

saipem



Addendum - Sustainability Performance

## Mission

Pursuing satisfaction of our clients in the energy industry, we tackle each challenge with safe, reliable and innovative solutions.

We entrust our competent and multi-local teams to provide sustainable development for our Company and for the communities where we operate.

## Our core values

Commitment to safety, integrity, openness, flexibility, integration, innovation, quality, competitiveness, teamwork, humility and internationalisation.

### Countries in which Saipem operates

#### EUROPE

Austria, Belgium, Croatia, Cyprus, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, United Kingdom

#### AMERICAS

Bolivia, Brazil, Canada, Colombia, Dominican Republic, Ecuador, Mexico, Peru, Suriname, Trinidad and Tobago, United States, Venezuela

#### CIS

Azerbaijan, Kazakhstan, Russia, Turkmenistan, Ukraine

#### AFRICA

Algeria, Angola, Cameroon, Congo, Egypt, French Guinea, Gabon, Ghana, Ivory Coast, Libya, Mauritania, Morocco, Mozambique, Nigeria, South Africa, Togo, Tunisia

#### MIDDLE EAST

Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen

#### FAR EAST AND OCEANIA

Australia, China, India, Indonesia, Japan, Malaysia, Myanmar, Pakistan, Papua New Guinea, Singapore, South Korea, Taiwan, Thailand, Vietnam

Addendum - Sustainability Performance



saipem





# 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 data 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, Criteria and Principles of Reporting'.

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# Organisational Profile

Ref. GRI 2.1-2.10

Saipem is a leading global contractor with a significant local presence in strategic emerging areas such as Africa, Central Asia, America, the Middle East and South East Asia.

