- hazardous waste incinerated in external plants	4.2	4.2	3.1	3.1	1.3	0.5
- hazardous waste incinerated in Saipem plants (**)	-	-	-	-	0.5	0.5
- recycled hazardous waste	3.5	3.4	11.1	11.0	13.9	13.8
- hazardous waste disposed of in other structures	-	-	-	-	215.6	182.4
- non-hazardous waste disposed of in landfill sites	188.3	188.2	638.2	623.6	321.0	279.4
- non-hazardous waste incinerated in external plants	2.7	2.7	2.2	2.2	0.6	0.3
- non-hazardous waste incinerated in Saipem plants (**)	-	-	-	-	1.4	1.4
- recycled non-hazardous waste	80.6	78.2	59.9	54.9	152.9	146.3
- non-hazardous waste disposed of in other structures (**)	-	-	-	-	340.4	308.1

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

(*) We report that, at present, no Saipem incineration site allows energy to be recovered.

(**) Category introduced in 2020.



SOCIAL ASPECTS

Social policies and management of social aspects

The Group operates in over 70 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 Group'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.

In addition to that indicated in this document, Saipem provides a thorough description of the stakeholder engagement actions in a specific section ("Enduring relations") of the "Ready for the transition - Enabling a green future - Sustainability Report 2020". 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 most significant operational realities (e.g. Nigeria, Oman, Indonesia, Mozambique) 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 
MAIN SOCIAL IMPACTS	<ul style="list-style-type: none"> > Erosion of traditional values and local customs > Increase in the social problems of some vulnerable population groups > Discrimination and marginalisation of indigenous people > Risk of conflict and local unrest 	<ul style="list-style-type: none"> > Immigration due to the greater attractiveness of the geographical area of the site > Emigration/relocation due to the traditional use of natural resources competing or conflicting with project activities 	<ul style="list-style-type: none"> > Effect on local facilities and public health > Effect on traffic and road safety > Access to social infrastructures 	<ul style="list-style-type: none"> > Increase in direct and indirect employment and in wage levels > Increase in prices of goods and inflation rate > Purchasing of local supplies and general boost in the local economy > Changes in local economic structure > Increase in dependency of the local economic system on a specific industrial sector
POTENTIAL MITIGATION MEASURES	<ul style="list-style-type: none"> > Cultural heritage protection plans > Proper selection of security service providers > Drug and alcohol testing of the workforce > Cultural awareness sessions and human rights training programmes for employees 	<ul style="list-style-type: none"> > Transparent recruitment strategies > Management of local expectations 	<ul style="list-style-type: none"> > Health promotion initiatives > Safe driving awareness sessions 	<ul style="list-style-type: none"> > Transparent recruitment and sourcing strategy
TOOLS ADOPTED Stakeholder consultation, community grievance mechanism and community relations plans				

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

	Risks identified by the Company	Summary of adopted risk mitigation measures
Saipem material topic Management of an ethical supply chain	<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. In addition, Saipem is engaged in training activities on ethical issues, including anti-corruption, and on updates to "Model 231". 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 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 the 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.

The SELCE model was validated in 2015 by Nomisma Energia in its application to the Italian context.

GRI 202-2

Local employment

	2018		2019		2020	
	Group total consolidated	Group consolidated	Group total consolidated	Group consolidated	Group total consolidated	Group consolidated
(%)						
Local employees	73	71	74	71	79	76
Local managers	45	44	44	43	49	48

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.



A sustainable supply chain

GRI 308-1
GRI 412-2
GRI 412-3
GRI 414-1

Saipem's business is characterised by a highly complex global supply chain, covering different geographical areas and different industrial sectors. Today Saipem has almost 24,000 qualified vendors, about 7,000 of whom were qualified in 2020. During the year, purchases were mainly made by vendor is situated in Sub-Saharan Africa, the Far East 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; almost 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 we demand 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 2020, the number of "VERC" drafted during the course of the qualification processes that were managed during the course of the year amount to 4,645.

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 2020, 585 suppliers were assessed on HSE issues and 504 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. During the course of 2020, including as a result of the pandemic, it was not possible to carry out a significant number of audits with vendors – a single audit was carried out on a vendor in the United Arab Emirates on issues relating to workers' rights. Moreover, a desktop audit was carried out on 10 subcontractors in Nigeria, through an ad hoc questionnaire, based on international standards (such as the ILO convention) and inspired by the principles on the well-being of workers established by the Building Responsibly Initiative. The responses and the respective documentation were collected and analysed. The results did not highlight any particular criticalities, with a general alignment of subcontractors towards reference standards. In certain cases, to complete the assessment, additional supporting documentation was requested.

During the offer and contract execution phases, further controls are performed, including a counterparty risk assessment according to 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 in the chapter "Generating shared value" of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".



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. During the course of 2020, 2,485 feedback questionnaires were completed on vendor performances, of which 65% were positive.

DIAGRAM OF KEY PROCESSES AND INSTRUMENTS IMPLEMENTED TO MANAGE SUSTAINABILITY ISSUES IN THE PROCUREMENT CHAIN



		2018	2019	2020
Active vendors	(No.)	23,845	23,871	23,696
Qualified vendors	(No.)	7,026	7,721	6,859
Vendors qualified in the year working in countries with a high risk of human and labour rights breaches	(%)	40	35	37
New vendors assessed on labour law issues (*)	(No.)	174	182	504
Vendors qualifying in the year for activities considered at HSE risk	(%)	7	7	9
Vendors assessed on HSE issues	(No.)	466	574	585
Qualification audits, of which:	(No.)	28	27	11
- on human and labour rights	(No.)	10	8	1

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

(*) Only includes vendors with qualification processes for strategic product categories.



SAFEGUARDING THE HEALTH AND SAFETY OF PEOPLE

GRI 403-1
GRI 403-7



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 of Saipem SpA 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 2020, following the periodic audit by the third-party certification body, the ISO 45001 and ISO 14001 certifications were renewed for Saipem SpA and all the most significant Group companies, with a coverage of 98% for the 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.



People safety

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

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



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 attributable to 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 respective measures that are 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, more than 190 in 2020, 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 courses, First Aid courses, mandatory "Special Operations" courses (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 2020 to guarantee that vehicle drivers and passengers have a safe journey every time.

Leadership in safety and HSE culture

Over time Saipem has put in place training programmes and informational tools to support the development of its safety leaders and promote safety values throughout the Group, which are collected in the "Leadership in Health and Safety" (LiHS) programme. The LiHS programme is designed to guarantee a solid culture of safety in the organisation, by promoting safe conduct and a strong focus on the development on safety leadership at all levels of the organisation. LiHS is a multi-phase top-down/bottom-up programme that is accessible to the entire organisation.

In 2020, the development of online tools was launched to make LiHS even more accessible throughout the entire organisation, especially in consideration of extreme operating areas.

The programme, which continues to be praised by clients, partners and contractors, was significantly limited during 2020 because of specific behavioural protocols, but this situation also enabled a transformation process to be introduced for the LiHS Workshop, with an online experience that is equally strong and effective and which is currently fully operational thanks to the adoption of videoconferencing tools and innovative features for promoting engagement and interaction in participants even during remote sessions.

To assess the level of leadership in safety and identify the necessary actions for supporting the continual growth of safety culture in the company's management, in 2020 a questionnaire was submitted to a target of

4,642 Saipem managers (participation rate of 50%). The Safety Leadership Questionnaire, that was developed in collaboration with ICSI (Institute for Industrial Safety Culture), is based on seven key elements underlying the Leadership in Health & Safety (LiHS) workshop and confirmed a very safety commitment level.

Since 2015, Saipem uses the Life-Saving Rules as an internal communication tool on safety. In August 2018, the International Association of Oil & Gas Producers (IOGP) issued an updated version of the Life-Saving Rules (Report Number 459, V-3.0), that were implemented within an internal update programme for the respective material for the launch of a renewed Saipem Life-Saving Rules campaign (June 2020). The 18 rules defined by the organisation in 2015 were simplified and reduced to 9 and were rephrased with a language closer to that of its recipients to highlight even more clearly the actions that must be taken to respect each rule. To support monitoring of the adoption of the rules, the Management Walkabout tool is used and a new e-Learning tool, the LSR, was created.

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 developed 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 guarantee the continual improvement of training provided by the team of internal Saipem trainers, in 2020 a new HSE course "Train the Trainer" was created that can also be provided in virtual environments using videoconferencing and proprietary tools to enable participants to actively participate even from remote locations.

Once completed, the course enables trainers to receive a professional certification from an external accreditation body.

The "Train the Trainer" programme is part of a broader programme of exchange of competencies between Saipem Mozambique and the Instituto de Formação Profissional e Estudos Laborais Alberto Cassimo (IFPELAC). The exchange was subject to a Memorandum of Understanding (MoU) for jointly developing professional training programmes dedicated to young Mozambicans in the province of Capo Delgado. The key objectives are to increase the knowledge of participants on internal HSE training resources, as well as HSE registration and reporting processes. 4 sessions of the programme have been completed, including a session conducted in the training centre in Schiedam in the Netherlands in February (before the outbreak of the pandemic), which was followed by an online session for staff in Mozambique in July and another two sessions that were open to the entire global network of professional trainers in November and December 2020.

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.

