



Addendum
Sustainability Performance

Sustainability Performance

This Addendum provides information on the Saipem Group's sustainability performance pursuant to the Guidelines of the Global Reporting Initiative (version G3.0).

The information contained herein has been structured according to GRI indicators, and supplements the information disclosed previously in sections of the Annual Report and through other tools used to report on the year's performance, as detailed in the chapter 'Methodology and Reporting Criteria'.

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This section summarizes the main information regarding the Company's organizational profile, pursuant to indicators 2.1-2.10 of the GRI. Information is compliant with the Annual Report, to which readers are referred for further details.

Saipem operates as a global contractor in the Oil & Gas industry, and enjoys a solid presence on all continents as well as strategic positioning in the main areas of the oil sector, including West Africa, North Africa, the former USSR, Central Asia, the Middle East, the Americas and South-East Asia.

Saipem is listed on the Milan Stock Exchange and is a subsidiary of Eni, which has a 42.9% stake in the Company.

Saipem has 44,232 employees, of whom over 76.1% are local resources. In 2011, the Group's companies were actively involved in around 290 projects worldwide.

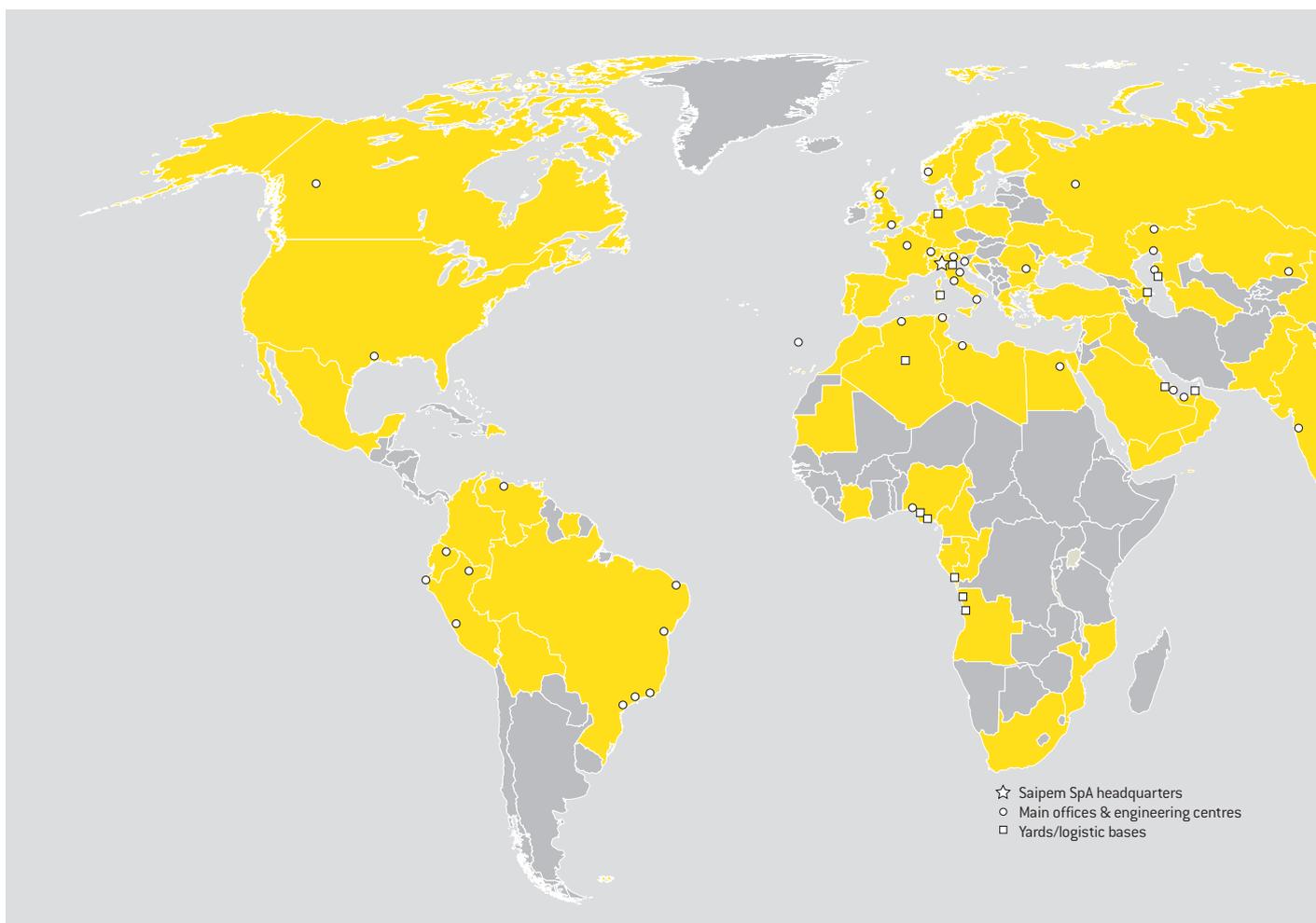
That same year, Saipem's results confirmed its excellent competitive position as well as its efficiency in executing projects [for financial performance, please see previous chapters].

Saipem has two Business Units: Engineering & Construction and Drilling, which often operate in synergy for Onshore and Offshore projects. The Engineering & Construction Business Unit is the

outcome of a merger between the previous Onshore and Offshore Business Units.

In the Engineering & Construction BU, offshore activities include platforms, marine terminals, pipelines and the development of deep-water fields. Experience in EPIC (Engineering, Procurement, Construction and Installation) projects hinges on trunklines, export pipelines, infield flowlines, pipe-in-pipe systems, bundles, tie-ins and riser systems for the transportation of oil, gas and multi-phase products from depths in excess of 2,000 metres. Saipem is also involved in the construction of marine terminals, mooring systems with conventional buoys, wharfs, jetties and FPSO (Floating Production Storage and Offloading) units.

Onshore, Saipem mainly serves the Oil & Gas segments, the refining and petrochemical markets, as well as a number of diversified industrial markets such as environment, infrastructures and marine terminals. The Company has four engineering centres located in Italy (Milan and Fano), France (Paris) and India (Chennai). It can also bank on the support of a range of medium-sized engineering centres in Algeria, Canada, India, Italy, Romania and Great Britain. In 2011, Offshore Engineering & Construction work involved the laying of 1,682 km



of pipeline and the installation of 105,033 tonnes of plant and equipment. As regards Onshore Engineering & Construction, on the other hand, work included the laying of 889 km of pipelines of varying diameter and the installation of 353,480 tonnes of plant and equipment.

Following the signing of contracts with the main oil companies, Saipem's Drilling BU is currently working on some major drilling projects in Europe, the former USSR, North Africa, West Africa, the Middle and Far East and the Americas. Offshore, Saipem operates in both shallow and deep waters.

Offshore Drilling comprised the drilling of 64 wells, totalling approximately 177,725 metres drilled, whereas Onshore Drilling comprised 307 wells, totalling approximately 984,949 metres drilled.

For Offshore Construction, Saipem has a fleet of over 40 vessels. In sea drilling, the Company in fact boasts a rich fleet with six jack-ups already completed and a seventh under construction, a Tender Assisted Drilling Barge, five semi-submersible drilling rigs and a drillship – the Saipem 12000 – which can operate at depths of up to 12,000 feet. In the Onshore sector, Saipem owns about 100 drill and workover rigs. The Company's assets are rounded off

by three FPSO units: FPSO Cidade de Vitória, FPSO Gimboa (located in Brazil and Angola, respectively) and FPSO Aquila (which entered into service in December 2011).

Saipem also owns permanent yards in Angola, Saudi Arabia, Azerbaijan, Brazil (under construction), Congo, Indonesia, Italy, Kazakhstan and Nigeria.

Over the past few years, Saipem has implemented a long-term investment plan targeted at expanding its fleet with new assets. As regards E&C, the scope of the plan is the introduction of new vessels for Offshore Construction as well as FPSOs. For Drilling, investments aim to increase the number of drilling rigs (Onshore and Offshore) and to achieve improvements and innovations in existing plant and equipment.

In 2011, Saipem's sustainability performance obtained the recognition of numerous institutions and rating agencies. For the third consecutive year the Company was included in the DJSI Europe index and in 2011 appeared once again in the FTSE 4 Good and the Ethibel EXCELLENCE Investment Register, thus repeating the successes of 2010. Lastly, for the third year running Saipem was recognized in the SAM Sustainability Yearbook 2011 as a 'Sustainability Leader' in the Oil Equipment & Services industry.



Employees by geographical area

	Total employees	Local employees
Americas	6,665	5,825
CIS	4,653	3,155
Europe	10,410	8,424
Middle East	5,508	4,315
North Africa	4,523	3,739
Far East	4,011	2,951
West Africa and Rest of Africa	8,462	5,279

Commitments, results and objectives

Commitments	2011 Results	2012-2015 goals
Safety		
Ensure the safety of everyone who works for Saipem	<ul style="list-style-type: none"> - OHSAS 18001 certification for the new Engineering & Construction Business Unit and for activities in Integrated Projects (PRIN) - Continuation of the LiHS programme. Realization of the new phase called Leading Behaviours: presentation of the 5 Leading Behaviours on the intranet, with 600 cascaded communications events involving 20,000 employees - Realization of Road Accident projects (Kazakhstan and Congo) - Setting up, in association with the Alma Mater Studiorum Università di Bologna, of a Master's degree titled 'Health, Safety and Environmental Protection in the Oil & Gas Industry' 	<ul style="list-style-type: none"> - Continue and expand the LiHS 'Leading Behaviours' campaign - Improve communications and sharing of information with subcontractors to enhance their performance and their compliance with Saipem's health and safety standards - Continue the asset risk assessment process - Develop and implement training initiatives to ensure that the personnel involved in HSE processes are constantly updated on the most recent legal requirements
Health		
Safeguard and promote the health of Saipem people	<ul style="list-style-type: none"> - Continuation of the BE.ST (Better Lifestyle) programme for controlling and preventing non-transmissible diseases (e.g. diabetes, hypertension, chronic pulmonary illnesses, obesity and cardiovascular diseases) - Continuation of malaria programmes for employees and local communities - 6,050 check-ups made by Saipem's Italian Health and Occupational Medicine service and agreements put in place with more than 20 Occupational Medicine Centres in Italy for health surveillance programmes - 'Pre Travel Counselling' provided for in excess of 700 employees heading abroad - Cooperation with scientific bodies and institutions (Simlii, Siti, Simvim, Ukooa, Icoha, University of Rome 'La Sapienza', the San Raffaele hospital) to share health surveillance protocols and information on related matters 	<ul style="list-style-type: none"> - Continue malaria programmes for employees and local communities - Reinforce monitoring of the long-distance health service, especially for employees operating in frontier areas - Extend the BE.ST programme to all Group operating companies and branches - Continue audits of the Health Management System - Extend Saipem's Health Management System to include subcontractor companies
Personnel development		
Develop the skills and competences of human resources and improve both the work environment and the HR management system	<ul style="list-style-type: none"> - Setting up of partnerships and associations with local universities for the development of the technical and managerial skills of personnel - Expansion of the personnel management system (GHRIS) to cover 95% of the Group's operating companies - Organization of seminars for resource managers to raise awareness on all themes of management, development and training of staff, including Y-ers - Expansion of the Feedback Project to include young graduates and middle management - Issuing of an Operational Procedure on the management of Italian personnel on international assignment - Introduction of the 'Knowledge Owner' into the professional system 	<ul style="list-style-type: none"> - Increase even further the presence of local personnel at all levels of the organization and promote greater multiculturalism - Implement actions in support of female employment by increasing the presence of women candidates at all levels, by improving the quality of their working conditions and by adopting welfare tools - Implement policies for monitoring and developing expatriate resources - Continue the people survey on young graduates and school leavers
Security		
Ensure the security of Saipem's people and vessels	<ul style="list-style-type: none"> - Introduction of a new Company Security Standard to ensure the highest levels of protection for people and assets in environments sometimes characterized by high levels of risk 	<ul style="list-style-type: none"> - Increase the number of contracts with external security companies that include clauses on human rights
Local areas and communities		
Improve and consolidate relations with local stakeholders	<ul style="list-style-type: none"> - Implementation of a model for assessing the positive effects of the Local Content strategy - Holding of two in-house workshops with sustainability facilitators to standardize and improve tools for mapping and analysing stakeholders and local contexts - Completion of half-yearly socio-economic surveys of host populations of the Karimun Yard (Indonesia) 	<ul style="list-style-type: none"> - Reinforce dialogue with local Clients and institutions in relation to Saipem's programmes targeted at the development of the local context - Complete the process of updating sustainability facilitators on tools for mapping and analysing stakeholders and the local context - Improve the system for monitoring local community initiatives - Continue implementation of the model for assessing the effects of the Local Content strategy on significant operating contexts