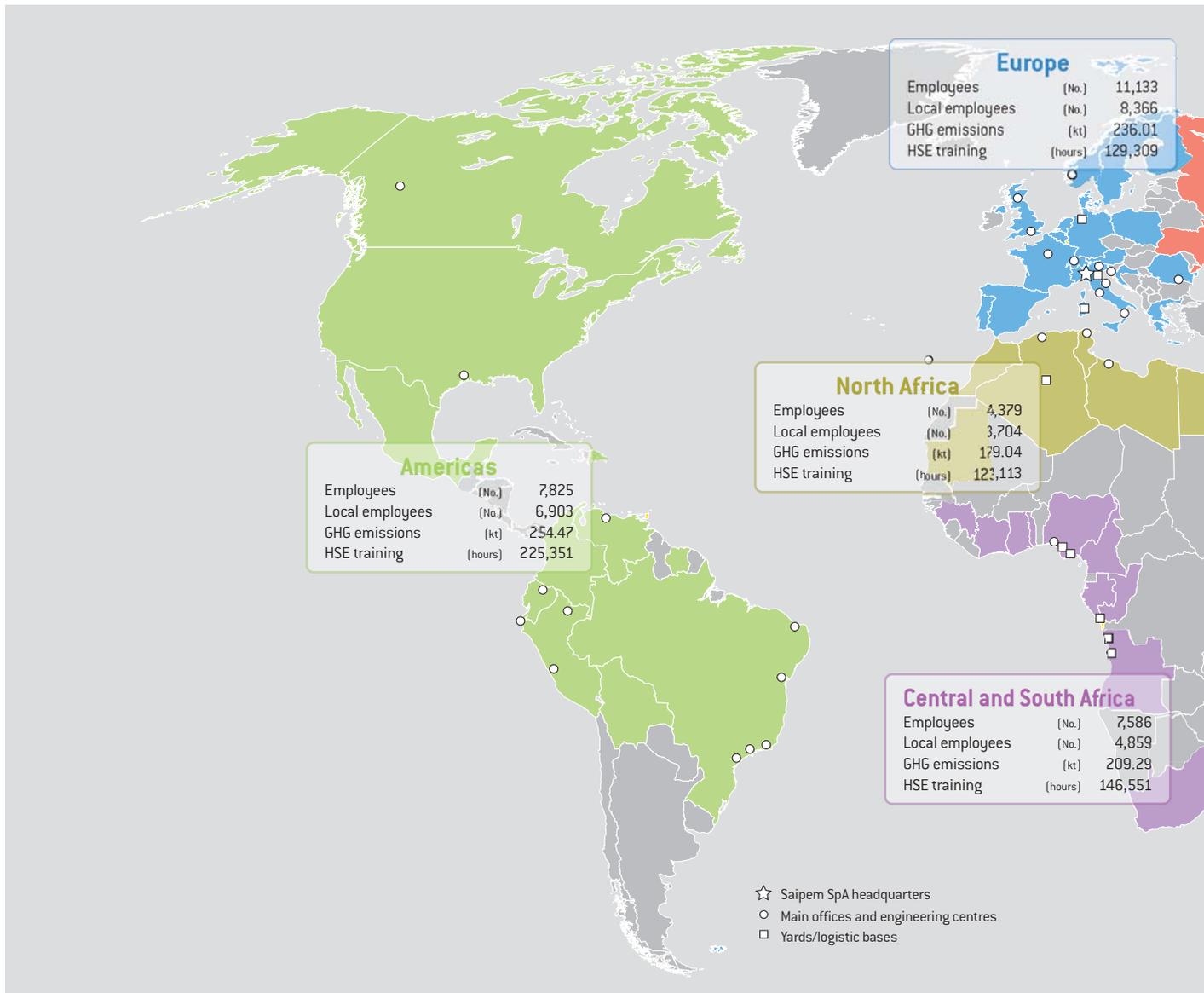
Saipem enjoys an excellent competitive position in terms of EPIC (Engineering, Procurement, Installation and Construction) and EPC (Engineering, Procurement and Construction) services to the Oil&Gas industry, both onshore and offshore, with a special focus on technologically complex and difficult projects, including activities in remote areas, in deep waters and on projects that involve difficult gas or crude supplies. The drilling services offered by the Company stand out for the way they are provided in many of the most critical areas of the oil industry, often in synergy with onshore and offshore activities. Saipem's ability to execute projects in critical and remote areas is ensured by efficient coordination between local and Corporate activities,

guaranteed logistical support worldwide and the consolidated capacity to tackle any difficulties that arise locally. Saipem has been listed on the Milan Stock Exchange since 1984. It is a subsidiary of Eni which currently holds a 42.91% share in the Company.

## The organisation

Saipem has cutting-edge competencies in engineering and project management and avails of a technologically advanced and extremely versatile fleet.

The Company has two Business Units – Engineering & Construction and Drilling – which often operate in synergy for onshore and offshore projects. The Engineering & Construction BU



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

## Figures for 2012

Offshore Engineering & Construction activities in 2012 consisted in laying 1,435 km of pipeline and installing 122,765 tonnes of plant and equipment. Onshore Engineering & Construction, on the other hand, comprised the laying of 543 km of pipeline of varying diameter and the installation of 261,410 tonnes of plant and equipment.

Offshore Drilling comprised the drilling of 109 wells, totalling approximately 193,866 metres, whereas Onshore Drilling comprised 347 wells, totalling approximately 953,022 metres.