In 2020, safety performance improved, recording a TRIFR of 0.36 (compared to 0.54 in 2019). It should be noted that this improvement is attributable to the constant and continual commitment of all individuals involved, both within and outside the HSE professional sector. Unfortunately, in 2020 there were two fatal accidents involving Saipem subcontractors in Thailand and Saudi Arabia, which took place during construction activities for a dock for a LNG plant and during radiographic inspections at a gas plant respectively. In-depth investigations have been carried out to identify the causes of these accidents and appropriate actions have been implemented in order to minimise the possibility of recurrence.

**SAFETY INDICATORS:
DEFINITIONS AND
CALCULATION METHODS**

LTI (Lost Time Injury): any work-related injury that renders the injured person temporarily unable to perform any regular job or restricted work on any day/shift after the day or shift on which the injury 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): the sum of LTI, WRC and medical treatment cases; TRI = LTI+WRC+MTC.

TRIFR (Total Recordable Incident Frequency Rate): calculated as (No. of TRI per 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): calculated as (No. of LTI per 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 his/her 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: 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.

	2018		2019		2020		
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated	
Man-hours worked							
Total, of which:	(millions of hours)	272.5	268.4	235.0	228.2	206.3	186.6
Man-hours employees	(millions of hours)	93.3	89.9	87.6	82.3	83.5	72.5
Man-hours subcontractors	(millions of hours)	179.1	178.5	147.4	145.9	122.9	114.1
Accidents with days lost (LTI)							
Total, of which:	(No.)	36	36	51	47	26	23
Employees	(No.)	17	17	42	38	16	14
Subcontractors	(No.)	19	19	9	9	10	9
Of which fatal accidents:	(No.)						
Total, of which:	(No.)	4	4	3	3	2	2
Employees	(No.)	-	-	3	3	-	-
Subcontractors	(No.)	4	4	-	-	2	2
Injuries in the workplace with serious consequences ^(a)							
Total, of which:	(No.)	1	1	11	11	3	2
Employees	(No.)	1	1	9	9	1	1
Subcontractors	(No.)	-	-	2	2	2	1
Of which with disabilities:							
Total, of which:	(No.)					3	2
Employees	(No.)					1	1
Subcontractors	(No.)					2	1
Days lost ^(a)							
Total, of which:	(No.)	1,280	1,280	6,696	6,406	891	833
Employees	(No.)	572	572	5,828	5,538	576	537
Subcontractors	(No.)	708	708	868	868	315	296
Severity Rate ^(a)							
Total, of which:	(ratio)	0.005	0.005	0.028	0.029	0.004	0.004
Employees	(ratio)	0.006	0.006	0.067	0.067	0.007	0.007
Subcontractors	(ratio)	0.004	0.004	0.006	0.006	0.003	0.003
Recordable accidental events (TRI)							
Total, of which:	(No.)	120	118	127	123	75	68
Employees	(No.)	57	55	83	79	38	35
Subcontractors	(No.)	63	63	44	44	37	33
Employee absenteeism rate ^(b)							
Total, of which:	(%)	4.0	3.9	3.10	3.27	3.98	4.03
Fatal Accident Frequency Rate (FTLFR)							
Total, of which:	(ratio)	1.47	1.49	1.28	1.31	0.97	1.07
Employees	(ratio)	-	-	3.43	3.65	-	-
Subcontractors	(ratio)	2.23	2.24	-	-	1.63	1.75
Accident frequency index (LTIFR)							
Total, of which:	(ratio)	0.13	0.13	0.22	0.21	0.13	0.12
Employees	(ratio)	0.18	0.19	0.48	0.46	0.19	0.19
Subcontractors	(ratio)	0.11	0.11	0.06	0.06	0.08	0.08
High-consequence work-related injuries Frequency Rate (HCWRFR)							
Total, of which:	(ratio)	0.004	0.004	0.047	0.048	0.015	0.011
Employees	(ratio)	0.011	0.011	0.103	0.109	0.012	0.014
Subcontractors	(ratio)	-	-	0.014	0.014	0.016	0.009
Total Recordable Incident Frequency Rate (TRIFR)							
Total, of which:	(ratio)	0.44	0.44	0.54	0.54	0.36	0.36
Employees	(ratio)	0.61	0.61	0.95	0.96	0.46	0.48
Subcontractors	(ratio)	0.35	0.35	0.30	0.30	0.30	0.29

(a) Data updated in consideration of the number of days lost calculated during 2020 for accidents which occurred in 2019 and after excluding fatal accidents.

(b) The consolidated perimeter of the absenteeism rate includes all the companies in the consolidated perimeter with the exception of: Saipem (Nigeria) Ltd, Sonsub International Pty, Andromeda Consultoria Tecnica e Representações Ltda, Snamprogetti Netherlands BV, Snamprogetti Engineering BV, Sofresid SA, Saipem Offshore México SA de Cv, Saipem Snc, Sajer Iraq Co for Petroleum Services, Trading, General Contracting & Transport Llc, Saipem Ingenieria y Construcciones SLU, Denuke Scarl, Saipem Drilling Llc, European Maritime Construction SAS, Saudi International Energy Services Ltd Co, Saipem Guyana Inc. Il perimetro di Gruppo include, oltre che tutte le società del suddetto perimetro consolidato, anche, ASG Scarl, KWANDA Supporte Logistico Lda, Petromar Lda, Charville - Consultores e Serviços Lda, Saipem Taqa Al Rushaid Fabricators Co Ltd, Saipem Contracting Netherlands BV, TSGI Mühendislik Insaat Ltd Sirketi, Saren BV, CCS JV Scarl, Gydan LNG Snc, Novarctic Snc.

The first fatal accident took place in Thailand on January 9, 2020 during the installation activities of a temporary support for formworks for the construction of a dock for a LNG plant. During the removal of a work platform, using a crane on board a barge, because of the swell, the suspended platform struck a beam positioned above it, causing this to be lifted from the foundation piles it was positioned against and fall into the sea at a depth of

approximately 4 m. The victim, who was working on the beam and attached to the temporary railing with a safety harness, fell into the sea with the beam. The emergency team was immediately engaged and the victim was recovered in about four minutes. The rescue team tried to resuscitate the victim during the transfer from the site to the nearest hospital. The resuscitation attempts continued in the hospital but were unsuccessful. In parallel to the activation of the rescue services, an internal investigation was performed, involving the subcontractor, in order to identify the causes of the event, learn lessons and ensure that these accidents cannot happen again. The direct cause of the accident is linked to the inappropriate attachment of the beam the worker was on to the foundation piles. The investigation highlighted various factors that had not worked correctly, such as unsuitable operating procedures, risk assessment and communication between the various working groups and a lack of supervision.

Various corrective actions were identified by Saipem at both the project level and Division level to assess alternative technical solutions for the installation of dock elements and improve supervision and communication between working groups.

The second fatal accident occurred in Saudi Arabia on October 18, 2020, when a technician for a sub-subcontractor involved in radiographic inspections went inside a pipe section of 30" of the plant under construction. This type of activity is carried out at the end of the working hours after all other workers have left the site. Another two workers were in the work area (a supervisor and another Non-Destructive Testing (NDT) technician). A few minutes after the technician had entered the pipe, the two colleagues at the exterior contacted a third colleague when they received no response from their colleague inside the pipe. When the third colleague reached the work position, the emergency team was activated. The emergency team proceeded with the recovery activities by inserting an air blower at the end of the pipe and, at the same time, opened a hole to blow in oxygen near the worker's position. Subsequently, a coupling was cut to recover the technician who had unfortunately already died.

Even in this case an internal investigation was launched with the support of the subcontractor which revealed that the direct cause of the accident was linked to a deliberate breach by the worker of the procedure for entering confined areas. During the investigation phase, additional criticalities emerged with regard to the work supervision and poor risk assessment. Various corrective actions were identified and implemented to avoid a recurrence of similar accidents. The accident was also shared with all other workers in order to increase awareness on the importance of precisely following procedures for entering confined areas.

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.

More information is available in the "Growing the leaders of the future" chapter of the 2020 Sustainability Report "Ready for the transition - Enabling a green future".



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 Group 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.

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Occupational diseases reported	(No.)	7	7	6	6	15	10

Occupational Health and Medicine

2020 saw the full and complete involvement of the medical service in the health management of the pandemic for the purpose of mitigating the impact of stress in the company, protecting the health of workers and ensuring the continuity of worldwide health services and more generally the continuity of the company's business.