Commitments	2011 Results	2012-2015 goals
Local areas and communities		
Contribute to the development of local social and economic conditions	<ul style="list-style-type: none"> - Integration of the current Vendor Qualification system to include social and labour rights - Implementation of the audit programme on themes of social and labour rights carried out on 17 vendors from India, China and Singapore - Support for local vendors to increase the quality of their products and services, including in relation to HSE requirements (Kazakhstan) - Partnerships and associations with local schools, institutes and universities to boost the education system and improve the skills of the local population, including with reference to technical Oil & Gas related issues as well as health and safety (Peru, India, Italy, Venezuela, Angola, Colombia, Papua New Guinea) - Partnerships and associations with health organizations and institutions to improve local health conditions and combat endemic illnesses (Algeria, Venezuela, Kazakhstan, Congo, Angola, Nigeria) - Involvement of local vendors and subcontractors in sustainability initiatives targeted at host communities in Kazakhstan 	<ul style="list-style-type: none"> - Continue the labour and human rights audit programme on vendors in critical area - Continue activities in support of the social and economic development of host communities and to maximize use of local resources - Continue actions to increase the share of local procurements on projects - Set up a Socio-Economic Impact Assessment for the new fabrication yard in Brazil and subsequently define an Action Plan
Environment		
Manage and minimize environmental impact in the life cycle of operations and improve environmental performance	<ul style="list-style-type: none"> - Environmental awareness campaigns on water saving and eco footprint - Programmes for the reuse of domestic waste-water currently underway in various areas of hydric stress, above all for reasons of irrigation of green areas or dust abatement (see, for example, the Qafco V-VI Project in Qatar, the Shah Development Project in the UAE and the Kuryk Yard - Ersai in Kazakhstan) - Improvement in the sharing of information and best practices between all operating companies - Completion of the GHG emission calculation method and receipt of certification therefor - Receipt of ISO 14001 certification for the E&C Business Unit and for activities in Integrated Projects (PRIN) - Launch of the new Corporate eNews environmental magazine targeted at employees 	<ul style="list-style-type: none"> - Continue ongoing monitoring of environmental performance and impacts - Launch campaigns to increase sensitivity and awareness of the main environmental topics - Increase energy efficiency - Obtain ISO 14001 certification for all Corporate activities
Clients		
Improve the quality of services offered, including in relation to sustainability issues that are of interest to the Client	<ul style="list-style-type: none"> - Specific meetings held on sustainability with Clients in Congo, Nigeria and Kazakhstan 	<ul style="list-style-type: none"> - Organize specific meetings with the main national and international Clients on sustainability issues and in particular on relations with local areas, with a view to sharing results, programmes and approaches - Ensure proactive consultation with Clients to supplement assessments of socio-economic impacts, in particular Local Content, within the scope of work of the project - Assess and map stakeholders in pilot projects (i.e. Suriname) - Participate in national and international sustainability events to present and share results, programmes and approaches to interested stakeholders
Governance		
Maintain and reinforce a governance system that is capable of meeting Saipem's business challenges in a sustainable way	<ul style="list-style-type: none"> - Training (e-learning and classroom) on anti-corruption, Model 231 (Organization Management and Control Model) and the Code of Ethics - Training of members of the Compliance Committees of subsidiaries - Issuing by Saipem SpA of the ancillary procedures required under the 'Anti-corruption Compliance Guidelines' - Commencement by foreign subsidiaries of checks to ensure compliance of the Organization Management and Control Model with local legislation and subsequent gap analysis on sensitive activities and control standards in force in the companies themselves 	<ul style="list-style-type: none"> - Update Saipem SpA's Model 231 to include the environmental crimes introduced by Italian Legislative Decree No. 231/2001 and by law No. 121 in 2011 - Update Saipem SpA's Model 231 to include the crimes introduced by Italian Legislative Decree No. 231/2001, by Law No. 94, by law No. 99 and by Law No. 116 in 2009 - Revise and update anti-corruption procedures - Provide training (e-learning and classroom) on anti-corruption legislation and practice, Model 231 and the Code of Ethics - Train members of the Compliance Committees of subsidiaries - Ensure that foreign subsidiaries commence checks to guarantee compliance of the Organization, Management and Control Model with local legislation and that they subsequently carry out gap analyses on sensitive activities and on control standards in force in the companies themselves

Methodology and Reporting Criteria

This Addendum is an integral part of Saipem's reporting and communication system for sustainability. It is one of a series of tools designed to disclose comprehensive and detailed

information on the Company's sustainability performance to all stakeholders. It provides supplementary information to that covered by other sustainability instruments.

Communication Tools	Financial Stakeholders	Clients	Internal Stakeholders	Local Stakeholders
Saipem Sustainability 2011				
Addendum: Sustainability Performance				
Country & Project Case Studies				
Financial Statements 2011, Corporate Governance, Code of Ethics				
Annual leaflets, posters and internal newsletters				
Sustainability on the Web				

At the same time, however, and pursuant to the Guidelines of the Global Reporting Initiative, it acts as an Index for the entire sustainability communication and reporting system in order to facilitate readers in their search for any specific information they require.

The subjects and data dealt with herein are compliant with the Guidelines of the Global Reporting Initiative, version G3.0.

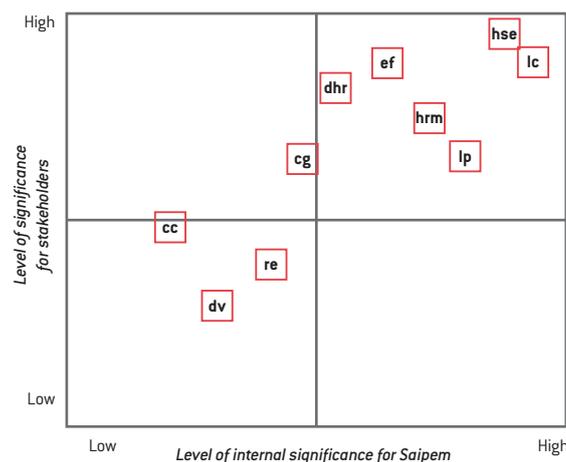
assessed over against the results of a frequency analysis (how often and how many questions were asked on a specific theme) and a relevance analysis (in terms of the criticality and the weight given to the theme) with which the topics dealt with appear in the questionnaires of financial analysts and rating agencies (i.e. SAM, Vigeo, Eiris, Goldman Sachs, Accountability and La Financière Responsable).

Materiality analysis and sustainability context

In 2011, a materiality analysis was conducted to identify the sustainability issues deemed most relevant both for the Company and its stakeholders.

The level of internal significance of the issues to be treated was set by the Sustainability Committee¹, with due regard for the Company's principles and values, its business strategy and objectives, as well as the skills and competitive factors for which it stands out in its market segment.

The level of external interest was surveyed by combining a sustainability benchmarking analysis of 45 of the Company's main Clients (majors and national oil companies, with contracts in force and/or likely to be signed in the future) with the results of the requests and interests that various stakeholders submitted to Saipem over the course of the reporting year. These were then



Efficiency	ef	Defense of Human Rights	dhr
Health, Safety and Environment	hse	Human Resources Management	hrm
Responsibility	re	Diversity	dv
Climate Change	cc	Local Presence	lp
Corporate Governance	cg	Local Content	lc

[1] The Sustainability Committee is chaired by the Chief Executive Officer and consists of all Corporate function SVPs, the Deputy CEO, the Chief Operating Officers of the Business Units and the SVP of Integrated Projects.

Benchmarking of Clients is based on information they make public in documents and on web sites, and on requests submitted to the Company during commercial phases (qualification questionnaires and contractual sustainability requirements). In order to simplify analysis and comparison of results, the themes were broken down into 10 macro categories. The materiality of topics is given by the nexus of the levels of internal significance and external interest.

Selection of the activities and programmes that would be reported in detail in relation to themes identified as 'material' was carried out with due consideration for the sustainability context in which Saipem operates. Greater weight was assigned to those issues and geographical areas in which the Company has a more significant impact. Where possible, the project performance indicators reported were contextualized with reference to detailed information on local conditions.

Consolidation perimeter and principles

This Addendum contains information on, and a description of, the performance indicators of Saipem SpA and all its subsidiaries, including any companies involved in joint ventures with Saipem, for the period 2009-2011 (if possible). This is to facilitate the reader's assessment of both the positive and negative performance trends over time. Information and indicators are processed pursuant to the Guidelines of the Global Reporting Initiative regarding the quality of reporting. Where possible, priority and significance are given to the quantitative measurement of performance. Given the technical complexity of the Company's business operations, the average level of knowledge of the implied reader of the document is borne in mind

when qualitative information is reported, and the language and information are simplified accordingly to facilitate comprehension. The consolidation perimeter basically corresponds to the one adopted for financial reporting.

Data for subsidiaries in which Saipem has less than a 100% shareholding are calculated according to the operational criterion, which is to say that the Company reports 100% of operations in which Saipem SpA or one of its subsidiaries exercises operational control.

For HSE data, intangible companies and subsidiaries that do not produce significant effects are not included in the reporting perimeter. Where expressly indicated, for some HSE indicators deemed particularly important for the Company's business, subcontractors and vendors working on the Company's operative projects are included in the report.