### Shareholders by geographical area <sup>(1)</sup>

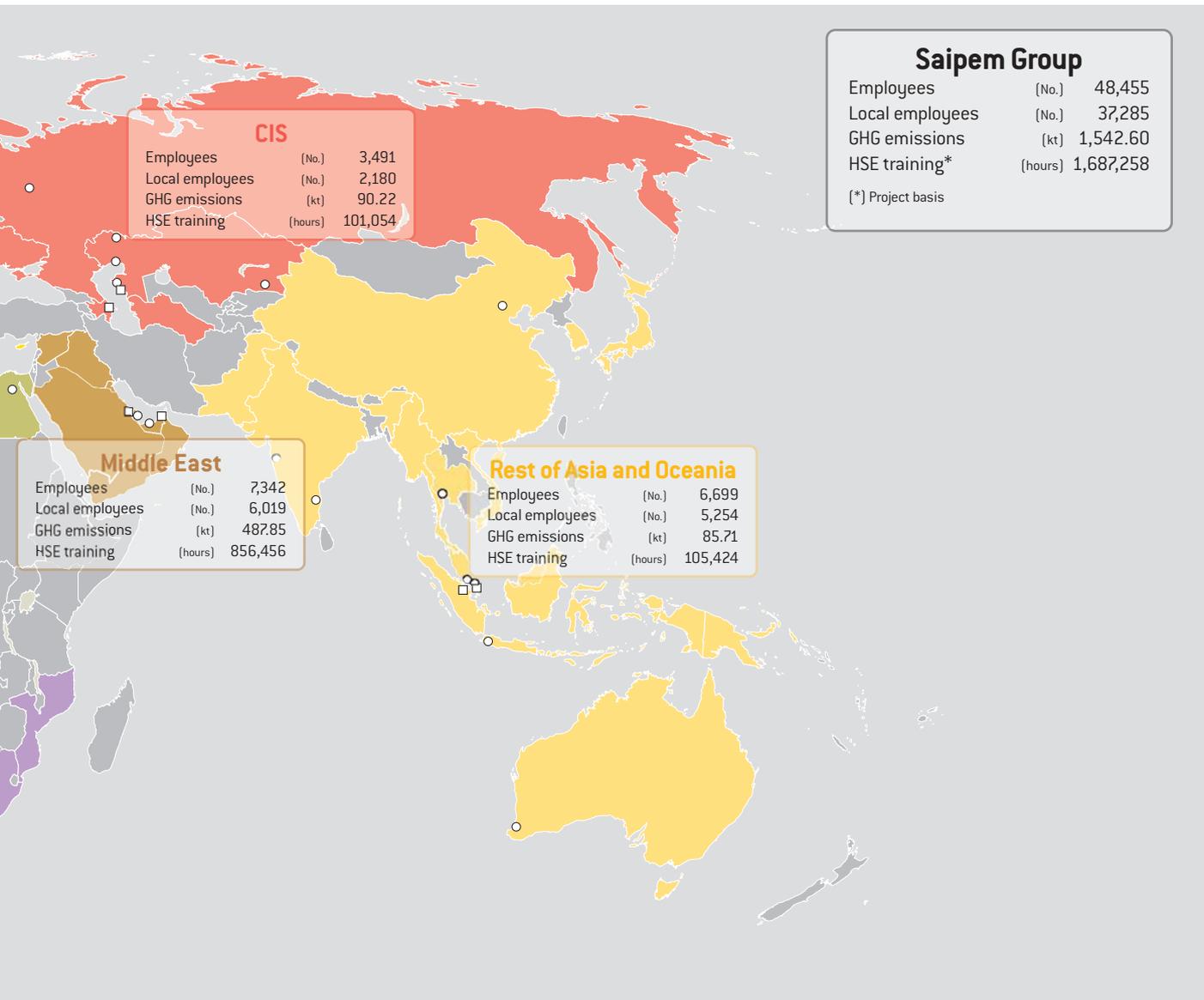
| Shareholders          | Number of shares           | % of capital |
|-----------------------|----------------------------|--------------|
| Italy                 | 222,471,730 <sup>(2)</sup> | 50.4         |
| Other EU States       | 8,732,188                  | 19.88        |
| America               | 52,455,491                 | 11.88        |
| UK and Ireland        | 46,878,845                 | 10.62        |
| Other European States | 12,707,827                 | 2.88         |
| Rest of the World     | 19,164,819                 | 4.34         |

(1) Based on 2011 dividend payments.