Ensuring that workplaces are safe and healthy is a fundamental objective for limiting the spread of the virus and protecting the health of workers and the general population. Past experiences with epidemics that have periodically affected the countries in which Saipem operates (SARS in the Middle East, MERS in Saudi Arabia, bird flu in China and Ebola in Africa, etc.) have confirmed the importance of acquiring and understanding models for the spread of these illnesses in order to implement effective mitigation and prevention measures:

- > continual monitoring of the development of the pandemic as an essential aspect pursued through the establishment of a health Task Force reporting directly to the Medical Officer, who is a member of the company Crisis Unit;
- > prompt sharing of health and operating information through the publication of a regular bulletin on the development and status of the pandemic;
- > consolidated and fully operational pre-travel Health & Secur information system for all Saipem staff due to operate abroad, supplemented by obligatory COVID-19 information for travelling staff;
- > suitable assessment of risks adopted through the preparation of specific company documents and respective risk matrices based on geographical areas of the world;
- > identify and manage "fragile" and "vulnerable" workers;
- > institutional relations with the Civil Protection service assisting the help/support programmes for public national health departments. Technical and scientific verification of all the material donated;
- > continual contact with National Health Ministries, the WHO, CDC and regional ATS/ASL for all provisions pertaining to Italian and foreign employees in Italy and abroad;
- > creation of activities for monitoring the spread of the pandemic amongst Saipem employees through serology tests, first, and rapid antigen swab tests, later, thanks to the acquisition of scientifically advanced tools that were adopted and distributed in Saipem's operating sites. A total of 1,511 resources took part in the serology test campaigns, while 1,284 rapid antigen swabs were conducted. This scientific project

between Saipem and Lumiradx for rapid antigen swabs was handled as a Diagnostic Point of Care in terms of every scientific step in the validation and issuance phases. The characteristic is that it is practical, easy to use and multi-parametric. Once the COVID emergency is over, the project can be used for other very important diagnostic activities;

- the collaboration with the Humanitas Research Hospital enabled the health information and promotion activity to be extended via the publication of the weekly newsletter on Science and Medicine issues of common interest, sent to our colleagues directly through registration to a mailing list with a focus on the ongoing pandemic;
- posturology project, promotion of well-being in the company through "Healthy workplaces: a model for action" enable the publication of 12 short videos as support to physical activity for colleagues forced to work from their homes during lockdowns;
- Saipem's decade-long experience in using telemedicine helped in the use of IT and remote telecommunication for achieving our objectives and allowed us to continue our coordination, control and monitoring activities and provide health support to our divisions worldwide.

These activities ensured that the control measures for the risk of infection were suitable in terms of the development of the pandemic, the working conditions and the characteristics of the workforce during the critical periods of the emergency. 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.

As an integral part of the Workplace Health Promotion (WHP) programme, the collaboration with the Milan and region of Lombardy Health Authority to maintain the Workplace that promotes health status acquired in the recent years by achieving the goals we were assigned.

Also in 2020 the flu vaccination was offered to employees free of charge and additional vaccination prophylaxis was made available in the welfare system.



HUMAN CAPITAL

Human resource policies and management



As described in the Policy "Our People" on the management of human capital "people are the indispensable and fundamental element for the very existence of the business and the company objectives can only be achieved with their dedication and professionalism".

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.



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 increased by 6% compared to 2019, to reach a level of 32% in 2020 (for both perimeters); a value that remains significant because of:

- (a) the extremely dynamic situation in the Oil&Gas market, which led to a reduction in operating activities, following a significant contraction in investments in the sector;
- (b) the nature of Saipem's business which, being a contracting company, works for large projects that have variable durations (from a few months to years) in different geographical areas. Taking into account these peculiarities, the quali-quantitative size of Saipem's human capital is therefore subject to a natural fluctuation connected with the different operating phases of projects and the cyclical nature of clients' investment.

Considering the specific circumstances, the qualitative and quantitative dimension of Saipem's human capital is therefore subject a natural fluctuation that is connected to the various operating phases of projects and the cyclical nature of investments from clients.

Conversely, voluntary turnover fell by 1.8% for the total Group perimeter and by 2.7% for the full consolidated perimeter.

The total agency staff is lower than in 2019 because of the considerations outlined above and more specifically because of the release of staff for projects in the completion phase in Saudi Arabia (Khurais and Jazan projects), in Iraq (West Qurna), in Serbia (Gastran pipeline project) and because of the reduction in operating activities in the Ersai yard in Kazakhstan.

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. Furthermore, the Company is involved in numerous initiatives, such as the "Leadership in Health & Safety" programme (LiHS), the campaign dedicated to "Life Saving Rules" and "Dropped Objects Prevention". Finally, Group operations are certified in accordance with the ISO 45001:2018 management system.</p>
	Safe operations, asset integrity and process safety	<p>Critical issues related to political, social and economic instability and terrorist threats to staff, operations, activities 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 an intelligence network and actively cooperating with the police forces and security service providers in the countries where it operates. In particular, Saipem has developed security plans and a crisis management system. Finally, the Group pursues a commercial strategy with strong project selectivity, also taking into consideration the risks associated with the country of operations.</p>
	asset integrity and process safety	<p>Significant accidents to Saipem's strategic assets or client infrastructures.</p> 	<p>To mitigate and prevent this risk, Saipem incurs significant expenses for the maintenance of its proprietary assets 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 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. Furthermore, Saipem carries out training and awareness-raising initiatives on health issues, continuously monitors the health situation and has developed tele-medicine programmes in the countries where 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. 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 plans human resource needs based on business objectives, 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 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

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Total employees at period end	(No.)	34,129	31,693	36,986	32,528	35,023	29,522
Employee categories							
Senior Manager	(No.)	385	380	400	384	400	388
Managers	(No.)	4,187	4,091	4,446	4,285	4,574	4,344
White Collars	(No.)	16,633	15,323	19,546	16,625	17,559	15,849
Blue Collars	(No.)	12,924	11,899	12,594	11,234	12,490	8,941
Type of contract							
Employees with full-time contracts	(No.)	33,906	31,470	36,814	32,357	34,871	29,370
Employees recruited through an agency	(No.)	7,380	6,869	5,564	4,873	3,672	3,421
Employees on permanent contracts	(No.)	-	-	-	-	16,088	14,840
Employees on fixed term contracts	(No.)	-	-	-	-	18,935	14,682
Turnover							
Total turnover (*)	(%)	31	27	26	26	32	32
Voluntary turnover (**)	(%)	-	-	6.4	6.7	4.6	4.0

(*) 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.

Development of skills

GRI 404-2

The enhancement and management of professional skills is a distinctive and characterising element for Saipem and constitutes a competitive advantage in its reference market. Consistently with the HR strategy aimed at safeguarding and enhancing the distinctive skills – which focuses on the Saipem resource intended as the bearer of a set of critical business skills and extended experiences gained over the course of a working life – a process was developed. Strategic Workforce Planning, to support and integrate the consolidated HR Planning process, focused on the professional roles which are identified as "core" by the divisions and closely linked to the scenario forecasts developed as part of the Saipem Strategic Plan. The output of the model is used to monitor the effective need for human resources in these roles and measure the level of coverage in relation to the corporate skills required to manage the challenges laid down in the Plan and therefore decide on, and better plan, the most suitable actions to be undertaken for recruitment in the market and the development and training of internal resources.

The emergency scenario that characterised 2020, led to Saipem reviewing its procedures and processes for the creation, development and monitoring of skills and expertise, with the objective of ensuring a prompt and flexible response to traditional processes and ensuring their continuity even in emergency scenarios that are objectively complex for all activities revolving around human beings.

In particular, the Company launched initiatives for rethinking the way of working, by promoting the innovative and digital dimension, and focusing increasingly on the development of the shared strategic expertise of people, with the joint aim of capitalising on that which has been achieved and developing innovative solutions as a support to and source for Saipem's future success.

Training confirmed its strategic importance for the business: during the course of 2020 Saipem promoted many training interventions with the objective of improving soft skills for facing the challenges from the new scenario. Continuity was guaranteed in the supply of an accessible and widespread training offer, by favouring and exploiting the potential of e-learning.

To accompany the staff in the Italian premises in their gradual return to offices in a completely safe manner, a specific training programme was designed and supplied on COVID issues, which also provided suggestions on how to develop resilience and crisis management skills, as described in section "Raising awareness and information on the pandemic" in this document.

Saipem has set itself significant objectives in terms of the Attraction and Development of the essential strategic skills for the construction of the intellectual capital required for energy transition.

During the course of the year the "Competence Assessment" software was developed for the digitalisation of the monitoring process of the skills of staff operating on board the naval vessels of the Offshore E&C Division; the tool supports the Assurance & Assessment process of competencies for all the key staff, operating on

board Saipem's vessels, and makes it possible to operate in compliance with regulatory requirements and ensures control over the development of human capital and the distinct professional skills.

The guidelines of the Employer Branding activities were shared at a worldwide level with the objective of improving brand communication online and identifying online initiatives to maintain and strengthen Saipem's commitment towards talents; in this way, during the course of 2020, despite the restrictions from the pandemic, Saipem continued its consolidated partnerships with Milan's Politecnico and Bocconi university through its contribution to university training and career guidance by participating in the Virtual Career Fairs and events, with a clear focus on gender diversity and the promotion of Saipem as an equal opportunities employer.

Moreover, during the year, in partnership with Milan's Politecnico, the innovative Data Scientist Academy was launched, a programme dedicated to 30 brilliant students with the objective of bringing them closer to the company's innovations through activities to improve the dialogue between academic institutions and the labour market and position Saipem as an Employer of choice, based on its innovative know-how on significant technological issues.

In line with the important objective of sharing the innovations Saipem introduces to get a head start on the challenges of the future, a Digital Visit was also organised for students on the Digital Business Transformation course at Bocconi, which represented an important opportunity for creating a dialogue with future generations.

The desire to create, in the new generations, a culture that is increasingly close to the competencies 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.

To strengthen Saipem's presence in Mozambique in the long term, starting from 2019, collaboration agreements were developed with local schools and universities, with the aim of carrying out training, promotion, development and research activities in the sectors of science and technology, including the Memorandum of Understanding that Saipem Moçambique Lda and Universidade Lúrio ("UniLurio") signed in February 2020 for the development of joint initiatives for training, promotion, development and research activities in the sectors of science and technology. Moreover, with the objective of promoting a collaboration between universities in Italy and Mozambique, and with the aim of promoting the social, economic and cultural fabric of the country, in 2020 Saipem began a collaboration with the Politecnico of Milan and UniLurio, in order to support students in career guidance and help lecturers improve the quality of teaching.