In keeping with the methodology adopted for financial reporting, financial data are reported on a proportional basis.

The methods used for calculating the indicators reported are described in the Appendix to this document.

Any exceptions to the above criteria are expressly indicated in the text, as are any changes made to the indicator calculation methodologies, without this in any way affecting the general commitment to maintain consistency in both the information and the data reported.

Data for the Company's performance reported in the document come from the management and reporting systems used by the various Company functions involved in the reporting process. Almost all indicators are collected by means of dedicated applications for internal monitoring.

Reporting is subject to controls by the same independent auditor used for the consolidated financial statements, for this Addendum and for the document 'Saipem Sustainability 2011'.

For the present document, Saipem declares a Global Reporting Initiative (GRI) version G3.0 application level of B+.

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosures OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

Disclosure on Management Approach

The table below shows the Management Approach to sustainability issues pursuant to the Guidelines of the Global Reporting Initiative, version G3.0.

All documents mentioned are available on the Company website www.saipem.com.

Category	Topic	Document	Section title
Economic Performance			Saipem is an international contractor whose revenues in 2011 totalled €11 billion. The Company has in excess of 40,000 employees and is present in more than 130 countries, often on a medium- to long-term basis and in difficult or 'frontier' conditions. Integration with the local area is an important business strategy for Saipem and is assessed in terms of the potential impacts that need to be reduced to a minimum and the positive implications generated by its activities, mainly the use of local people and suppliers in a way that contributes to their social and economic development.
		AR	Letter to the Shareholders
	Management Method	Saipem web site	Industrial model
		SS11	Chapter on Saipem's distinctive approach: Local Content
	Goals and performance	AR	Letter to the Shareholders; Operating Review; Financial and Economic Results
	Policy and other information	AR	Letter to the Shareholders
Environmental Performance			To supply excellent products and services is, for Saipem, consistent with the Company's commitment to environmental protection. Saipem has a well-structured and integrated HSE management system that ensures compliance with national and international legislation and regulations and with the conditions of contracts entered into with Clients. Alongside the HSE and Environmental Managers and their teams working in Corporate and in the main operating companies (where at least one HSE Manager and a HSE team are normally appointed), each operating project is specifically assigned an HSE team, often with an HSE or Environmental Manager. Reducing environmental impacts to a minimum is an objective found along the entire life cycle of a project, from engineering phase through to de-commissioning. Furthermore, technological innovation at the service of Company assets and the implementation of best practices on operating projects are targeted at constant improvement of the Company's environmental performance.
		SS11	Chapter on Health, Safety and Environment for a Sustainable Future
	Management Method	Saipem web site	Sustainability section
		AR	QHSE section
	Goals and performance	SP	Key Sustainability Indicators
	Policy	Saipem web site	Sustainability section
	Organizational responsibility	Saipem web site	Sustainability section
	Training and awareness	SS11	Chapter on Health, Safety and Environment for a Sustainable Future
		AR	QHSE section
	Monitoring and follow-up	SP	Key Sustainability Indicators
	SS11	Chapter on Health, Safety and Environment for a Sustainable Future	
Labour Practices and Indicators of Decent Working Conditions			Saipem believes that human capital is a key element for durable competitive success and that the constant development of skills plays a fundamental role in ensuring this. The human resources management system, which comprises tailor-made methods and tools for the recruitment, development, mapping, assessment and growth of employees, is applied throughout the Group, regardless of location, thus guaranteeing observance of and adaptability to the characteristics and peculiarities of individual situations. The workplace health and safety of all Saipem personnel is underscored by means of an integrated HSE management system combined with myriad management tools developed in this regard. Industrial relations are handled with due regard for the specificities of local socio-economic contexts as well as for labour laws in force in the country where the Company is operating.
		SS11	Chapter on Making People a Strategic Asset
	Management Method	Saipem web site	Sustainability section
		AR	HR section
	Goals and performance	SP	Key Sustainability Indicators
	Policy	Saipem web site	Sustainability section
	Organizational responsibility	SS11	HSE Training in the Chapter on Health, Safety and Environment for a Sustainable Future; chapter on Making People a Strategic Asset
		Saipem web site	Sustainability section
	Training and awareness	SS11	Chapter on Making People a Strategic Asset
	Monitoring and follow-up	SP	Key Sustainability Indicators
	AR	HR section	

Category	Topic	Document	Section title
Human Rights	Saipem complies with international human and workers' rights legislation and in turn is committed to ensuring that its own suppliers duly observe these. Saipem guarantees equal treatment based on meritocracy and equal opportunities, without discrimination of any type. This is clearly expressed in the Code of Ethics in which Saipem undertakes to spread knowledge of Company values and principles, including by means of implementing suitable procedures of control and by protecting the specific rights of local populations.		
	Management Method	SS11	Chapter on Saipem's distinctive approach: Local Content
		CE	Business ethics
	Goals and performance	SP	Key Sustainability Indicators
	Policy	CE	Business ethics
		Saipem web site	
	Organizational responsibility	AR	Managing reports; Security practices
		CE	Business ethics
	Training and awareness	SP	Key Sustainability Indicators
	Monitoring and follow-up	SP	Key Sustainability Indicators
Social Performance	Saipem is committed to contributing to the long-term social and economic development of the areas in which its business is located. This result is mainly pursued through the employment of local personnel, the transfer of know-how (technical and non-technical) and procurement of goods and services from local vendors. With a view to mitigating impacts on local populations and areas, Saipem has implemented a tool known as the Social Impact Assessment to identify, by way of a structured process, areas requiring intervention and lines of action. As regards local presence, a process for identifying the main stakeholders, as well as the means for involving them in a way conducive to constructive and ongoing dialogue, has been introduced.		
	Management Method	Saipem web site	
		SS11	Chapter on On-the-Ground Presence
	Goals and performance	CGR	Section on Transparency and section on Anti-Corruption Practices
		SP	Key Sustainability Indicators
	Policy	Saipem web site	
	Organizational responsibility	CGR	Section on Transparency and section on Anti-Corruption Practices
	Training and awareness	AR	HR section
	Monitoring and follow-up	SP	Key Sustainability Indicators
	Product Responsibility	Customer satisfaction is a key factor in Saipem's long-term strategy. Quality and HSE management systems have been implemented on each project to obtain maximum levels of health, safety and quality in both products and services and to improve them constantly. Pursuant to Corporate Quality Policy, all operating companies in Saipem have implemented a Quality Management System in accordance with ISO 9001, Corporate guidelines and relevant standards.	
Management Method		Saipem web site	
		SS11	Chapter on Health, Safety and Environment for a Sustainable Future
Goals and performance		SS11	Chapter on Efficiency for Sustainable Business
		SS11	Chapter on Health, Safety and Environment for a Sustainable Future
Policy		Saipem web site	
Organizational responsibility		Saipem web site	
Training and awareness		SS11	Chapter on Health, Safety and Environment for a Sustainable Future
Monitoring and follow-up		SS11	Chapter on Health, Safety and Environment for a Sustainable Future

Acronyms:

AR: 2011 Annual Report

SS11: Saipem Sustainability 2011

SP: Addendum to Sustainability Performance

CE: Code of Ethics

CGR: Corporate Governance and Shareholding Structure Report 2011

Governance, Commitments and Stakeholder Involvement Ref. GRI 4.1-4.17

Saipem is committed to maintaining and reinforcing a system of Governance that is in line with the standards of best international practices and is suited to the complexity of the Company's make-up.

Below is given a brief description of the Company's governance structure. Further details are available in the document 'Corporate Governance Report and Shareholding Structure 2011', which is available in the Governance section of the Company web site.