(2) Includes 1,996,482 treasury shares with no dividend entitlement.

### Backlog by client

|             | (%) |
|-------------|-----|
| Supermajor  | 22  |
| Major       | 18  |
| Independent | 7   |
| NOC         | 41  |
| Other       | 12  |



# Commitments, Results and Objectives

Ref. GRI 1.2

| Commitments                                                                                                              | 2012 Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2013-2016 goals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Safety</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Ensure the safety of everyone who works for Saipem                                                                       | <ul style="list-style-type: none"> <li>- Obtained OHSAS 18001 certification for all Saipem Corporate, Engineering &amp; Construction BU and integrated project activities, including management of office buildings in Italy</li> <li>- Disseminated the LiHS programme, continued the 'Leading Behaviours' campaign and produced a film on health and safety themes</li> <li>- Launched new Delphi portal for the standardisation and sharing of teaching materials</li> <li>- Developed NIKE software, a support tool for the selection and delivery of personal protective equipment</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>- Obtain OHSAS 18001 certification for Drilling BU activities</li> <li>- Plan training activities on the basis of the 'HSE Training Protocol', revised in 2012 following the updating of professional roles</li> <li>- Continue and expand the LiHS 'Leading Behaviours' programme</li> <li>- Improve communications and sharing of information with subcontractors to enhance their performance and ensure compliance with Saipem's health and safety standards</li> <li>- Continue implementation of the industrial hygiene campaign</li> </ul>                                                                                                                                                                                                                                                                                                           |
| <b>Health</b>                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Safeguard and promote the health of Saipem people                                                                        | <ul style="list-style-type: none"> <li>- Continued malaria programmes for employees and local communities</li> <li>- Raised awareness of vaccination and continued prevention work in favour of employees</li> <li>- Continued the BEST pilot project which, on account of the positive results obtained, has been renamed the 'H-Factor'</li> <li>- Organised events on the prevention of illnesses such as tuberculosis, malaria, hypertension, diabetes, AIDS, combating smoking and supporting blood donations</li> <li>- Launched a teledermatology programme in Nigeria</li> <li>- Concluded the health protocol validation and pre-travel training programme</li> </ul>           | <ul style="list-style-type: none"> <li>- Reinforce implementation of the various remote medicine programmes and monitor their correct use, especially for employees working in frontier areas</li> <li>- Promote the H-Factor campaign and extend it to operating companies and branches</li> <li>- Implement initiatives for local populations where onshore installations are present in order to promote health and prevent illnesses</li> <li>- Guarantee ongoing training for medical personnel, providing specialist courses such as ATLS (Advance Trauma Life Support)</li> <li>- Continue ongoing monitoring of Health Performance Indicators (HPI)</li> </ul>                                                                                                                                                                                                                             |
| <b>Personnel development</b>                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 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"> <li>- Set up the 'Progetto Sinergia' to create greater consistency and co-operation between technical knowledge and its application in the Company</li> <li>- Reviewed professional roles</li> <li>- Concluded the Competence Assurance &amp; Assessment (CA&amp;A) process in offshore construction</li> <li>- Cooperated with local universities for the development of technical and managerial competencies of personnel</li> <li>- Implemented training initiatives in support of recruitment of HSE professionals</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>- Develop and diffuse the Knowledge Owner Project for international resources and implement a plan for making the most of the resources involved</li> <li>- Define minimum labour standards for people and sites and implement improvement measures, where necessary</li> <li>- Increase even further the presence of local personnel at all levels of the organisation and promote greater multi-culturality</li> <li>- Implement actions in support of female employment by increasing the presence of women candidates at all levels, improving the quality of their working conditions and adopting welfare tools</li> <li>- Implement payroll and turnover monitoring policies</li> <li>- Continue the employee satisfaction and work environment surveys on young graduates and school leavers</li> <li>- Continue the 'Progetto Sinergia'</li> </ul> |
| <b>Security</b>                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Ensure the security of Saipem's people and vessels                                                                       | <ul style="list-style-type: none"> <li>- Issued the Security Management System (bid and execution phases) and the Security Golden Rules (bid and execution phases), to ensure the highest standards possible for the protection of people and assets in environments sometimes characterised by high levels of risk</li> <li>- Held first Security Meeting in Zurich</li> </ul>                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>- Continue the expansion of the number of contracts with security services providers that include clauses on human rights</li> <li>- Design and deliver training courses on human rights for Security personnel</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Environment</b>                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Manage and minimise environmental impact in the life cycle of operations and improve environmental performance           | <ul style="list-style-type: none"> <li>- Launched environmental awareness campaigns on themes related to the eco footprint</li> <li>- Obtained ISO 14001 certification for all Saipem Corporate Engineering &amp; Construction BU and integrated project activities, including management of office buildings in Italy)</li> <li>- Started up preliminary activities to effectuate energy assessments on several assets and buildings</li> <li>- Improved the sharing of information and best practices between all operating companies</li> <li>- Delivered training courses on operating control of environmental aspects and more specific courses on waste related themes</li> </ul> | <ul style="list-style-type: none"> <li>- Continue ongoing monitoring of environmental performance and impacts</li> <li>- Carry out an energy assessment on several assets and buildings to identify critical areas and propose corrective actions in order to increase energy efficiency</li> <li>- Carry out a specific case study for the protection of water resources in order to identify criticalities and best practices</li> <li>- Obtain ISO 14001 for Drilling BU activities</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                  |