In this context, with the support of Saipem, the two universities are about to sign an agreement, the Virtual Mobility Agreement, that will allow Mozambican students to attend courses at the Politecnico of Milan, thereby integrating their educational programme and developing strategic skills to improve their employability.



Attracting talents

In 2020, the policy dedicated to millennials continued, with the aim of modernising policies for attracting youngsters, through dedicated remuneration and development strategies, with the objective of responding better to the different interaction requirements and methods of the new generations.

Straight from the selection process, a rapid and compelling "candidate experience" is guaranteed for students, who can complete most of the selection process using personal devices, also allowing the Company to more effectively assess the candidates' behavioural characteristics through a "web in basket assessment" based on the Saipem Leadership Model. Language skills are also assessed effectively through specific online tests.

With the aim of promoting the growth of young people, a programme was also established to enable their enhancement, accompanying people along a gradual course of training and development. Saipem is adopting innovative instruments and methods for monitoring the results, conduct and growth potential of its people, to orient their development based on company requirements. Millennials have benefited from a dedicated e-learning training offer, with the aim of enabling the development of technical and behavioural skills that are consistent with their role; the Company also plans to provide innovative tools to facilitate continual digital feedback cycles.

The strategic vision of the selection process, which has envisaged an increasing use of opportunities provided by digitalisation, has proven to be successful in the unusual context of 2020, that was characterised by social distancing rules, as the quality and effectiveness of selection activities has remained high. Indeed, during the course of 2020 18,303 applications were managed and more than 90 young talents were hired by the Organisation.



GRI 403-5
GRI 404-1
GRI 404-3

Reverse Mentoring and training

The pandemic which characterised 2020 led to Saipem rethinking its training process, with the aim of making it more suited to the emergency situation. In confirming the strategic relevance of training, Saipem remained committed to guaranteeing the continuity of the provision of its training offer through alternative procedures, by favouring and exploiting the potential of e-learning.

In general, despite its commitments, in 2020 the total number of training hours decreased by 40% compared to the previous year, although 97% of the consolidated perimeter (96% for the Group perimeter) had at least one training course during the year. In 2020, on average, every employee attended 19.9 hours of training for the consolidated perimeter (and 18.7 hours at the Group perimeter) and, specifically, on average, each male employee participated in 20.9 hours for the consolidated perimeter (19.6 for the Group perimeter), while each female employee participated in 12.8 hours of training for the consolidated perimeter (11.9 hours for the Group perimeter).

In terms of the training hours used by each professional category, the details are as follows: Senior Managers had an average of 13.3 hours of training for the consolidated perimeter (12.9 hours for the Group perimeter), Middle Managers had 15.5 hours of training for the consolidated perimeter (14.8 hours for the Group perimeter), White Collars had 17.6 hours of training for the consolidated perimeter (16.8 hours for the Group perimeter), and, finally, Blue Collars had 32.1 hours of training for the consolidated perimeter (23.3 hours for the Group perimeter).

HSE training was confirmed as a priority for Saipem, which is why there will continue to be significant investments in this area, through the design and development of dedicated training programmes to promote HSE culture and awareness; in particular, compared to the total training hours provided to employees (655,910 for the Group perimeter and 587,517 for the consolidated perimeter), 78% (76% for the consolidated perimeter) concerned HSE issues, with an average of 15.1 hours of HSE training (14.5 hours for the Group perimeter) for each employee. Moreover, 798,963 hours of HSE training were provided to subcontractors (745,993 hours for the consolidated perimeter). Saipem continues to make investments to acquire greater competencies on compliance and governance issues; in particular, we report a significant increase in hours of training provided in this area, which were up 77% compared to 2019.

The overall scenario the company faced led to a rethink in the means of providing even managerial training, in order to preserve its methodological effectiveness; Saipem intends to invest further in the development of managerial skills and, during the course of 2021, it has committed to designing and offering new initiatives which can be accessed and are effective even with e-learning.

The emergency situation did not have a significant impact on performance assessment activities; the slight decrease in the number of resources monitored through performance assessment instruments is actually explained by the slight reduction in the workforce (from 36,986 to 35,023 resources for the Group perimeter) and not by a lower rate of coverage of the population; indeed, we report that the KPI relating to the coverage percentage of the population that was monitored were higher than levels for the previous year in terms of the consolidation perimeter, while they were slightly lower for the Group perimeter.

Out of 29,522 employees for the consolidated perimeter (35,023 for the Group perimeter), 17,915 for the consolidated perimeter (17,915 for the Group perimeter) were subject to performance assessment, and specifically 64% of women for the consolidated perimeter (58% for the Group perimeter) and 60% of men for the consolidated perimeter (50% for the Group perimeter). 98% of Senior Managers (95% for both the consolidated perimeter and the Group perimeter), 75% of Middle Managers for the consolidated perimeter (71% for the Group perimeter), 62% of White Collars for the consolidated perimeter (56% for the Group perimeter) and 50% of Blue Collars for the consolidated perimeter (36% for the Group perimeter) were subject to performance assessment.

Saipem's commitment to the development of skills not only enhances the new generations but also constantly fosters continuous growth of expert resources. Consistently with the aim of retaining the high-level, distinctive know-how of Senior resources and foster cross-generational learning, the Company has promoted the Reverse Mentoring methodology. A new competencies and knowledge transfer paradigm has been inaugurated, supporting the development of a mindset oriented to experimenting new forms of cooperation between Junior and Senior colleagues. The first two editions involved about 60 resources, who were pre-selected based on their learning aptitude and digital mindset. The pairs identified worked together, with a view to continuous exchange, through periodic, structured meetings aiming to disseminate knowledge and understand emerging trends.

In 2021, a new version of the Reverse Mentoring programme will be launched, with the objective of promoting an inclusive culture which promotes diversity. Saipem's commitment to promoting an increasingly inclusive culture that is attentive to Diversity issues was also pursued through training initiatives in collaboration with the Italian Association, Valore D.

In Saipem's People Strategy, training has always had a strategic value for promoting and improving the competencies of its staff; in 2020 priority was given to obligatory training activities; in particular, an important HSE training programme was issued called Life Saving Rules, with the objective of promoting a familiarisation with these rules in order to protect the health and safety of all of Saipem's employees. At the same time, in line with the issuing of the new HSE Matrix Training, the design and development activities continued for the e-learning programme called HSE Digital Learning Program, which accompanies people in learning about Health, Safety and Environment issues.

Saipem also continued to invest on skills relating to compliance and governance; in particular, the courses relating to Italian Law 231 and anti-corruption issues were updated and the course was developed on the Related Parties procedure for Managing Directors (or equivalent roles) and for the Commercial, Finance, Insurance and Procurement professional categories. The course successfully reached the entire population it was designed for and contributed to an improvement in the application of the above procedures and the traceability of the process. Moreover, a course dedicated to a focus on the legislation and processes connected to Market Abuse was provided.

During the course of the year, the focus on strategic skills to support the business was confirmed through the investment in the promotion of Project Management culture. With the aim of creating a PM Academy, design activities commenced on training content that was developed with the support of the Technical Committee, which includes the Human Resources Function, as well as technical business representatives and lecturers from the Politecnico in Milan. The investment in the PM Academy, given the cross sectional characteristics of the latter, resulted in the promotion of more specific initiatives, such as the "OPM Takeaways" programme developed by the Onshore Division, the objective of which is to improve the knowledge of its project methodologies, starting from experiences on the field and from the lessons learned of the internal instructors.

Saipem has confirmed itself as a promoter of the development and promotion of cross-sectional technical expertise and, through the creation of an Internal Academy, it designs training programmes dedicated to the company's various professional categories through a pool of internal instructors. Saipem's Academy is involved in numerous initiatives to strengthen business knowledge, such as the Deep In (thematic seminars), the training showcase called Pozzo di Scienza promoted by the Onshore Drilling Division and the production of specific internal catalogues for individual Divisions. Also with the intention of safeguarding the pool of technical expertise of its businesses, a Technical Committee was set up to design specific training programmes for the Offshore E&C Division.

The strengthening of the connection between business strategies and development and training strategies, with the aim of monitoring and continually developing people's competencies, can also be seen in the initiatives for improving the specific technical skills of the business and in its focus on behavioural skills.

Indeed, the development activities continued to strengthen the pivotal role of Saipem's Leadership Model, including activities for the assessment of potential, that were conducted remotely, with priority given to the population of Talents, the monitoring of which saw the constant involvement of the Human Resources Development Committee in defining and incentivising challenging across-the-board development programmes for young talents. In particular, the Committee collectively verified the suitability of profiles in terms of the requirements of the Leadership Model and promoted career and inter-functional and inter-divisional plans, with the ultimate objective of creating value for the entire Company.

In accordance with the company's Leadership Model, the promotion of the feedback culture also continued, with the trial of an App enabling an instantaneous exchange of feedback amongst colleagues, to promote self-development. In this way people have the opportunity to learn how to communicate and exploit in a constructive manner other people's points of view and acquire greater awareness of their strengths and areas requiring improvement in terms of the Leadership Model.

The synergy between the business strategy and people strategy is also evident in the various leadership development programmes:

- > the initiative Leadership Development Function Head which, following the project Top Leadership Fitting, that was implemented in 2019 by the Onshore E&C Division, promoted a programme to support the function managers in change processes;
- > the Business Leadership programme, which combines training and coaching initiative dedicated to managerial resources of the Project Management, category with the aim of facilitating the integration of behavioural and strategic skills with technical competencies, to promote an innovative and effective leadership style.