Ref. GRI	Governance
4.1-4.2-4.3	<p>Saipem's organizational structure is characterized by the presence of a Board of Directors, a pivotal body in the governance system, to which management of the Company is exclusively entrusted. Supervisory functions are the responsibility of the Board of Statutory Auditors whereas the External Auditors are in charge of the legal auditing of accounts. The Shareholders' Meeting manifests the will of and binds the Shareholders, through resolutions adopted in compliance with the law and the Company's Articles of Association. The Board of Directors is made up of 9 members, of whom 7 non-executive, 5 independent non-executive and 2 executive. The Board was appointed by the Shareholders' Meeting of May 4, 2011. In turn, the Board of Directors appointed the Chairman, the Deputy Chairman - CEO (Chief Executive Officer) (to whom the Chief Operating Officers (COO) in charge of the various Business Units report), and a Managing Director for Business Support and Transversal Activities (Deputy CEO). Together with those Directors holding powers of attorney (see Article 26 of the Articles of Association), the Chairman, who has no executive role, represents the Company pursuant to Article 21 of the Articles of Association. Two committees with advisory and consulting functions have been set up within the Board of Directors. These are the Audit Committee (now the Audit and Risk Committee) consisting of independent non-executive members, and the Compensation Committee (now the Compensation and Nomination Committee), made up of non-executive Directors, the majority of whom are independent. In addition to the exclusive powers granted to it by Article 2381 of the Italian Civil Code, the Board of Directors is responsible for defining the strategic guidelines and targets of both the Company and the Group, including their Sustainability policies.</p> <p>[Ref. CGR 2011 - 'Organizational Structure'; 'Management and Control Bodies and their Committees'; 'Responsibilities and Powers of the Board of Directors'; 'Composition'; 'Cumulation of Offices'; 'Independent Directors'; 'Committees within the Board of Directors']</p>
4.4	<p>Saipem employees have numerous dedicated channels of communication at their disposal. These include:</p> <ul style="list-style-type: none"> - the intranet portal, to which all employees have free access. This provides constant information on such themes as business, training and industrial relations, as well as technical sections for the sharing of documents, procedures and best practices; - the quarterly in-house magazine 'Orizzonti', which has a circulation of 15,000 and is also available online. The publication contains articles on significant operational issues and projects; - a large number of newsletters and magazines run by the operating companies and focusing on themes of interest in local areas. <p>Furthermore, information and dialogue channels provided for under agreements with the trade unions are ensured within the industrial relations system so that all employees receive timely information, are consulted and can participate.</p> <p>Saipem provides employees and stakeholders with an information channel – overseen by the Compliance Committee in a way that ensures confidentiality and prevents any form of retaliation – through which it is possible to report any problems related to the internal control system, financial reporting, corporate administrative liability, fraud or other topics (i.e. violations of the Code of Ethics, mobbing, theft, security, etc.). Communications with shareholders are ensured by the manager of the Secretary's Office and any information that is of interest to them is made available on the Saipem web site or can be requested via email at segreteria.societaria@saipem.com. To protect minority interests, one statutory auditor and one alternate statutory auditor from the Board of Statutory Auditors are chosen from among the candidates put forward by minority shareholders. The Chairman of the Board of Statutory Auditors is appointed from among the auditors elected by the minority. More generally, information is guaranteed by means of ample documentation made available to investors, the market and the press on the Saipem web site. It is further ensured by means of press releases, periodical meetings with institutional investors, the financial community and the press.</p> <p>[Ref. CGR 2011 - 'Board of Statutory Auditors'; web site www.saipem.com - Investor Relations]</p>
4.5	<p>The remuneration of the Deputy Chairman - CEO, and the Managing Director for Business Support and Transversal Activities - Deputy CEO, as well as that of senior managers with strategic responsibilities, comprises a fixed component and an annual variable component. The latter is set with reference to Saipem's yearly objectives in terms of new contracts, investments and backlog, adjusted EBITDA and sustainability (further broken down in 2011 into an injury frequency rate, a zero accidents policy and audits on vendors carried out within in the framework of compliance with standard SA8000).</p> <p>[Ref. CGR 2011 - 'Remuneration Report']</p>
4.6	<p>The Saipem procedure 'Operations Involving Interests of Directors and Auditors and Operations with Related Parties' (available at www.saipem.com in the 'Corporate Governance' section), which aims to ensure transparency as well as substantive and procedural correctness in transactions with other parties, was approved by the Board of Directors in 2010 and became effective as of January 1, 2011.</p> <p>[Ref. CGR 2011 - 'Operations Involving Interests of Directors and Auditors and Operations with Related Parties']</p>
4.7	<p>Directors shall meet the honourability requirements prescribed by regulations, possess the professional expertise and experience to carry out their mandate efficiently and effectively and be able to dedicate sufficient time and resources to their offices. In compliance with the Corporate Governance Code, once again this year the Board of Directors carried out a Board Review on the size, composition and level of functioning and efficiency of the Board and its Committees. To this end, it availed of the assistance of a specialist external consultant. The analysis showed that there are specific areas of excellence, such as, among others, the increased knowledge, on part of the Directors, of the Company's operations, gained from presentations given by the heads of BUs at Board meetings and visits to operational sites, as well as the special attention paid to the themes of 'health and safety' and 'risk analysis'.</p> <p>[Ref. CGR 2011 - 'Board of Directors'; 'Board Review'; 'Composition']</p>
4.8	<p>Clear recognition of the Company's values and responsibilities is a foundational element of Saipem's relations with its stakeholders. The following principles, further underscored in the Company's Mission statement, are applied universally throughout Group operations. Compliance with the law, regulations, statutory provisions, self-regulatory codes, ethical integrity and fairness, is a constant commitment and duty of all Saipem people when carrying out their duties and responsibilities. Alongside a commitment to transparency, energy efficiency and sustainable development, these principles characterize the conduct of the entire organization. In compliance with the provisions of law, the Code of Ethics clearly defines the values that Saipem recognizes, accepts and shares, as well as the responsibilities the Company assumes both internally and externally. The 'Team for Promoting the Code of Ethics' is a specific body appointed to promote knowledge of Saipem's Code of Ethics and to facilitate its implementation. Saipem applies the OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises. The Company further observes the universally recognized core labour standards contained in the Fundamental Conventions of ILO (International Labour Organization), repudiates any form of forced or juvenile labour and/or discrimination and ensures ever-improving health and safety standards for its employees and the communities in which it works. Saipem's business conduct is inspired by the respect it affords to each and every difference encountered in the communities where it operates. The Company is further committed to preserving the biological, environmental, social, cultural and economic identities of these communities and to promoting their quality of life as well as their social and economic development. In order to guarantee the achievement of business objectives, the Board of Directors has so far approved the following Policy documents: 'Our People'; 'Our Partners in the value chain'; 'Global Compliance'; 'Corporate Governance'; 'Operational Excellence'; 'Our Institutional Partners'; 'Information Management'. As shown in this document, the results of the Company and its subsidiaries in the social, environmental and economic spheres testifies to the degree to which the aforementioned principles have been implemented. Further details of their application in specific operational contexts are supplied in the document 'Saipem Sustainability 2011'.</p> <p>[Ref. CGR 2011 - 'Issuer Profile'; 'Saipem Sustainability 2011']</p>

4.9	<p>The Board of Directors verifies the achievement of targets during the four-monthly Business Reviews and, on a yearly basis, approves the Strategic Plan which, alongside specifically economic and financial themes, includes objectives related to the social and environmental aspects of the business.</p> <p>The main risks referable to the HSE area are identified, monitored and managed by Saipem through an Integrated HSE Management System based on a yearly planning, implementation and control plan, a review of results and the setting of new targets. The performance is presented and discussed at each meeting of the Board of Directors, which subsequently issues operative instructions. Furthermore, as part of the implementation of the policy of maximizing local content, and with regard to the management of the Company's personnel, the Board of Directors is likewise informed, when needed, of the Company's social performance. The Chairman, the Deputy Chairman - CEO and the Managing Director - Deputy CEO, are informed on a monthly basis of social performance.</p> <p>Every four months, the Sustainability Committee, of which the Deputy Chairman-CEO and the Managing Director-Deputy CEO are members, is presented with the main performance results and activities underway as regards relations with the local communities. The Committee then supplies guidelines and approves the activity plan and is also informed about, and provisionally approves, the external report on the year's sustainability performance, which is subsequently approved formally by the Board of Directors concurrently with the Annual Report.</p> <p>[Ref. AR 2011 - 'Risk Management', 'Sustainability'; CGR 2011 - 'Risk and Internal Control Management System in Relation to the Financial Reporting Process']</p>
4.10	<p>In accordance with the best international practices and in compliance with the Stock Exchange Code, the Board of Directors of Saipem annually conducts a Board Review on the size, composition and functioning of the Board of Directors and its committees and may provide advice on professionals whose presence on the Board it deems to be appropriate.</p> <p>[Ref. CGR 2011 - 'Board Review']</p>
Ref. GRI	Commitment in external initiatives
4.11	<p>Saipem identifies, monitors and actively manages project related risk mainly in relation to engineering and construction contracts, both in bid and executive phases, and projects involving company assets. The Risk and Opportunity and Knowledge Management department (ROKM) ensures periodical reporting to management on the main 'project risks' and trends observed, aggregated both by Business Unit and globally. It also provides support in the implementation of mitigation and improvement measures for the management of risk areas and the optimization of any opportunities identified. ROKM further promotes observance of the Golden Rules & Silver Guidelines, a tool adopted by Saipem to regulate the taking on of risk and through which the Company assigns responsibility to the appropriate management levels in relation to decisions to be taken regarding the most significant assumptions thereof.</p> <p>[Ref. AR 2011 - 'Risk Management']</p>
4.12	<p>Saipem operates in the reference framework of the Universal Declaration of Human Rights adopted by the United Nations, the Fundamental Conventions of the ILO (International Labour Organization) and the OECD Guidelines for Multinational Enterprises.</p> <p>[Ref. Code of Ethics]</p>
4.13	<p>Saipem participates in numerous initiatives and associations that have as their main objective the sharing of best practices within their specific business sectors. The following are among the 32 associations to which Saipem belongs: ANIMP (Associazione Nazionale di Impiantistica Industriale - Italian Association of Industrial Plant engineering), CEI (Comitato Elettrotecnico Italiano - Italian Electrotechnical Committee), IADC (International Association of Drilling Contractors), IMCA (International Maritime Contractors Association), IPLOCA (International Pipeline & Offshore Contractors Association), UNI (Ente Nazionale Italiano di Unificazione - Italian Organization for Standardization), SGI (Società Geologica Italiana - Italian Geological Society). Some operating companies are members of the 'Ship Owners and Marine Industry Ventures Association' and of BIP (Brazilian Institute of Petroleum and Gas). In total, the Saipem Group takes part in 42 associations.</p>

Stakeholder relations Ref. GRI 4.14-4.17

Stakeholders	Main stakeholder involvement initiatives in 2011
Financial stakeholders	
Financial analysts and rating agencies	Periodical reporting of results and illustration of objectives and outcomes. Updating of the web document 'Key of interpretation of Saipem website and published documents'. Drafting of disclosure as requested by VIGEO, the Financière Responsable and EIRIS.
Shareholders	Road Show, communications with the Secretariat function, conferences for international investors, updating of the dedicated web section.
Clients	
	<p>Participation, in the capacity of speaker, at the London Conference of September 2011 on 'Local Content', with the attendance of Clients such as ExxonMobil, Chevron, Petrobras, Shell, etc.</p> <p>In Congo, presentation on sustainability issues for the Client Total Congo (June 2011), meeting with Eni Congo and Total Congo (December 2011). In Nigeria, presentation by the CEO of Saipem to the President of Nigeria on sustainability and Local Content.</p> <p>In Kazakhstan, meeting with Agip KCO and with DAEWOO (July 2011).</p> <p>In Indonesia, grand opening of the new Karimun Yard with the participation of the entire Saipem Board and 33 Clients and potential partners.</p> <p>Constant reporting on operating projects: Project Managers and project staff hold interviews and meetings and reply to the requests of the Client, often present on-site in day-to-day operations. At the end of each significant project, and on an annual basis, the Client is asked for feedback using the Customer Satisfaction tool. Disclosure in the pre-qualification and bid phases for new contracts.</p>
Local authorities and institutions	Agreements and cooperation with Italian universities on a Master's course on HSE topics. Ongoing cooperation with Algerian universities on HSE Master's programmes. Cooperation with local authorities and universities to maximize the employment and training of local personnel.
Employees and trade unions	
Employees	Training on sustainability in Saipem's business by means of two sessions for new employees and five sessions within the HSE management training programme. Workshop organized in Paris on sustainability and results of the SELCE model analysis. Two workshops for the internal network of sustainability Facilitators for operating companies in West Africa, Indonesia, China and Algeria.
Trade unions	Collective bargaining and communications with trade unions on specific local actions and meetings with workers' representatives.
Subcontractors and vendors	
	Involvement of local vendors (36 Nigerian, 23 Algerian, 23 Kazakh, 24 Indonesian) in the quali-quantitative survey for application of the SELCE model. Audit of 17 Chinese and Indian vendors on workers' rights issues.
Local Communities	
	Various initiatives and development programmes held during the year for the host communities, often in association with local organizations and representatives, as illustrated in the document 'Saipem Sustainability 2011'. Activities in association with local schools and universities (Algeria, Azerbaijan, Nigeria, Indonesia, Peru, Venezuela).

Key Sustainability Indicators

In compliance with the 'Sustainability Reporting Guidelines' of the Global Reporting Initiatives (GRI), the following table shows the core indicators. Additional indicators are given only when linked with a report. When indicators are not applicable or not significant

in relation to Company business, explanations therefor are supplied.

The reference documents for additional information are available on the web site www.saipem.com.