| Commitments                                                                                                                   | 2012 Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2013-2016 goals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Local areas and communities</b>                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Improve and consolidate relations with local stakeholders                                                                     | <ul style="list-style-type: none"> <li>- Held two in-house workshops with sustainability facilitators to standardise and improve tools for mapping and analysing stakeholders and local facilitator contexts</li> <li>- Structured activities for monitoring of local community initiatives and relations with stakeholders</li> <li>- Carried out survey on local stakeholders in Karimun and presented results to local stakeholders</li> <li>- Completed a study of socio-economic conditions in Kuryk (Kazakhstan)</li> <li>- Analysed the education system in Kuryk (Kazakhstan) to pinpoint areas in need of improvement and implement specific projects</li> <li>- Signed a Memorandum of Understanding with the municipality of Guarujá (Brazil)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>- Strengthen dialogue with clients and local institutions in relation to Saipem's programmes for development of the local context</li> <li>- Consolidate the system for mapping and defining local stakeholder engagement strategies with a view to boosting relations</li> <li>- Complete the training of sustainability officers so as to ensure adequate cover of those areas where Saipem has a long-term presence. The main areas of intervention are monitoring of local community initiatives and activities targeted at reinforcing stakeholder relations</li> <li>- Continue with the preparation of communications tools tailored to local stakeholders</li> </ul>                                                                      |
| Contribute to the development of local social and economic conditions                                                         | <ul style="list-style-type: none"> <li>- Implemented a model for assessing the effects of the Local Content strategy on France, Angola and Indonesia</li> <li>- Completed a Social Return on Investment (SROI) study on the Karimun yard (Indonesia)</li> <li>- Continued the social and labour rights auditing programme on 19 vendors</li> <li>- Set up a Socio-Economic Impact Assessment for the new fabrication yard in Brazil and subsequently defined an Action Plan</li> <li>- Involved local vendors and subcontractors in sustainability initiatives targeted at host communities in Kazakhstan</li> <li>- Set up 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&amp;Gas related issues as well as health and safety (Kazakhstan, Peru, Italy, Brazil, Nigeria, Colombia and Algeria)</li> <li>- Set up partnerships and associations with health organisations and institutions to improve local health conditions and combat endemic illnesses (Venezuela, Colombia, Kazakhstan, Congo, Angola, Nigeria)</li> </ul> | <ul style="list-style-type: none"> <li>- Continue implementation of the assessment model of effects of the local content strategy on significant operating contexts</li> <li>- Continue the auditing programme on vendors in critical areas on themes related to labour rights and respect for human rights</li> <li>- Continue activities in support of the socio-economic development of host communities and the leveraging of local resources in the main communities in which Saipem operates</li> <li>- Continue actions to increase the share of local project based procurements, including by means of initiatives to support the qualification of local vendors</li> </ul>                                                                                                     |
| <b>Clients</b>                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Improve the quality of services offered, including in relation to issues of sustainability that are of interest to the client | <ul style="list-style-type: none"> <li>- Held specific meetings on sustainability themes with various clients, among whom Chevron, Petrobras, ExxonMobil, Total E&amp;P, Inpex, SABIC Safco and Woodside</li> <li>- Carried out a study to evaluate the socio-economic benefits of a project in Suriname</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>- Promote dialogue with clients with a view to strengthening relations, including in a perspective of sustainable management of projects</li> <li>- Participate in national and international sustainability events to present and share results, programmes and approaches to interested stakeholders</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Governance</b>                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 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"> <li>- Provided training (e-learning and classroom) on anti-corruption legislation and practice, Model 231 and the Code of Ethics</li> <li>- Approved the 'Anti-Corruption Management System Guideline' (MSG) which replaced the previous Guidelines and optimised the compliance system already in force</li> <li>- Completion, with a view to short-term implementation, of control standards relating to the environmental crimes introduced by Law No. 121 of 2011, such as offences eligible for establishing administrative responsibility of companies pursuant to Legislative Decree No. 231/2001</li> <li>- Reviewed and updated the Corporate Standards 'Joint Venture Agreements - Prevention of Illegal Activity' and 'Intermediary Agreements'</li> </ul>                                                                                                                                                                                                                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Update Saipem SpA's Model 231 to include the crimes introduced by Italian Legislative Decree No. 231/2001, by Law No. 94, Law No. 99 and Law No. 116 of 2009</li> <li>- Revise and update anti-corruption procedures</li> <li>- Provide training (e-learning and classroom) on anti-corruption legislation and practice, Model 231 and the Code of Ethics</li> <li>- Train members of the Compliance Committees of subsidiaries</li> <li>- Ensure that foreign subsidiaries commence checks to guarantee compliance of the Organisation, 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</li> </ul> |