Finally, with the aim of promoting knowledge sharing processes, the In & Out programme was launched, which is designed for young talents being developed for the Internal Audit function. Through job rotation processes, the programme promotes the development of cross-sectional and business knowledge and creates opportunities for inter-functional and/or inter-divisional experiences.

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Training							
Total hours of training, of which:	(hours)	2,086,681	2,059,822	2,407,786	2,395,487	1,454,873	1,333,510
- HSE (employees and subcontractors)	(hours)	1,867,401	1,840,555	2,199,115	2,192,036	1,307,275	1,190,562
- managerial potential and skills	(hours)	27,934	27,934	49,698	49,052	8,993	8,941
- professional technical skills	(hours)	191,347	191,333	158,973	154,399	138,605	134,008
Total direct training costs	(€ mln)	-	-	-	-	2.64	2.64
Performance assessment							
Employees subject to performance assessment	(No.)	13,568	13,130	19,111	18,518	17,915	17,915
Senior Managers	(No.)	372	372	372	371	379	379
Managers	(No.)	2,452	2,452	3,006	3,093	3,261	3,261
White Collars	(No.)	7,211	6,785	10,403	9,849	9,812	9,812
Blue Collars	(No.)	3,533	3,521	5,330	5,205	4,463	4,463
Percentage of employees subject to performance assessment out of the total	(%)	40	41	52	57	51	61

Involvement of employees: survey on the reputational profile

In November 2020, all employees were asked to take part in a survey on the perception of Saipem's reputation and on its strategic alignment. The survey was conducted along with RepTrak, a global leader in Corporate Reputation Management. The model used by RepTrak® considers emotional aspects (respect, trust, admiration and positive feeling) and the following 7 rational drivers: quality of services, innovation, workplace, governance, social role, financial performance and leadership.

The survey was completed by 5,085 colleagues (16.5% of the total workforce involved in the survey). 5 different age categories were considered (under 30, 30-39, 40-49, 50-59 and over 59), as well as additional segments for gender, role, seniority and place of work. From the analysis of the responses, it can be seen that on the scale Poor - Weak - Average - Strong - Excellent, Saipem is on average deemed to have a Strong reputation (score of 78.5/100), with peaks of over 85/100 in countries like the United Arab Emirates, Nigeria and Kuwait. 82.4% speak well of Saipem (with a peak of 88.9% in over 59 year olds), and 79.7% of under 30 year olds recommend it as a company to work for. In terms of the rational drivers, the quality of the services provided (78.5/100), the promotion of the social role (75.8/100) and governance (74.5/100) stand out. Under 30s, in particular have a favourable view of workplace (73.2/100), innovation (73.9/100), and leadership (71/100) aspects. Approximately 18% (930 out of 5,085) of employees are "Heroes", i.e. they assign a reputational score and have an alignment with the company's values of more than 90/100, compared to an average of 77/100. In terms of the strategic vision, the priorities expressed by employees are Renewable Energies (34.6%), Digital Transformation (17.3%), New Business Models (16%), New Areas of Development (15.9%), Circular Economy (8.4%), Hydrocarbons (7.7%).

Industrial relations

Of more than 27,000 employees (more than 33,000, 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), 11,868 (12,972 at Group level) are covered by collective bargaining agreements. The decreasing trend for the Group total can be explained by the fact that there was a reduction in staff due to the completion of project activities in areas where these types of agreement are very common (Chile, Nigeria, Kazakhstan).

In 2020, collective strikes were recorded for a total of 168 hours. Strikes were held in Italy (where 79% of strike hours were recorded) and in Argentina.

During the course of 2020, relations with trade union organisations were characterised by a constant dialogue, both in Italy and abroad, for the management of the COVID-19 emergency.

In Italy, the development of plans of action for the management of the emergency linked to the spread of the Sars-Cov-2 virus was continually discussed with the trade union organisations, through a constant process of

information and updating and the creation, following consultations with the internal trade unions, of specific protocols for governing measures to contain the spread of the virus which were applied in each premises. As additional instruments of dialogue and consultation, bilateral Committees were also established at a national and local level between the company and trade union organisations, with the aim of jointly managing the correct application of the actions and measures adopted. The Committees established at individual premises level were also jointly involved with the company in monitoring the health and safety measures in place in the offices in order to verify on an ongoing basis the implementation of all the actions identified for ensuring the recovery of working activities in complete safety.

In line with the actions adopted in Italy, the dialogue with the employees' representatives in France related to defining plans for the return of the workforce to offices following the management of the COVID-19 virus situation. Consultations relating to the actions identified to prevent and contrast the spread of the pandemic were also implemented with trade union representatives in Norway, Nigeria, Brazil and Indonesia; in the latter, the trade union SPL-FSPMI was actively involved in the COVID-19 Yard Task force, the international working group, that was established to ensure a more effective coordination of the prevention activities implemented in the Karimun Yard. In Argentina, the entity Petrex SA Argentina Branch adhered to the agreements drawn up by the sector's trade unions and the chamber of commerce of Neuquén for the redefinition of the criteria and respective remuneration instruments and procedures for workforces during lockdowns.

In the context of the broader and overall cost saving and control actions for a series of management indicators, in Italy and France, actions were established for the management of holidays and leave. In particular, in Italy specific agreements were signed with the internal trade unions of the various premises which defined additional days of company closures in the months of August and in the period between the Christmas and new year holidays.

In France, for the companies Saipem SA and Sofresid, agreements were signed with the relevant unions for the staff to benefit from accumulated holidays, including to observe the measures adopted by the French government. Moreover, the company Sofresid signed an agreement regarding extraordinary reduction of working hours and salaries until June 30. We also report the signing of an additional agreement with the unions of both French companies intended to redefine the PERCOL company pension plan.

Because of the economic effects from the global health emergency which resulted, in particular, in the drilling sector, in the temporary reduction of activities and the postponement of certain related projects, we were forced to use wage support schemes in Italy, Norway and Peru.

In Italy the COVID-19 wage support scheme was used for about 70 workers from the Onshore and Offshore Drilling Divisions based in Ravenna, by signing a specific trade union agreement with the local trade union organisations.

In Norway, in April, the company Saipem Drilling AS started consultations with the local trade unions for use of wage support schemes until October for part of the drilling staff employed on the vessel Scarabeo 8. In Peru, given the situation described above, after notifying the trade unions, the company Petrex SA, adhered in June to the plan for suspending the employment of part of the operational drilling staff until January 2021.

Moreover, in Italy and in other countries, some significant collective bargaining agreements were also signed. For Italy an agreement was signed relating to the Participation Bonus on the final balance of the profitability and productivity results for 2019 which, thanks to the methodology defined in 2018, ensured a closer and more direct correlation between results that were reached, at both the company and divisional level, and the respective payments to employees. In order to ensure an increasingly balanced monetary and non-monetary component of the Bonus, the 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.

The Company and Italian trade union organisations also signed a pre-retirement plan pursuant to Article 4 of the Fornero Law, which will allow for the early retirement of 180 resources in the three-year period 2020-2022, of which 39 retired during 2020. The objective of the plan is to facilitate the process of qualitative and quantitative exchange in the generational mix of resources and is part of the wider plan of actions adopted with regard to digital transformation.

Outside Italy, in 2020, renewal processes for bargaining agreements were initiated and in part completed in various countries, including Nigeria, Indonesia and Kazakhstan. In Norway a new agreement was signed for the ROV (Remotely Operated Vehicles) staff of Saipem Ltd Norway Branch.

The dialogue being brought forward at a transnational level, through the European Corporate Committee, is relevant for international industrial relations, from the perspective of consolidating relations and the

company's commitment in improving discussions with workers representatives in the European Economic Area; in November, the company organised the third annual meeting for the Committee, which was conducted remotely given the restrictions on the movement of people due to the pandemic; this meeting was an important opportunity for a discussion and constructive debate for developing and further consolidating a culture of trust, collaboration and communication with trade union representatives on issues of transnational interest and importance. The plenary meeting took place after another two extraordinary meetings in 2020 on the management of the COVID-19 emergency and the reorganisation of the Offshore E&C Division respectively, aside from the follow-up meeting envisaged by the agreement which established the Committee.

		2018		2019		2020	
		Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Employees covered by collective bargaining agreements	(%)	47	46	42	42	39	44
Strike hours	(No.)	23,699	23,699	15,561	15,561	168	168



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



Equal treatment and enhancement of differences

Saipem is committed to creating a work environment where different characteristics or personal or cultural orientations are considered a resource and a source of mutual enrichment, as well as being an inalienable element of business sustainability. This commitment is a founding point of the Policy "Our People".

As defined in the Code of Ethics, in full compliance with applicable legal and contractual provisions, Saipem undertakes to offer equal opportunities to all its employees, making sure that each of them receives a fair statutory and wage treatment exclusively based on merit and expertise, without discrimination of any kind.

In 2020, as an additional support action for this important objective for Saipem, through its CEO, Stefano Cao, two important protocols were signed: the declaration supporting Women Empowerment Principles (WEP) and the Manifesto for female employment of the association Valore D. The Women Empowerment Principles, introduced by the UN Global Compact and UN Women, represent the guiding principles for companies in promoting gender equality and the emancipation of women in the workplace, market and community. The Manifesto for female employment is a policy document in nine points which summarises the principles, concrete actions and indicators for pursuing gender equality and promoting the role of women in companies.