Area	GRI Code	GRI Description	Saipem Performance Indicator
Economic Performance	EC1	Direct economic value generated and distributed	Employee payroll and benefits
			Research and development costs
			Expenses for local initiatives
			Dividend distribution
			Operating expenses
			Net sales from operations
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Income taxes
			Saipem adopts a risk management system that includes environmental and country risks which are identified, monitored and tackled.
	EC3	Coverage of the organization's defined benefit plan obligations	Seniority bonus schemes
Pension schemes are designed and implemented by the individual companies of the Saipem Group according to law and trade union agreements. In Italy, worker participation in supplementary pension schemes is optional. Within the framework of the pension reform, much space was given over to sector related supplementary pension funds such as Fondenergia (for workers to whom the national energy and oil contract is applicable) and Cometa (for workers to whom the national metalworkers' contract in the plant and installation industry is applicable), the two national agreements currently applied by Saipem in Italy. Adhesion by workers is high at around 70% of overall staff in both sectors. Other similar schemes are widespread in Saipem, mainly in the larger foreign companies and in those countries where there is a greater presence of Saipem Group workers.			
EC4	Significant financial assistance received from governments	At Corporate level, no significant financings from central governments have been granted. At local level, any tax relief conceded is part of agreements signed with each country and is confidential due to its strategic and competitive relevance.	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Percentage of project based orders placed with local vendors.	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	Local employees	
		% local managers	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Costs for local interventions were as follows:	
		Socio-economic development and local content	
		Infrastructure development	
		Community health	
		Professional training	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Environment	
		Training and education	
		Culture	
			Saipem has adopted a tool for assessing the positive effects generated on local areas by its strategy of maximizing Local Content. Known as 'Saipem Externalities Local Content Evaluation' (SELCE), the model takes into account the indirect positive effects on the supply chain and the induced effects generated on society.

Unit of M.ent	2009	2010	2011	Additional Information
mIn euro	1,483	1,627	1,750	
mIn euro	17	12	12	
mIn euro	-	1.0	1.9	
mIn euro	239	263	319	
mIn euro	7,680	8,231	9,388	
mIn euro	10,292	11,160	12,593	
mIn euro	288	345	392	

Further details are available in the 2011 Annual Report in the section 'Risk Management'.

mIn euro	3,055	3,608	3,867	Further information on employee benefits and seniority bonuses is available in the appropriate chapters of the 2011 Annual Report.
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%	-	61.3	56.4	With reference to the Code of Ethics, Saipem undertakes to contribute to the socio-economic development of the communities in which it operates, using local businesses as far as possible. In 2011, out of a total of € 8,741 million in orders, excluding € 2,233 million for investments in Company assets and staff costs, € 3,668 million were from local vendors.
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No.	29,423	31,761	33,688	Optimizing Local Content is a cornerstone of Saipem's sustainability strategy. Further details are available in the Human Resources section of the 2011 Annual Report, in the Sustainability section of the web site, and in the document 'Saipem Sustainability 2011'.
%	-	48.4	46.1	

mIn euro	-	0.375	1.245	Saipem has internal procedures and tools for defining, implementing and monitoring initiatives for host communities. Initiatives are based on an analysis of local stakeholders and their expectations and are normally implemented or coordinated by Saipem operating companies, often in cooperation with local bodies. Further analysis and details on initiatives implemented in 2011 are available in the document 'Saipem Sustainability 2011'.
mIn euro	-	0.252	-	
mIn euro	-	0.087	0.143	
mIn euro	-	0.186	0.115	
mIn euro	-	0.025	0.082	
mIn euro	-	0.069	0.213	
mIn euro	-	0.047	0.100	

Further analysis and details of the SELCE model and results for operating areas in which it was applied during 2011 are available in the document 'Saipem Sustainability 2011'.

Area	GRI Code	GRI Description	Saipem Performance Indicator
Environmental performance	EN1	Materials used by weight or volume	As a contractor operating in the Oil & Gas industry, the use Saipem makes of the main raw materials in its operating contexts is dictated by the contract conditions set out by the Client (when the materials are not supplied directly by the Client itself, even as semi-finished products). Therefore, from both an economic and environmentally responsible perspective, raw materials fall under the Scope of Work.
	EN2	Percentage of materials used that are recycled input material	This indicator is not applicable, for the reasons given in the previous indicator.
	EN3	Direct energy consumption by primary energy source	Natural Gas
			Heavy Fuel Oil (HFO)
			Intermediate Fuel Oil (IFO)
			Light Fuel Oil (LFO)
			Diesel
			Diesel Marine Oil
			Gasoline
	EN4	Indirect energy consumption by primary energy source	Electricity
	EN5	Energy saved due to conservation and efficiency improvements	This indicator is not covered quantitatively. It should be noted, however, that there has been an increasing commitment to energy saving at Corporate level, which includes the launching of several initiatives in this regard.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	Electricity produced from renewable sources	
EN8	Total water withdrawal by source	Total water withdrawal	
		Fresh water/from waterworks	
		Water from aquifers	
		Water from above-ground waterways	
		Sea water	
EN9	Water sources significantly affected by withdrawal of water	Saipem works in areas where hydric stress conditions differ considerably. Water consumption is one of the environmental features assessed during both preparation phase and in the execution of projects, temporary and permanent offices. Although the consumption of fresh water is normally quite limited, when water consumption is considered significant and the area particularly sensitive, special mitigation measures are implemented to limit impact. In areas with hydric stress, the reuse of water is strongly encouraged and is normally achieved by installing treatment systems that facilitate reuse for purposes of irrigation and dust abatement in site areas.	
EN10	Percentage and total volume of water recycled and reused	Volume and percentage of water reused and/or recycled	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Saipem operates for the most part in areas owned and run by the Client. In the case of areas owned, mainly fabrication yards, Saipem has implemented an impact monitoring system in relation to its own activities, including any possible effects on the biodiversity of the surrounding areas.	

Unit of M.ent	2009	2010	2011	Additional Information	
km ³	6,322.0	1,413.5	1,245.2		
kt	11.6	0.4	6.1		
kt	-	9.3	21.9		
kt	34.0	11.8	6.9	Energy consumption includes the activity of subcontractors who have operated on Saipem sites and have been supplied with fuel directly by the Company.	
kt	355.3	256.5	314.1		
kt	-	90.0	102.6		
kt	4.9	6.1	5.6		
GWh	240.0	83.9	242.8		
					Various awareness-raising initiatives have been implemented to promote environmentally respectful behaviours among employees, for example by placing energy saving posters and stickers in offices and by starting up a pilot project in San Donato Milanese (Italy) on saving energy consumed by PCs. Again in 2011 the shut-down all diesel generators from the Kuryk base in Kazakhstan was completed, and the base is now supplied from the public grid. However, the generators remain on stand-by in the event of emergency. Further details are available in the document 'Saipem Sustainability 2011'.
MWh	-	-	2973		
km ³	5,467.1	6,561.6	7,234.8		
km ³	2,701.8	2,502.4	2,570.8		
km ³	2,276.1	3,607.0	3,938.8		
km ³	83.2	81.9	86.6		
km ³	406.0	370.3	638.5		
				In 2011 the 'Save and Reuse Water' campaign was launched to promote water saving behaviour and practice. Further details are available in the document 'Saipem Sustainability 2011'. The document 'Saipem Sustainability 2010', which is available on the Saipem web site, also includes specific sections on this theme.	
km ³	-	-	303.9		
%	-	-	4.2		

Area	GRI Code	GRI Description	Saipem Performance Indicator
Environmental performance	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Due to the type of business it conducts, Saipem can find itself operating in protected areas or areas of high biodiversity, both onshore and offshore. As a contractor, Saipem works on projects and in areas for which the Client normally supplies an Environmental Impact Assessment. Contrarily, or when conditions make it necessary, Saipem carries out environmental impact studies that include a systematic assessment of the effects on biodiversity, with the purpose of evaluating and implementing specific, project-based compensatory solutions to maintain the original environment.
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	While not yet having defined any strategies and actions at Group level, Saipem is sensitive to the theme of biodiversity and monitors its own potential effects within its Environment Management System implemented in all operating contexts. Management of potential effects, and related mitigation measures, is therefore practiced at the level of individual projects and operating conditions.
	EN16	Total direct and indirect greenhouse gas emissions by weight	Direct GHG emissions Indirect GHG emissions (scope 2)
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Saipem is working to improve its direct emissions monitoring system with a view to implementing appropriate initiatives and to improving and broadening its assessment of the effects of its reduction measures, which is currently limited to specific operating projects. The new 'Emissions Estimation Manual' supplies a complete, coherent and transparent method for estimating the quantities of specific polluting substances emitted into the atmosphere. The approach used derives from a combination of information on the magnitude and type of human activity considered (in Saipem these are the consumption of fuel and electricity), with coefficients called Emission Factors (EF). The Manual was updated in 2011 and certified by Bureau Veritas.
	EN19	Emission of ozone-depleting substances by weight	Saipem does not yet have precise data on the quantities of ozone damaging substances in use. However, use of substances which can damage the ozone is considered an environmental issue that needs to be kept under control, in as much as such substances are not used in the productive cycle, but rather for refrigerators and air conditioners. Use and monitoring thereof is in compliance with the law. A programme for replacing these substances in all Italian offices that use them is currently under way.
	EN20	NO _x , SO _x , and other significant air emissions by type and weight	Direct SO ₂ emissions Direct NO _x emissions Direct CO emissions
	EN21	Total water discharge by quality and destination	Total water discharged
	EN22	Total weight of waste by type and disposal method	Total waste produced, of which: Hazardous Non Hazardous Recycled Dumped in landfill sites Incinerated
	EN23	Total number and volume of significant spills	Total number spills, of which: spills of chemical substances spills of oily substances volumes of substances spilled

Unit of M.ent	2009	2010	2011	Additional Information
				The document 'Saipem Sustainability 2011' provides details on the Offshore LNG Toscana (OLT) project. This is a floating storage and regasification unit (FSRU) which will be permanently anchored offshore Livorno (Italy). The area in question is populated by protected marine species and is near a National Park, all of which determined the need to monitor and reimplant Posidonia in an area of 2.25 m ² .
				In 2011 specific measures were applied on projects in Italy, Algeria and Australia, as described in the document 'Saipem Sustainability 2011'.
kt	-	-	1,320.9	The project 'I turn my engine off when parked' is a case in point. It was implemented in Kazakhstan with a view to increasing environmental awareness and reducing unnecessary emissions into the atmosphere by means of practical suggestions to protect the environment and avoid wasting resources. Further details are available in the document 'Saipem Sustainability 2011'.
ktCO ₂ eq	-	-	120.1	
				The project 'I turn my engine off when parked' is a case in point. Implemented in Kazakhstan, it seeks to raise environmental awareness and provides practical suggestions for protecting the environment and avoiding the waste of resources. Further details are available in the document 'Saipem Sustainability 2011'.
kt	2.7	3.3	4.0	
kt	20.1	19.0	22.4	
kt	8.7	9.6	9.0	
km ³	48,513.6	2,618.6	1,642.3	Data on water discharged in 2009 includes ballast water from fleet vessels. A focus on the 'Zero Discharge' project in Kazakhstan, thanks to which no type of water is discharged any longer into the Caspian Sea, is available in the document 'Saipem Sustainability 2011'.
kt	186.8	209.2	200.1	
kt	23.6	20.0	31.0	
kt	163.2	189.2	169.2	Further details on initiatives implemented during the year (for example, paper and cardboard recycling in Qatar) are available in the document 'Saipem Sustainability 2011'.
kt	13.6	19.0	27.5	
kt	165.4	177.5	157.1	
kt	5.9	10.0	15.6	
No.	99	55	94	
No.	5	4	14	The data given for volumes of substances spilled in 2010 is partial, since monitoring of the indicator for all significant operations became functional only from 2011.
No.	94	51	80	
bbl	-	459.93	4,128.89	