# Methodology, Criteria and Principles of Reporting

Ref. GRI 3.1-3.13

Since 2011, the Group's sustainability indicators and, more generally, its sustainability performance have been disclosed in the form of this Addendum to the document 'Saipem Sustainability'. The Addendum deals with themes deemed to be 'material' for Saipem and its stakeholders and describes the measures and initiatives implemented to achieve the targets set.

Both this Addendum and 'Saipem Sustainability' are an integral part of Saipem's sustainability reporting and communication system, which consists of a series of tools designed to convey information to all Stakeholders in an exhaustive and efficient way.

| Communication Tools                                             | Financial Stakeholders | Clients | Internal Stakeholders | Local Stakeholders |
|-----------------------------------------------------------------|------------------------|---------|-----------------------|--------------------|
| Saipem Sustainability 2012                                      |                        |         |                       |                    |
| Addendum: Sustainability Performance                            |                        |         |                       |                    |
| Country & Project Reports                                       |                        |         |                       |                    |
| Financial Statements 2012, Corporate Governance, Code of Ethics |                        |         |                       |                    |
| Annual leaflets, posters and internal newsletters               |                        |         |                       |                    |
| Sustainability on the web and interactive reports               |                        |         |                       |                    |
| iPad Application                                                |                        |         |                       |                    |