The functions responsible for managing people must:

- > adopt in any situation criteria of merit and ability (and anyhow strictly professional) in all decisions concerning human resources;
- > always select, hire, train, compensate and manage human resources without discrimination of any kind;
- > create a working environment where personal characteristics or beliefs do not give rise to discrimination and which allows the serenity of all Saipem's people.

More specifically, the Group's compensation policy is based on the principle of equality of merit and the local approach. In fact, Saipem defines its policies in full accordance with the skills and performance assessment and identifies compensation strategies through a local approach that intercepts the trend and specific nature of the labour market and the local labour law context.

Saipem is also committed to promoting programmes to guarantee generational turnover, aiming to ensure business continuity, ensure critical skills and promote change. These initiatives on one hand provide development opportunities for young people and, on the other, enhance the senior resources and their know-how. Generational turnover will be achieved in Saipem by supporting the motivation of the most expert resources to foster tutoring and the transfer of knowledge, as well as creating the organisational and managerial conditions to allow young people to obtain full empowerment.

Saipem guarantees its employees, based on the specific local circumstances, different types and modes of benefits that include supplementary pension funds, additional health funds, mobility support services and policies, initiatives in the field of welfare and family support policies, catering and training courses aimed at ensuring more effective integration within the socio-cultural context of reference. These benefits, when envisaged and based on the country/society/local legislation in force, today are applied to the whole specific reference population regardless of the type of contract (temporary/permanent), except for those particular services where the time scale of performance delivery may not be compatible with the duration of the contract.

The protection of specific groups of employees is safeguarded through the application of local laws, and is reinforced by specific corporate policies that emphasise the importance of this issue. The goal is to ensure equal opportunities for all types of worker in an effort to deter the onset of prejudice, harassment and discrimination of any kind (e.g. related to sexual orientation, colour, nationality, ethnicity, culture, religion, age

and disability) in full respect of human rights. Saipem also guarantees recruitment of disabled persons and young resources and the respect for given proportions of local and expatriate staff.

As regards gender, women represent 12% of the workforce (11% for the Group perimeter). For age distribution, 12% of employees are less than 30 years old (12% for the Group perimeter), 72% are between 30 and 50 (71% for the Group perimeter) and 16% are over 50 (15% for the Group perimeter).

The percentage of women in a managerial position compared to the total number of women is 20% (19% compared to the Group perimeter), a figure which is 1% higher than the previous year.

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 results of the gender pay gap indicators assessed at a global level are also influenced by the specific manpower dynamics for the year. The salary gender pay gap indicator the category of Senior Managers is 83% (for both the consolidated perimeter and Group perimeter), with regard to Middle Managers, the 2020 indicator has a value of 90% (for both the consolidated perimeter and Group perimeter); in terms of White Collars the value is 90% (for both the consolidated perimeter and the Group perimeter).

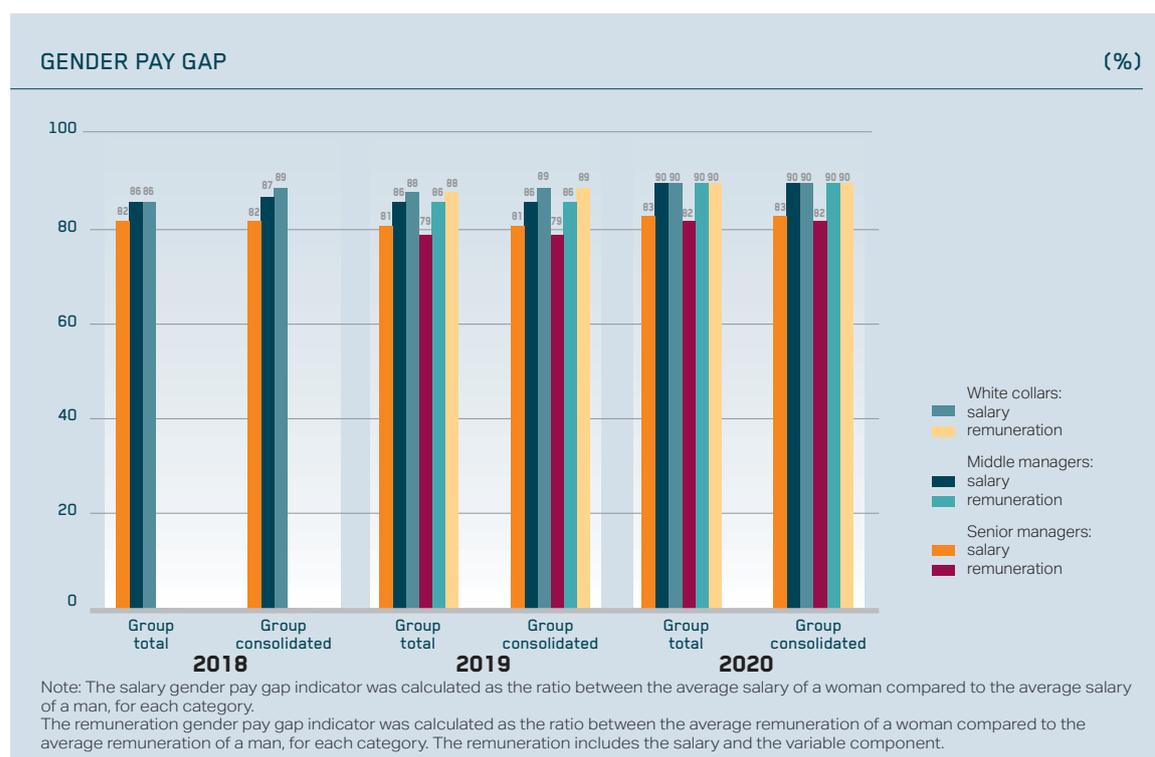
The remuneration gender pay gap indicator, which includes both the fixed and variable part of the remuneration, shows a uniform trend compared to the salary gender pay gap indicator for the Middle Managers and White Collars categories, reaching a value of 90% (for both the consolidated and Group perimeter), while for Senior Managers it is 82% (for both the consolidated perimeter and the Group perimeter).

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.

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. We report a reduction in the average number of days of leave used despite the significant increase in the number of days of parental leave used by men. In 2020, Saipem had 819 employees (841 if we refer to the Group total perimeter), 508 men (518 considering the Group total perimeter) and 311 women (323 considering the Group total perimeter), who made use of parental leave for a total of 30,012 days (31,333 referring to the Group total perimeter); at the same time, one should note the return to work from parental leave of 766 employees (780 at Group level) in the same period, 522 men (532 at Group total level) and 244 women (248 at Group total level), with a return rate from parental leave of 94% (93% also at Group total level), which was up against the previous year.



(No.)	2018		2019		2020	
	Group total	Group consolidated	Group total	Group consolidated	Group total	Group consolidated
Female presence						
Female employment, by geographical area:	3,644	3,458	3,874	3,674	3,964	3,572
Americas	350	350	357	357	363	363
CIS	420	419	375	363	398	227
Europe	1,998	1,902	2,085	2,026	2,162	2,057
Middle East	154	152	227	224	213	210
North Africa	35	35	33	33	31	31
Sub-Saharan Africa	307	220	346	210	293	181
Far East	380	380	451	451	504	503
Female leadership						
Female Senior Managers	23	23	26	25	26	26
Female Managers	643	633	689	670	727	698
Age ranges						
Employees under 30 years	3,740	3,526	4,757	4,430	4,793	3,421
of which women	439	399	657	624	582	507
Employees aged between 30 and 50	24,295	22,467	26,762	22,981	24,962	21,275
of which women	2,646	2,522	2,710	2,565	2,828	2,542
Employees over 50 years of age	6,094	5,700	5,467	5,117	5,268	4,826
of which women	559	537	507	485	554	523
Employees with disabilities	-	-	-	-	160	160
Multiculturalism						
Nationalities represented in the employee population	123	122	127	124	129	127



Innovation in people management

During the course of 2020, various project activities were initiated to increase the digitalisation of HR processes, with the objective of improving their effectiveness and efficiency, with a particular focus on the key importance of the relationship between employees and their managers in the management of these processes. The Human Resources function promoted initiatives aimed at the dematerialisation and digitalisation of processes.

During 2020, the study and identification phase began for the technical and functional requirements of the new Human Capital Management (HCM) system in order to reach the integration of the HR processes of

management, compensation, development, training and management of competencies with innovative procedures and in accordance with the best practices of the market.

Also during 2020, as an additional strategic driver for development and change, a digital skills mapping programme was launched throughout the entire company to measure the level of coverage and suitability of ICT/digital skills of resources, compared to the transformation programme that was undertaken. This set of digital skills was also integrated in the inventory of technical and specialist skills associated with the main professional roles within Saipem, in order to ensure a more accurate process of analysis and a qualitative and quantitative dimensioning of the resources during the Strategic Workforce Planning process. A specific action plan was therefore prepared to ensure an improvement of digital skills both through development and training actions within the company and, where necessary, by finding competencies in the external labour market. In this regard, in 2020 we report the commencement of a series of projects, such as the training programme "BeDigital", to promote the dissemination and use of digital collaboration instruments. We also confirmed our focus on Cyber Security issues, through an e-learning training programme for the entire company population, in order to promote awareness in identifying and preventing potential cyber threats and security incidents.