Area	GRI Code	GRI Description	Saipem Performance Indicator
Environmental performance	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Each onshore site has signed an agreement with a local waste management company assessed for its professionalism and correctness before the contract is awarded. Waste is treated and disposed of locally. No cases of waste being transported abroad have been recorded.
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	As a contractor operating in the Oil & Gas industry, from a contractual perspective Saipem does not accept responsibility for the products and services supplied, since these are defined and managed by the Client. However, Saipem adopts all measures necessary to safeguard the environment during the execution of works carried out using its personnel and equipment and during operations over which it has operational control.
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not relevant. Products and services sold by Saipem do not require packaging.
	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2011 Saipem did not receive any significant fine and/or non-monetary sanction for non-compliance with environmental laws and regulations.
	EN30	Total environmental protection expenditures and investments by type	As a contractor, since 2011 Saipem has accounted for expenses and investments solely in relation to its own activities and assets, and not for those related to the scope of work of a project, which, rather, are part of overall project costs and are reimbursed by the Client. HSE investments HSE expenses, of which: expenses for integrated HSE management expenses for the environment
Employment	LA1	Total workforce by employment type, employment contract, and region	Total employees at year end, of which: Senior Managers Middle Managers White Collar Blue Collar Employees in non EU countries Employees on permanent contracts
	LA2	Total number and rate of employee turnover by age group, gender, and region	Total hirings, of which: Men Women Employment of personnel under 30 years of age Employment of personnel aged between 30 and 50 Employment of personnel over 50 years of age Termination of employment of critical resources
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	With reference to Italy, benefits offered to workers with part-time and/or fixed-term contracts do not differ from those given to workers with full-time and/or open-ended contracts.
Industrial relations	LA4	Employees covered by collective bargaining agreements	Out of 36,544 employees monitored in 2011, 20,152 were covered by collective bargaining agreements.
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	The minimum period of notification for operational changes differs from country to country, and in any case is in line with laws and trade union agreements in force in the individual countries in which Saipem operates. As regards project management, it should be noted that the duration of operations is specified in the contract itself. For organizational changes that affect the Company's set-up, Saipem ensures timely and prior notice to the trade union representatives in order to share Company choices and inform workers in a widespread manner.

Unit of M.ent	2009	2010	2011	Additional Information
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Many examples of projects in which Saipem was involved in 2011 are given in the document 'Saipem Sustainability 2011' in the chapter on safeguarding the environment. These include, for example, the OLT project in Italy and the Nord Stream project in the Baltic Sea.

k€	-	-	19,453
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M€	-	-	98.1
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M€	-	-	31.7
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M€	-	-	2.7
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No.	38,052	41,174	44,232
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No.	381	431	441
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No.	4,186	4,608	4,696
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No.	16,362	18,413	20,382
-----	--------	--------	--------

No.	17,123	17,722	18,713
-----	--------	--------	--------

No.	29,461	30,611	33,822
-----	--------	--------	--------

No.	-	-	17,679
-----	---	---	--------

No.	-	-	7,828
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No.	-	-	6,985
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No.	-	-	843
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No.	-	-	3,520
-----	---	---	-------

No.	-	-	3,813
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No.	-	-	495
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No.	-	2,369	2,918
-----	---	-------	-------

Further details on employment are supplied in the 'People' section of this document and in 'Saipem Sustainability 2011'.

%	-	65.64	55.14
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Area	GRI Code	GRI Description	Saipem Performance Indicator
Workplace Health and Safety	LA6	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advice on occupational health and safety programmes	All operating companies organize periodical HSE meetings in which employees and managers take part. These are specifically targeted at analysing potential risk situations for worker health and safety and at outlining appropriate procedures and actions to mitigate them. Number of HSE meetings held
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	Man-hours worked
			Fatal accidents
			Lost Time Injuries
			Days lost
			Total Recordable Incidents
	LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	LTI Frequency Rate
			TRI Frequency Rate
	LA9	Health and safety topics covered in formal agreements with trade unions	HSE Training Protocol
Tool Box Talks			
The promotion of health and safety is also supported by national and Company level agreements. These are shared with trade unions and determine the methods for managing the health and safety of workers, particularly in relation to: - setting up workers H&S committees (composition and number); - compulsory use of personal protection equipment; - special training plans for H&S officers (Company and worker representatives) and widespread diffusion of information on H&S themes to all employees; - periodical meetings between the Company and workers' representatives. In Italy, workplace health, safety and environment are regulated by specific contract clauses and by the national labour contract. Specifically, the latter requires the appointment of worker representatives for the protection of the health, safety and environment of workers. This is done by election and the number of representatives is set by law and by the national labour contract. Furthermore, Saipem has partially linked the payment of bonuses not just to profitability and productivity indicators, but also to health and safety objectives.			
Training and Education	LA10	Average hours of training per year per employee by employee category	Training hours
			Participation by job category: Blue Collar White Collar Middle Managers Senior Managers
	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Number of employees undergoing skills assessment
	LA12	Percentage of employees receiving regular performance and career development reviews	Number of employees undergoing performance assessment

Unit of M.ent	2009	2010	2011	Additional Information
No.	36,463	31,283	41,757	
mIn h	231.83	280.98	329.54	
No.	2	6	6	
No.	111	105	96	
No.	3,835	4,196	4,447	The LTIFR and TRIFR values have been calculated on the basis of 1,000,000 hours worked, in compliance with the standards applied internationally in the industry.
No.	-	480	427	
	0.48	0.40	0.31	
	1.93	1.71	1.30	
No. h	861,623	924,267	1,187,820	Various initiatives implemented in 2011 are described in the document 'Saipem Sustainability 2011'. These include anti-malaria programmes both for employees and local populations, as well as prevention campaigns for diseases such as diabetes, tuberculosis and heart disease. HSE training initiatives for employees are detailed in the document 'Saipem Sustainability 2011'.
No.	374,606	482,929	585,957	
h	-	-	1,809,753	
No.	-	-	34,867	Division of training hours by employee category is done on the basis of estimations of average participation in training initiatives. A more detailed monitoring system is currently being implemented.
No.	-	-	37,597	
No.	-	-	6,449	
No.	-	-	1,241	
No.	-	-	761	
No.	-	-	17,220	

Area	GRI Code	GRI Description	Saipem Performance Indicator
Diversity and Equal Opportunities	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	<p>Female employment</p> <p>Employment of women by age band:</p> <ul style="list-style-type: none"> Women under 30 years of age Women aged between 30 and 50 Women over 50 years of age <p>Number of local employees holding management positions</p> <p>Number of nationalities represented in the employee population</p>
	LA14	Ratio of basic salary of men to women by employee category	<p>Ratio of basic salary of women to men, by employee category:</p> <ul style="list-style-type: none"> Senior Manager and Middle Manager White Collar Blue Collar
Employment	LA15*	Return to work and retention rates after parental leave, by gender	<p>Saipem prioritises the retention of qualified personnel, and recognizes in maternity, paternity and training leave a vital element of support in this regard. Workers enjoy leave periods according to the law and to local trade union agreements. For this reason, employees, independent of their gender, return to work in positions that safeguard the professionalism acquired, the pay in force at the moment of the return to work and participation in the professional growth programmes planned by the Company. With reference to Italy and to 2011, no employment contracts were terminated at the end of the leave periods requested.</p>
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements that include Human Rights clauses or that have undergone Human Rights screening	<p>Vendors supplying Saipem must read and accept in its totality the Company's Model 231 comprising the Code of Ethics, which is founded on the principles of the UN Universal Declaration of Human Rights, the Fundamental Principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Model 231 is included in all standard contracts issued by Saipem. Acceptance of an order implies acceptance of Saipem's Code of Ethics, which remains in force for the totality of orders.</p>
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	<p>A vital element in the qualification of local (and non local) vendors is the Vendor Declaration, in which vendors undertake to act in compliance with the principles set out in Saipem's Code of Ethics, to respect human rights in conformity with the Company's Sustainability Policy, to agree to sign requests in accordance with national laws in force and to fulfil all obligations in terms of wages, social welfare and tax payments of employees.</p> <p>Suppliers who underwent auditing on ILO and SA8000 principles</p>
	HR3	Total hours of employee training on policies and procedures concerning aspects of Human Rights that are relevant to operations, including the percentage of employees trained	<p>Employees trained in the contents of the Code of Ethics, of which:</p> <ul style="list-style-type: none"> via workshops via e-learning <p>Training hours spent on the contents of the Code of Ethics, of which:</p> <ul style="list-style-type: none"> via workshops via e-learning
Non-discrimination	HR4	Total number of incidents of discrimination and actions taken	<p>Reports of discrimination</p> <ul style="list-style-type: none"> - of which founded or partially founded - of which still open

(*) The indicator refers to version G3.1 of the GRI guidelines.

Unit of M.ent	2009	2010	2011	Additional Information
No.	4,186	4,439	4,911	
No.	-	-	538	
No.	-	-	279	
No.	-	-	26	
No.	-	-	925	
No.	-	-	119	
%	-	-	91	Unlike other employee indicators, for the basic pay indicator the employees are divided up using the Hay Job Evaluation System.
%	-	-	92	
%	-	-	92	

Further details on the inclusion of social and labour rights requirements in compliance with the ILO's 'Fundamental Principles and Rights at Work' and with standard SA800, as well as on the pilot programme for audits on vendors deemed most at risk in terms of noncompliance, are available in the document 'Saipem Sustainability 2011'.