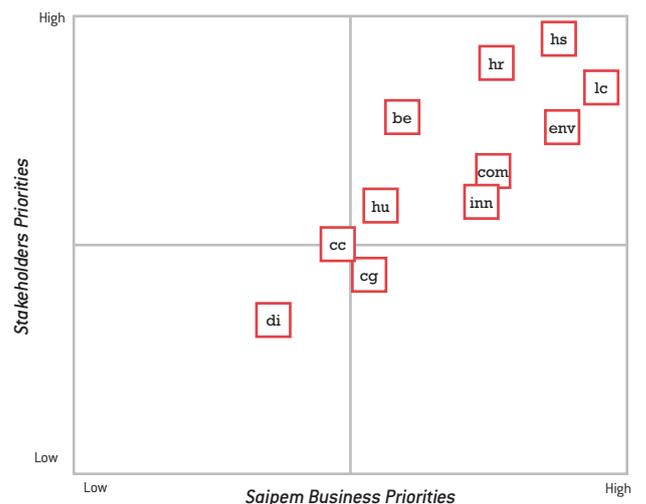
## Reporting principles and materiality analysis results

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

In order to define the sustainability themes considered most significant, both within the Company and in relation to Stakeholders, a materiality analysis was once again carried out in 2012.

The level of internal significance was set by the Sustainability Committee, taking into account the Company's principles and values, its business strategy and objectives, as well as the skills and distinctive features for which it stands out in its market segment.

The level of external interest, on the other hand, was surveyed by combining a sustainability benchmarking analysis of the Company's main clients (Majors and National Oil Companies) with the results of the requests and interests that various Stakeholders submitted to Saipem during the reporting year. These were then assessed over against the results of an analysis of the frequency (how often and how many questions were asked on a specific theme) and relevance (the level of criticality and the weight



|                      |            |                   |            |
|----------------------|------------|-------------------|------------|
| Health & Safety      | <b>hs</b>  | Human Resources   | <b>hr</b>  |
| Environment          | <b>env</b> | Diversity         | <b>di</b>  |
| Climate Change       | <b>cc</b>  | Local Communities | <b>com</b> |
| Corporate Governance | <b>cg</b>  | Local Content     | <b>lc</b>  |
| Business Ethics      | <b>be</b>  | Innovation        | <b>inn</b> |
| Human Rights         | <b>hu</b>  |                   |            |

assigned to the theme] with which the topics dealt with appear in the questionnaires of financial analysts and rating agencies. In order to simplify analysis and comparison of results, the themes were broken down into 11 macro categories. Their materiality was then determined by the nexus of internal and external significance. 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. Greater weight was therefore given to those issues and geographical areas in which the Company has a more significant impact.

### Reporting Scope

In order to facilitate reader comprehension of performance trends over time, 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 it, for the period 2010-2012. As regards financial data, in accordance with the criteria adopted for

the drafting of the Annual Report, the reporting scope also includes, on a line-by-line proportional basis, the data of subsidiaries and companies managed under joint operating agreements. When financial data is not being disclosed, the operational criterion is adopted, which is to say that the Saipem Group reports 100% of operations in which Saipem SpA or one of its subsidiaries exercises operational control. For HSE data, non-operating entities and subsidiaries that do not produce significant effects are not included in the reporting scope. In some cases, for certain HSE indicators that are considered to be particularly important for the business of the Company, subcontractors and vendors working on Company projects are included. Exceptions to the above criteria are expressly indicated in the text, as are any changes 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. Reporting is subject to controls by the same independent auditor used for the Annual Report, for this Addendum and for the document 'Saipem Sustainability 2012'.