Moreover, in 2020, a series of initiatives were also implemented aiming to completely review and rationalise the staff administration services management model. For a more fluid and rapid use of data for reporting and consolidation activities, in 2020, the innovation of processes also involved the introduction of new systems, including MyHr, the Human Resources Department's new integrated management system for staff attendance, payslips and reporting of business travel expenses.

In 2020, a review was also conducted of the integrated management system from the perspective of a technological upgrade and its integration with the ecosystem of HR applications, in order to promote the simplification of processes.

With the objective of managing the staff selection process in an innovative manner, from the initial application phases through to the on-boarding of resources, we also introduced, as a pilot scheme in the XSIGHT Division, a new Recruiting platform which, thanks to the automation of certain non-core processes, enables a reduction in the time required to identify resources for recruitment purposes.

BUSINESS ETHICS

Respect for human rights



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

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



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 the Policy "Our People".

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. Furthermore, the Chief Executive Officer of Saipem has formally committed to promoting and respecting the principles set out in the United Nations Global Compact, to which Saipem adheres, including principles 1, 2, 3, 4, 5 and 6 (regarding the rights of workers and the promotion of socio-economic development of the territories).

During the course of 2020, to further confirm Saipem's commitment to this issue, the CEO signed a call to action for company leaders on human rights issues, by signing the Italian version of the "CEO Guide to Human Rights" drafted by the World Business Council on Sustainable Development (WBCSD).

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 promotes and encourages a constant open dialogue between employer and employees so that the interests of the parties can be best realised, also in consideration of the fact that a regular and effective communication flow between the two parties appreciably reduces the probability of misunderstandings and conflict arising at the workplace.

Therefore, Saipem takes steps to ensure that there is a widespread and shared system between all the workers in Italy and around the world which permits an easy and effective resolution of any conflicts linked to issues that have implications of an administrative nature.

It is for this purpose that a procedural tool has been drawn up. It defines the methods for resolving conflicts, the schedules, the people involved in the process and knowledge of the outcomes for the workers.

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).

Seafarers also have the right to submit a grievance according to a structured process if a violation of their rights arises.

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 for the 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.

Finally, based on the commitments undertaken by the Group as a member of the Global Compact, since 2017 Saipem has implemented a human rights training and awareness raising plan targeting Human Resources staff and the managers of companies and branches working abroad, as well as subcontractors, seeking a common and more effective approach to the promotion and respect for human rights.

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	<p>Human and labour rights</p> <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. Furthermore, the inclusion of clauses concerning the protection of human rights is envisaged in the contracts. Finally, Saipem organises specific training courses for personnel (both internal and external) engaged in security services.</p>



GRI 410-1
GRI 412-3

Security practices

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 contract¹.

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 Assessment of Security Risks (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 (GST) and the tracking of Saipem employees (and contractors) present on the various operating sites/management offices, both onshore (POS) and offshore (POB), is constantly updated. 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;

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

- > journey management plan;
- > use of GPS geopositioning systems;
- > Safety Plan;
- > 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 missions/staff travel right from the moment of booking/authorisation, and for tracking staff 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 Pretravelling 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.

With regard to training, 2020 was characterised by the commencement of an e-learning programme focusing on ethics and compliance issues, in an integrated module, dedicated specifically to people operating in security: 59 people passed the course during the reporting year, by completing the scheduled training programme, which will continue in 2021 for the rest of the population that has been identified.



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.

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 the training activities and awareness-raising activities of paramount importance.

In confirming the strategic importance of training for promoting and disseminating knowledge on Compliance, Ethics and anti-corruption, Saipem made significant investments during the course of 2020 to guarantee a widespread and increasingly comprehensive supply of training.

In particular, in 2020, 24% of employees for the consolidated perimeter (20% for the Group perimeter) was trained on the subject, with a 46% increase in the number of employees trained compared to 2019; the training hours provided in this area increased by 43% compared to 2019, with a 43% increase for both perimeters in 2020 in the overall training hours provided in the reporting period.

The employees trained on the subject, when broken down by professional category, are: for the consolidated perimeter 30% of White Collars (27% for the Group perimeter), 48% Managers (45% for the Group perimeter), 49% Senior Managers (48% for the Group perimeter), finally Blue Collars, 0.2% for the consolidated perimeter (0.1% for the Group perimeter).

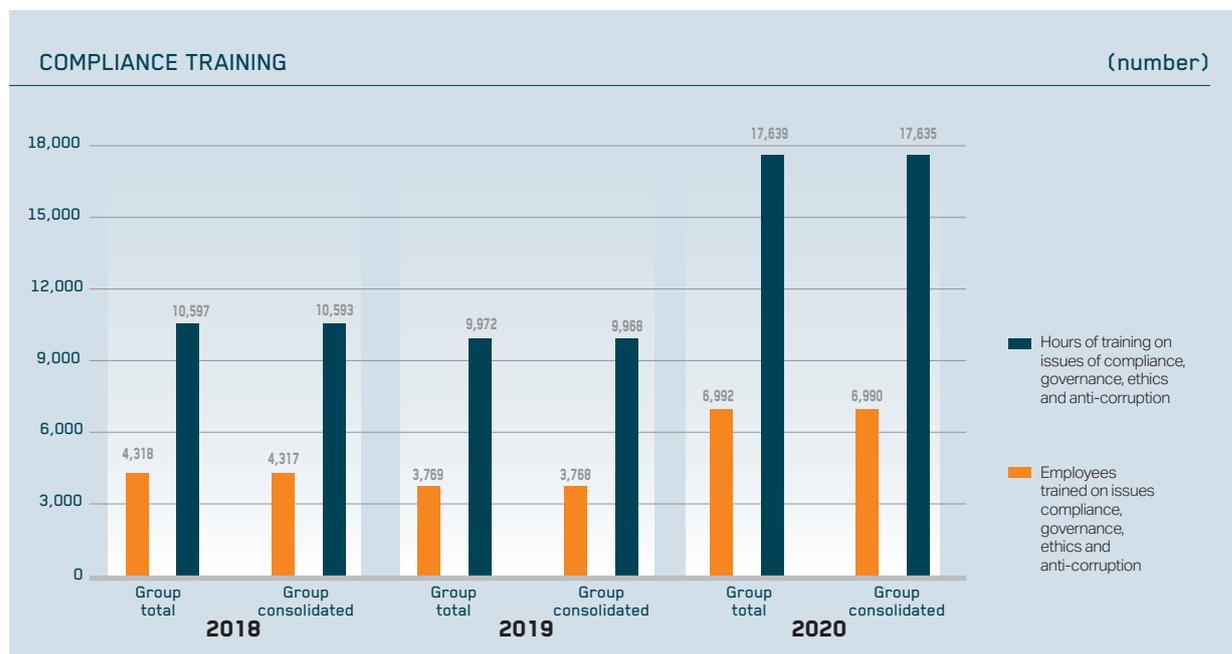
Moreover, the Internal Audit function of Saipem shall independently review and assess the internal control system in order to verify compliance with the requirements of the Anti-corruption MSG, on the basis of its own annual audit programme approved by the Board of Directors of Saipem SpA.

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 2020, no confirmed cases of corruption were reported.

Saipem requests compliance by 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.



	2020	
	Group total	Group consolidated
Employees who have received training on compliance		
For category of employees		
Blue collars	18	18
White collars	4,702	4,700
Managers	2,081	2,081
Senior managers	191	191
For geographical area		
Americas	450	450
CIS	188	188
Europe	4,017	4,017
Middle East	1,120	1,118
North Africa	87	87
Sub-Saharan Africa	683	683
Far East	447	477



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 "whistleblowing" 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 were opened in 2020: 9 cases reporting discrimination issues, of which 5 are still open and 4 closed, 49 cases reporting worker's rights issues, of which 12 still open and the remaining 37 closed; 1 case reporting local community issues, closed during the year. All 59 cases were transmitted to the pertinent company bodies (Board of Auditors of Saipem SpA, Supervisory Board of Saipem SpA and the Compliance Committees of the companies affected by the reports).

With regard to the discrimination issues, with reference to the 4 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, in order to assess compliance with the Code of Ethics. It should also be noted that 4 discrimination cases reported in 2019 were closed in 2020; they were still open at the time of the last reporting. The 4 closed cases were deemed unfounded. With regard to these two cases, despite the absence of violations, corrective actions were identified which consisted in raising the awareness of the employees involved towards the correct application of the provisions of the internal procedures and to the adoption of a collaborative behaviour.

(No.)	2018	2019	2020
Number of cases reported			
Total, of which:	120	146	158
- founded or partially founded	17	27	38
- unfounded	64	73	92
- open	39	46	28
Files on cases of discrimination			
Total, of which:	13	9	9
- founded or partially founded	-	1	-
- unfounded	7	3	4
- open	6	5	5
Files in relation to workers' rights			
Total, of which:	49	56	49
- founded or partially founded	3	8	6
- unfounded	24	26	31
- open	22	22	12
Files regarding violations of the rights of local communities			
Total, of which:	2	1	1
- founded or partially founded	-	-	-
- unfounded	2	1	1
- open	-	-	-

The data is updated as of December 31, 2020.

With regard to the issues of workers' rights, with reference to the 37 closed cases, in 22 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 6 cases and in 9 cases, though without violation, corrective action was taken. The corrective actions were the following: awareness-raising activities on compliance with company processes, the evaluation of disciplinary measures of various nature, improvement of the company processes, the evaluation of measures against vendors of the Saipem Group, training activity relating to the contents of the Code of Ethics, surveys amongst employees and preparation of the necessary documents to close the employment relationship with a former employee.