No.	-	-	14	
No.	-	-	480	
No.	-	-	291	
No.	-	-	189	
No.	-	-	5,896	
No.	-	-	3,628	
No.	-	-	2,268	
No.	-	-	3	Reports received are handled according to the methods described in the procedure 'Reports of Misdemeanours Received by Saipem and Subsidiaries'.
No.	-	-	-	
No.	-	-	1	

Area	GRI Code	GRI Description	Saipem Performance Indicator
Freedom of Association and Collective Bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	All vendors must read and accept in its totality the Company's Model 231 comprising the Code of Ethics, which is founded on the principles of the UN Universal Declaration of Human Rights, the Fundamental Principles of the International Labour Organization and the OECD Guidelines for Multinational Enterprises. Furthermore, in 2011 Saipem integrated its vendor assessment process with a view to evaluating the Social Responsibility of its supply chain.
Child Labour	HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	The current vendor qualification system has been supplemented with requirements concerning respect for social and labour rights, in compliance with the 'Fundamental Principles and Rights at Work' of the International Labour Organization (ILO), as well as with standard SA8000, with a focus on the following main aspects: child and forced labour, freedom of association and right to collective bargaining, remuneration, working hours, discrimination and disciplinary practices, health and safety. A programme of specific audits was implemented, beginning with Chinese and Indian vendors who are deemed most at risk in terms of non-compliance.
Forced and Compulsory Labour	HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	In 2010 Saipem introduced clauses on the respect for human rights into its contracts with security companies. Failure to comply with these leads to termination of the contract. Personnel destined for work abroad normally undergo training before departure.
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of Human Rights that are relevant to operations	Percentage of security contracts containing clauses on human rights
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No reports have been received on this issue.
Assessment	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	For all new operational projects on which Saipem is in charge of security, prior to presenting a possible bid a Security Risk Assessment is carried out on the country in question. If it is decided to proceed with the bid, a Project Security Execution Plan is then drafted. The security risk linked with operations and with the context is analysed, including issues in connection with the violation of human rights. On the basis of the risks identified, the actions needed both to manage and reduce these to a minimum are decided upon.
Corrective Actions	HR11*	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	Security Assessments carried out during the year Reports filed in relation to workers' rights, of which: - founded or partially founded - still open
Local Communities	S1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	As a contractor, Saipem is not responsible for the impacts of the product requested by the Client. In the management of operational projects, often it is the Client who supplies a Socio-Economic Impact Assessment with which Saipem must comply. Furthermore, in many cases the Client holds on to the sole direct contract with the host communities. In other cases, Saipem adopts all the measures necessary to assess the potential impacts of its activities and the measures needed to mitigate these, as well as specific activities and projects targeted at the socio-economic development of the local context.

(*) The indicator refers to version G3.1 of the GRI guidelines.

Unit of M.ent	2009	2010	2011	Additional Information
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
%	-	-	33	
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
				Further details on checks in relation to the freedom of association and child and forced labour are available in the document 'Saipem Sustainability 2011' in the chapter on Local Procurement.
No.	-	-	32	
No.	-	-	2	
No.	-	-	-	Reports received are handled according to the methods described in the procedure 'Reports of Misdemeanours Received by Saipem and Subsidiaries'.
No.	-	-	1	
				Examples of initiatives implemented in 2011, such as projects for local communities in Peru, Angola (Food plus Bio Diesel) and training for local youth (Papua New Guinea and elsewhere), are described in the document 'Saipem Sustainability 2011'.

Area	GRI Code	GRI Description	Saipem Performance Indicator
Local Communities	S9*	Operations with significant potential or actual negative impacts on local communities	Operations where Saipem has direct responsibility for the impacts generated on the local context include the construction of new fabrication yards. In these cases, Saipem at all times carries out a Socio-Economic Impact Assessment (positive and negative) in order to maximize the benefits for the host communities and minimize any negative effects on them. Furthermore, where necessary, and when not supplied by the Client, the methodologies of the Environmental, Social and Health Impact Assessment (ESHIA) are adopted to assess the degree to which project activities or project-related activities can affect the surrounding populations. This methodology facilitates the pinpointing of any strategies required to mitigate these impacts.
	S10*	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Where Saipem has direct responsibility for impacts generated on the local context, following the Socio-Economic Impact Assessment it draws up an Action Plan to mitigate and manage these impacts.
Corruption	S2	Percentage and total number of business units analysed for risks related to corruption	In so far as applicable, details on initiatives against corruption are described in the document 'Corporate Governance Report and Shareholding Structure 2011'.
	S3	Percentage of employees trained in the organization's anti-corruption policies and procedures	Employees trained during the year in anti-corruption policies and procedures via workshops
			Hours of training on anti-corruption policies and procedures carried out during the year, of which: via workshops via e-learning
S4	Actions taken in response to incidents of corruption	At the time of writing, no cases of corruption have been ascertained. At any rate, anti-corruption procedures and Saipem's Model 231 provide for corrective measures and disciplinary sanctions in the event of the violation of laws, regulations or procedures in this regard. Furthermore, specific contract clauses provide for the termination of contracts in force whenever trade partners, brokers or subcontractors violate anti-corruption laws or internal procedures. The corrective measures deemed necessary and most appropriate are taken on the basis of any violations and the manner in which they were committed.	
Public Policy	S5	Public policy positions and participation in public policy development and lobbying	Saipem believes that correct, transparent and participative dialogue with institutions, NGOs and civil society is a key factor in gaining trust and operating with respect for local communities. Saipem has always been proactive in dialogue with national and international institutions, through the direct interventions of its top management and indirectly through several associations to which it belongs.
	S6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Saipem does not make direct or indirect contributions to parties, movements, committees and political organizations, or to their delegates and candidates, except when provided for by specific regulations.
Anti-Competitive Behaviour	S7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	In 2011, Saipem was not served with any legal notices for anti-competitive behaviour and/or anti-trust and monopoly practices.
Compliance	S8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2011, Saipem did not receive any significant fine and/or non-monetary sanction for non-compliance with laws and regulations.

[*] The indicator refers to version G3.1 of the GRI guidelines.

Unit of M.ent 2009 2010 2011

Additional Information

Examples of initiatives implemented in 2011, such as projects for local communities in Peru, Angola (Food plus Bio Diesel) and training for local youth (Papua New Guinea and elsewhere), are described in the document 'Saipem Sustainability 2011'.

The document 'Saipem Sustainability 2011' details activities associated with the construction (and entering into operation) of new yards in Brazil and Indonesia.

The document 'Saipem Sustainability 2011' details activities associated with the construction (and entering into operation) of new yards in Brazil and Indonesia.

No.	-	-	836
No.	-	-	647
No.	-	-	189
No.	-	-	7,680
No.	-	-	5,412
No.	-	-	2,268

For further information on disputes outstanding in this regard, see the paragraphs on the TSKJ Consortium and Kuwait in the 'Legal proceedings' section of the 2011 Annual Report.

For further information in this regard, see the paragraph on the TSKJ Consortium in the 'Legal proceedings' section of the 2011 Annual Report.

Area	GRI Code	GRI Description	Saipem Performance Indicator
Client Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	As a contractor, Saipem operates at all times in accordance with Client requests, and responsibility for the product remains the Client's by contract. However, Saipem participates in the safeguarding of the health and safety of all personnel working on its operations as well as those of the host communities, thereby contributing significantly to several of the phases required to ensure the safety of the product, which includes obtaining certification from third parties.
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Saipem operates at all times in observance of international laws and regulations and of Client requests.
Product and Service Labelling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not relevant. The products supplied by Saipem comply with the contractual conditions set by the Client.
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Not relevant. Saipem supplies products that do not require labelling, and in any case the benchmarks for technical and quality standards are the conditions set out by the Client in the contract.
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Saipem has implemented a customer satisfaction assessment system, described in detail in the document 'Saipem Sustainability 2011'. Customer Satisfaction questionnaires received Average customer satisfaction score (on a scale of 1 to 10)
Marketing Communication	PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Not relevant. For Saipem, the Client is substantially different from a 'consumer', and is understood, rather, as a 'customer'.
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Not relevant. The Client, not Saipem, is responsible for the product.
Respect for Privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not relevant. Saipem's Clients do not fall under the category of 'consumers', but tend to be large-size companies. Processing of sensitive data is not comparable to that required for physical persons. At any rate, no complaints of this type have been received.
Compliance	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not relevant. The Client, not Saipem, is responsible for the product. At any rate, no cases of this type have been recorded.

Unit of M.ent 2009 2010 2011

Additional Information

Saipem has implemented specific management procedures and processes for particularly complex systems, where the operational risks linked with health and safety are highest (see the chapter 'Efficiency for sustainable business' in the document 'Saipem Sustainability 2011').

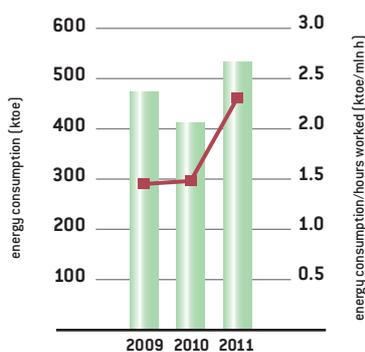
103	53	96
7.72	7.86	7.87

HSE Performance

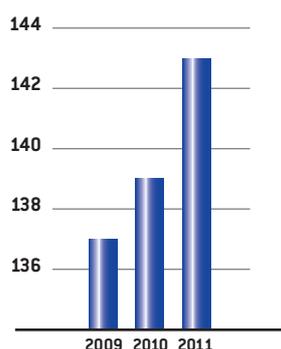
The section provides analysis of health, safety and environmental management, and supplies more specific indicators on energy consumption, safety performance,

the LiHS programme and health promotion and disease prevention tools.

Total energy consumption



Cases of repatriation



Repatriation of Saipem and subcontractor employees for reasons of health is constantly monitored and analysed. In 2011, there were 143 such cases, of which 126 Saipem and 17 subcontractor personnel. Of the overall total, 102 people were repatriated for illness and 41 for accidents. 11 cases were fatal, one of which is already included in the safety statistics.

Additional leading indicators for health and safety performance

	2009	2010	2011
Safety Hazard Observation Cards	239,871	347,536	519,455
Job Safety Analysis	146,131	186,757	334,523
HSE Inspection	110,173	132,911	189,663

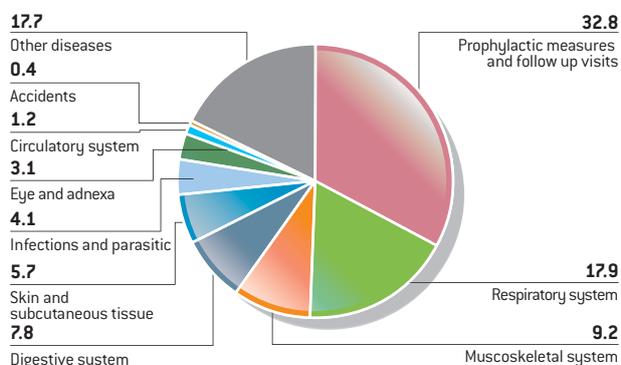
Performance indicators for the Leadership in Health and Safety (LiHS) programme

	2009	2010	2011	Total
Workshops held	136	121	115	372
Number of participants in workshops	1,833	1,615	1,602	5,050
Number of 'cascading events'	189	138	85	412
Number of participants in 'cascading events'	7,872	5,198	3,994	17,064
'Five Stars train the trainer'	61	30	14	105
Number of 'Five Stars training' sessions	94	205	191	490
Number of participants in 'Five Stars training' sessions	1,159	1,963	1,998	5,120
Number of 'Leading Behaviour Cascading events'			663	663
Number of participants in 'Leading Behaviour Cascading events'			21,615	21,615

NB: LiHS data are updated on a periodical basis which does not always coincide with the financial year. Changes can occur from one year to the next.