It should also be noted that 20 workers' rights cases reported in 2019 were closed in 2020; they were still open at the time of the last reporting. Of the 20 cases that were closed, 11 were unfounded, while in 6 cases the violation was confirmed and in 3 cases, despite the absence of violations, corrective actions were identified. The corrective actions were the following: evaluation of disciplinary measures of various nature, improvement of company processes, evaluation of measures against vendors of the Saipem Group, awareness-raising activities for the correct application of the provisions of internal procedures and activities for the promotion of the principles underlying the Code of Ethics amongst employees.

As regards issues on the relations with local communities, with reference to the closed case, the competent company bodies decided to dismiss it on the basis of the investigations carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported. No corrective actions were implemented.

GRI content index

In accordance with GRI standards - Core option

Legend of the documents

NFS20: Consolidated Non-Financial Statement 2020

AR20: Annual Report 2020

CG20: Corporate Governance and Shareholding Structure Report 2020

GRI 102: GENERAL DISCLOSURES 2016

Disclosure	Section name and page number or link
Organisation profile	
102-1	Cover (AR20).
102-2	"Directors' Report", pages 16-31 (AR20).
102-3	Fourth cover (AR20).
102-4	Second cover (AR20).
102-5	Table "Information on shareholding structure", page 64 (CG20).
102-6	"Directors' Report", pages 12-31 (AR20).
102-7	"Company profile and key operations", pages 89-90 (NFS20); "Workforce trend", pages 136-138 (NFS20); "Letter to the Shareholders", pages 2-4 (AR20); "Financial and economic results", pages 32-39 (AR20).
102-8	"Workforce trends", pages 136-138 (NFS20).
102-9	"Social aspects", pages 126-136 (NFS20).
102-10	"Social aspects", pages 126-136 (NFS20).
102-11	"Company management and organisation model", pages 91-92 (NFS20).
102-12	"Business ethics", pages 147-152 (NFS20).
102-13	"Relations with stakeholders", pages 97-99 (NFS20); "Relations with institutions and trade associations", pages 100-101 (NFS20).
Strategy	
102-14	"Letter to the Shareholders", pages 2-4 (AR20).
Ethics and Integrity	
102-16	"Company management and organisation model", pages 91-92 (NFS20); second cover (AR20).
Corporate Governance	
102-18	"Governance of business sustainability", pages 102-103 (NFS20).
Stakeholder engagement	
102-40	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Company management and organisation model", pages 91-92 (NFS20); "Relations with stakeholders", pages 97-99 (NFS20); "A sustainable supply chain", pages 128-130 (NFS20); "Industrial relations", pages 142-144 (NFS20).
102-41	
102-42	
102-43	
102-44	
Reporting practice	
102-45	"Consolidation scope as of December 31, 2020", pages 195-199 (AR20).
102-46	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Consolidation scope as of December 31, 2020", pages 195-199 (AR20); "Changes in the scope of consolidation", page 200 (AR20).
102-47	
102-48	
102-49	
102-50	
102-51	"Consolidated non-financial statement" (NFS19), approved March 12, 2020.
102-52	"Methodology principles and reporting criteria", pages 83-88 (NFS20).
102-53	Inside back cover (AR20).
102-54	"Methodology principles and reporting criteria", pages 83-88 (NFS20).
102-55	"GRI content index", pages 153-157 (NFS20).
102-56	"Independent Auditors' Report", pages 158-161 (NFS20).

MATERIAL TOPICS

Specific Standard	Section name and page number	Notes/Omissions
GRI 201: Economic Performance 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Our business", pages 89-101 (NFS20); "Our contribution to mitigating climate change", pages 112-117 (NFS20).	
201-1: Direct economic value generated and distributed	"Economic value generated and distributed", page 94 (NFS20).	

MATERIAL TOPICS

Specific Standard	Section name and page number	Notes/Omissions
GRI 201: Economic Performance 2016		
201-2: Financial implications and other risks and opportunities due to climate change	"Analysis of the climate-related scenario", pages 112-113 (NFS20); "Risks and opportunities", pages 8-12 (Leading the path to energy transition).	
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 282 (AR20).	
GRI 202: Market Presence 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Local presence", page 128 (NFS20).	
202-2: Proportion of senior management hired from the local community	"Local presence", page 128 (NFS20).	
GRI 203: Indirect Economic Impacts 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Our business", pages 89-101 (NFS20).	
203-1: Infrastructure investments and services supported	"Relations with stakeholders", pages 96-99 (NFS20).	
GRI 204: Procurement Practices 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Supply chain management", pages 92-93 (NFS20).	
204-1: Proportion of spending on local suppliers	"Supply chain management", pages 92-93 (NFS20).	
GRI 205: Anti-corruption 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Business ethics", pages 147-152 (NFS20).	
205-2: Communication and training about anti-corruption policies and procedures	"Fighting corruption", pages 149-151 (NFS20).	For more details on the training received by the Board of Directors please refer to the section "Training for the Board of Directors" of the "Corporate Governance and Shareholding Structure Report".
205-3: Confirmed incidents of corruption and actions taken	"Fighting corruption", pages 149-151 (NFS20).	
GRI 207: Tax 2019		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Our business", pages 89-101 (NFS20).	
207-1, 207-2, 207-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Tax transparency", pages 94-96 (NFS20).	
207-4: Country-by-country reporting	"Tax transparency", pages 94-96 (NFS20).	
GRI 302: Energy 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Sustainable development partnerships", pages 90-91 (NFS20); "Our contribution to mitigating climate change", pages 112-117 (NFS20).	
302-1: Energy consumption within the organisation	"Energy efficiency", pages 113-115 (NFS20).	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 113-115 (NFS20).	
302-4: Reduction of energy consumption	"Energy efficiency", pages 113-115 (NFS20).	
GRI 303: Water and Effluents 2018		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Protecting the environment and minimising environmental impacts", pages 118-126 (NFS20).	
303-1, 303-2	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Water resource management", pages 121-124 (NFS20).	
303-3: Water withdrawal	"Water resource management", pages 121-124 (NFS20).	

MATERIAL TOPICS

Specific Standard	Section name and page number	Notes/Omissions
GRI 305: Emissions 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Sustainable development partnerships", pages 90-91 (NFS20); "Our contribution to mitigating climate change", pages 112-117 (NFS20); "Protecting the environment and minimising environmental impacts", pages 118-126 (NFS20).	
305-1: Direct (Scope 1) GHG emissions	"GHG emissions", pages 115-117 (NFS20).	
305-2: Energy indirect (Scope 2) GHG emissions	"GHG emissions", pages 115-117 (NFS20).	
305-3: Other indirect (Scope 3) GHG emissions	"GHG emissions", pages 115-117 (NFS20).	
305-4: GHG emissions intensity	"GHG emissions", pages 115-117 (NFS20).	
305-5: Reduction of GHG emissions	"GHG emissions", pages 115-117 (NFS20).	
305-7: Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	"Preserving the air quality", pages 124-125 (NFS20).	
Reduction of air pollutant	"Preserving the air quality", pages 124-125 (NFS20).	
GRI 306: Effluents and Waste 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Sustainable development partnerships", pages 90-91 (NFS20); "Protecting the environment and minimising environmental impacts", pages 118-126 (NFS20).	
306-3: Significant spills	"Spill prevention and response", pages 120-121 (NFS20).	
GRI 306: Waste 2020		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Sustainable development partnerships", pages 90-91 (NFS20); "Protecting the environment and minimising environmental impacts", pages 118-126 (NFS20).	
306-1, 306-2	"Methodology principles and reporting criteria" pages 83-88 (NFS20); "Waste management", pages 125-126 (NFS20).	
306-3: Waste generated	"Waste management", pages 125-126 (NFS20).	
306-4: Waste diverted from disposal	"Waste management", pages 125-126 (NFS20).	
306-5: Waste directed to disposal	"Waste management", pages 125-126 (NFS20).	
GRI 308: Supplier Environmental Assessment 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Social aspects", pages 126-136 (NFS20).	
308-1: New suppliers that were screened using environmental criteria	"A sustainable supply chain", pages 128-130 (NFS20).	
GRI 401: Employment 2016		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Human capital", pages 136-147 (NFS20).	
401-2: Benefits provided to full-time employees	"Equal treatment and enhancement of differences", pages 145-146 (NFS20).	
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403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Safeguarding the health and safety of people", pages 130-135 (NFS20).	
403-9: Work-related injuries	"People safety", pages 130-134 (NFS20).	
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GRI 408: Child Labour 2016		
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103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Business ethics", pages 147-152 (NFS20).	
415-1: Political contributions	"Fighting corruption", pages 149-151 (NFS20).	

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Specific Standard	Section name and page number	Notes/Omissions
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Amount spent on decarbonisation R&D and technology application	"Technological innovation and digitalisation", page 113 (NFS20).	
Number of signed cooperation/license agreements for energy decarbonisation projects	"Technological innovation and digitalisation", page 113 (NFS20).	
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Artificial intelligence and digitalisation		
103-1, 103-2 and 103-3	"Methodology principles and reporting criteria", pages 83-88 (NFS20); "Our contribution to mitigating climate change", pages 112-117 (NFS20); "Technological innovation and digitalisation", page 113 (NFS20).	

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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Publications

Relazione finanziaria annuale (in Italian)

Annual Report (in English)

Interim Financial Report as of June 30

(in Italian and English)

Ready for transition - Enabling a green future

- Sustainability Report 2020 (in English)

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