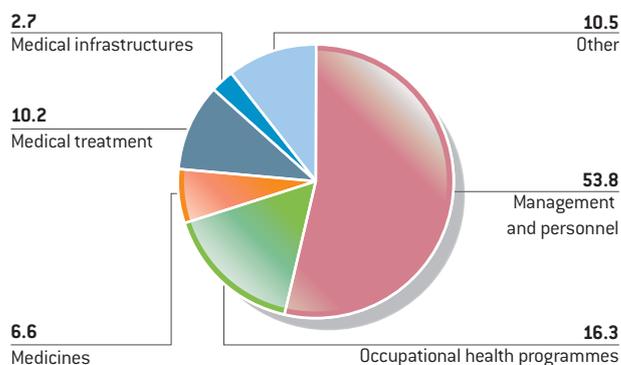
Further details on the LiHS programme are available in the document 'Saipem Sustainability 2011'.

Medical check-ups and cases (%)



Check-ups are carried out periodically on all operating projects for the benefit of employees. In 2011, 75,464 check-ups and/or cases were recorded in the GIPSI system used to collect and monitor medical indicators. This was an increase of 4.43% compared to 2010 (72,264). For the most part, preventive measures were implemented and follow-up check-ups performed. As regards the medical cases, most were of a respiratory nature (13,517), while 301 were due to work-related and non work-related accidents.

Health expenditure (%)

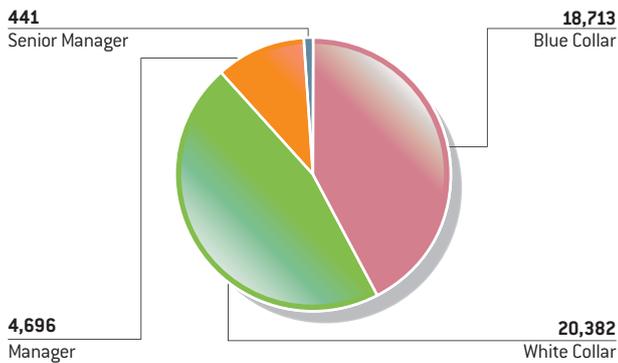


Healthcare costs in 2011 amounted to €28 million, of which 53% (€15.08 million) for management and medical personnel expenses. Occupational healthcare programmes cost €4.56 million and treatments €2.87 million.

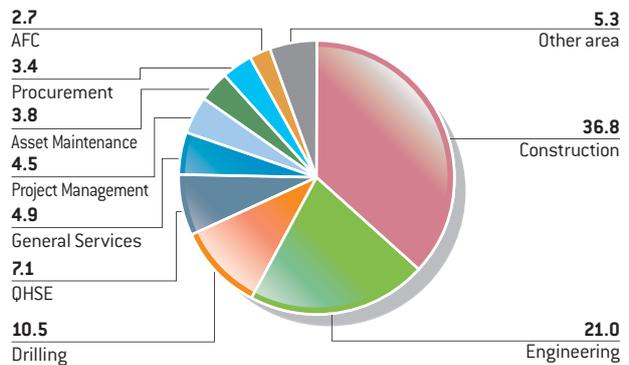
This section provides analysis on the theme of human resources management and supplies information on the Saipem population, diversity indicators and personal development.

Supplementary Performance Indicators

Employees by type (No.)

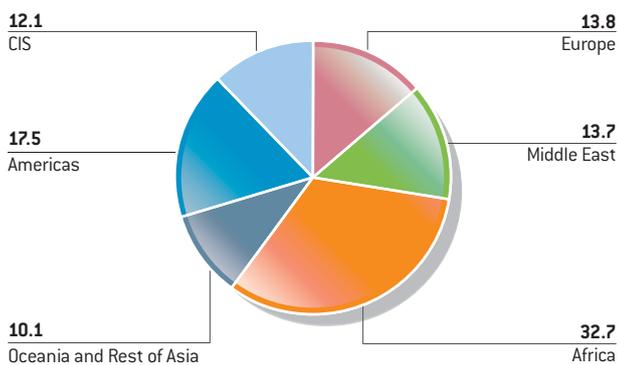


Employees by area (%)



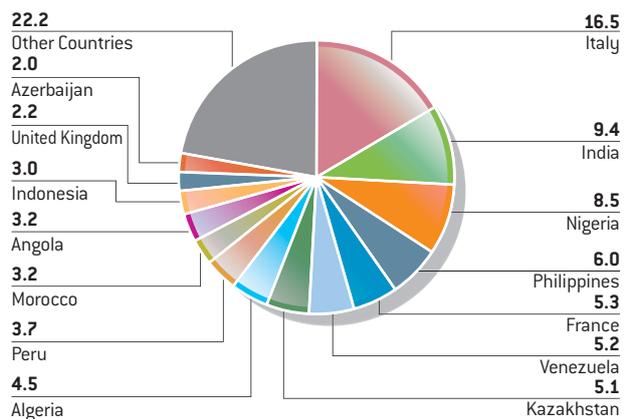
The composition of the workforce by category and professional area denotes the operational character of the Company, with a strong propensity toward productive and engineering professionals in both the Construction and Drilling businesses. Attention to HSE themes is also reflected in the number of dedicated personnel, which accounts for 7% of the workforce.

International employees by geographical area (%)



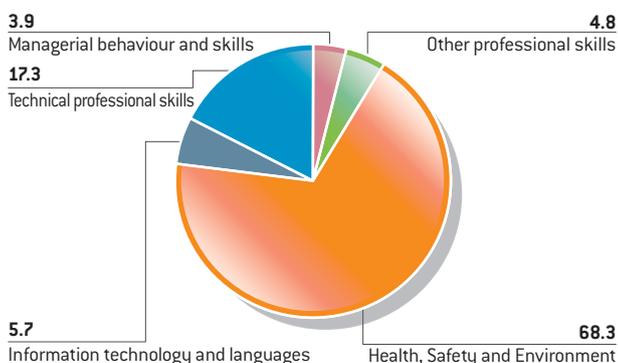
Excluding Italian employees, out of a total of 36,917 international employees, over 91% is locally employed.

Employees by country (%)



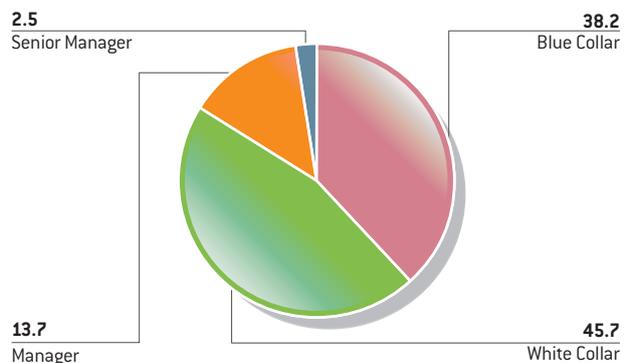
At December 31, 2011 the total number of Saipem employees was 44,232 (41,174 at year end 2010), representing 119 nationalities over the 5 continents.

Type of training (%)



Out of a total of 1,809,753 employee training hours, 1,236,260 were given over to HSE themes.

Employees who underwent performance monitoring (%)



17,220 employees underwent performance monitoring in 2011.

Independent Auditor's Report



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Independent auditors' report on the limited assurance engagement of the addendum to the "Annual Report 2011" named "Sustainability Performance" of the Saipem Group as of 31st December 2011 (Translation from the original Italian text)

To the Shareholders
of Saipem S.p.A.

1. We have carried out the limited assurance engagement of the Addendum to the "Annual Report 2011" of the Saipem Group named "Sustainability Performance" (hereinafter "Addendum"). The Directors of Saipem S.p.A. are responsible for the preparation of the Addendum in accordance with the "Sustainability Reporting Guidelines" issued in 2006 by G.R.I - Global Reporting Initiative, as indicated in the paragraph "Methodology and Reporting Criteria", as well as for determining the Group's commitments regarding the sustainability performance and the reporting of achieved results. The Directors of Saipem S.p.A. are also responsible for the identification of stakeholders and of significant matters to report, as well as implementing and maintaining appropriate management and internal control processes relating to data and disclosures indicated in the Addendum. Our responsibility is to issue this report on the basis of the work performed.
2. Our work has been conducted in accordance with the principles and guidelines established by the "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board. This standard requires the compliance with ethical principles ("Code of Ethics for Professional Accountants" issued by the International Federation of Accountants-I.F.A.C.), including professional independence, as well as planning and executing our work in order to obtain a limited assurance, which provides less assurance than a full scope audit, that the Addendum is free from material misstatements. A limited assurance engagement of the Addendum consists in making inquiries, primarily with company's personnel responsible for the preparation of information included in the Addendum, in the analysis of the Addendum and in other procedures in order to obtain evidences considered appropriate.

The procedures performed are summarized below:

- a) comparison between the economic and financial information and data included in the Addendum with those included in the Saipem Group consolidated financial statements as of 31 December 2011, on which we issued our auditor's report on 28 March 2012, pursuant to art. 14 and 16 of Legislative Decree n.39 dated 27 January 2010;
- b) analysis of the processes that support the generation, recording and management of the quantitative data included in the Addendum. In particular, we have carried out the following procedures:
 - interviews and discussions with Saipem S.p.A.'s management to obtain an understanding about the information, accounting and reporting system in use for the preparation of the Addendum as well as of the internal control processes and procedures supporting the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Addendum;
 - on-site verifications at the Saipem's Boscongo SA located in Pointe Noire (Congo);

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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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- analysis on a sample basis of the documentation supporting the preparation of the Addendum, in order to obtain evidences of the processes in use, their adequacy and the operation of the internal control system for the correct treatment of data and information in relation to the objectives described in the Addendum;
- c) analysis on a sample basis of the compliance of the qualitative information included in the Addendum with the guidelines identified in paragraph 1 of this report and of their internal consistency, with particular reference to the strategy, the sustainability policies and the identification of the significant matters for any category of stakeholders;
- d) analysis of process relating to the engagement of stakeholders;
- e) obtaining of the representation letter, signed by the legal representative of Saipem S.p.A., relating to the compliance of the Addendum with the guidelines indicated in paragraph 1, as well as to the reliability and completeness of information and data presented in the Addendum.

A limited assurance engagement is substantially less in scope than a full audit performed in accordance with ISAE 3000 and consequently it does not allow us to have become aware of all the significant events and circumstances which we could have identified had we performed a reasonable assurance engagement.

With respect to the data and information relating to the prior year, presented for comparative purposes, reference should be made to our report issued on the "Sustainability Report 2010" on 8 April 2011.

3. Based on our work nothing has come to our attention that causes us to believe that the Addendum "Sustainability Performance" included in the "Annual Report 2011" of the Saipem Group is not in compliance, in all material respects, with the "Sustainability Reporting Guidelines" issued in 2006 by G.R.I - Global Reporting Initiative, as described in the paragraph "Methodology and Reporting Criteria".

Milan, Italy

March 28, 2012

Reconta Ernst&Young S.p.A.
Signed by: Maurizio Girardi, Partner