In relation to the Guidelines of the Global Reporting Initiative (version G3.0), for the present document Saipem declares an application level of B+.

| Report Application Level |                                                                                    | C                                                                                                                          | C+                        | B                                                                                                                                                          | B+                        | A                                                                                                                                                                                           | A+                        |
|--------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Standard Disclosures     | G3 Profile Disclosures <b>OUTPUT</b>                                               | Report on:<br>1.1<br>2.1 - 2.10<br>3.1 - 3.8, 3.10 - 3.12<br>4.1 - 4.4, 4.14 - 4.15                                        |                           | Report on all criteria listed for Level C plus:<br>1.2<br>3.9, 3.13<br>4.5 - 4.13, 4.16 - 4.17                                                             |                           | Same as requirement for Level B                                                                                                                                                             |                           |
|                          | G3 Management Approach Disclosures <b>OUTPUT</b>                                   | 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 <b>OUTPUT</b> | 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 discloses the Management Approach to sustainability issues pursuant to version G3.0 of the Guidelines of

the Global Reporting Initiative. All documents mentioned are available on the company website <http://www.saipem.com>.

| Category                                                            | Topic                         | Document                                                            | Section title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic Performance</b>                                         |                               |                                                                     | <p>Saipem is an international contractor operating in the Oil&amp;Gas industry whose revenues in 2012 totalled €13 billion. The Company has in excess of 48,000 employees and is present in more than 80 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 vendors in a way that contributes to their social and economic development.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                     |                               | AR                                                                  | Letter to the Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                     | Management Method             | Saipem website                                                      | Industrial Model                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                     |                               | SS12                                                                | Chapter 'Managing company business for long-lasting success'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                     | Goals and Performances        | AR                                                                  | Letter to the Shareholders; Operating Review; Financial and Economic Results                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                     | Policy and other Information  | AR                                                                  | Letter to the Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Environmental Performance</b>                                    |                               |                                                                     | <p>For Saipem, supplying excellent products and services goes hand in hand with the Company's commitment to environmental protection. Saipem has a well-structured and integrated HSE Management System that acts as a point of reference for all production units. The Management System also entails systematic auditing in order to ensure 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 decommissioning. Furthermore, technological innovation at the service of Company assets combines with the implementation of best practices on projects to ensure constant pursuit of improvement in the Company's environmental performance.</p> |
|                                                                     |                               | SS12                                                                | Chapter 'Environmental protection: delivering a sustainable future'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                     | Management Method             | Saipem website                                                      | 'Sustainability' section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                     |                               | AR                                                                  | 'QHSE' paragraph                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                     | Goals and Performances        | SP                                                                  | Commitments, Results, Objectives and Key Sustainability Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                     | Policy                        | Saipem website                                                      | Section 'Sustainability, Sustainability Policy and HSE Policy'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                     | Organisational Responsibility | Saipem website                                                      | 'Sustainability' section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                     | Training and Awareness        | SS12                                                                | Chapter 'Environmental protection: delivering a sustainable future'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                     |                               | AR                                                                  | 'QHSE' paragraph                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                     | Monitoring and Follow-Up      | SP                                                                  | Key Sustainability Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                     | SS12                          | Chapter 'Environmental protection: delivering a sustainable future' |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Labour Practices and Indicators of Decent Working Conditions</b> |                               |                                                                     | <p>Saipem believes that human capital is a key element for its durable competitive success. This is why it is vital to ensure adequate protection of labour, the continuous development of skills and competences, and the creation of a working environment that is free of discrimination and that offers equal opportunities for all on the basis of merit, while at the same time assuring respect for and adaptation to the specificities of individual situations. The workplace health and safety of all Saipem personnel are a priority objective and are constantly monitored and guaranteed in Company operations through an integrated HSE Management System. Industrial relations are handled with due regard for the peculiarities of local socio-economic contexts as well as for the labour laws in force in the country where the Company is operating.</p>                                                                                                                                                                                                                                                                                                                |
|                                                                     |                               | SS12                                                                | Chapters 'People: our success driver' and 'Health & Safety: key principles in Saipem's operations'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                     | Management Method             | Saipem website                                                      | 'Sustainability' section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                     |                               | AR                                                                  | 'HR' and 'QHSE' paragraphs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                     | Goals and Performances        | SP                                                                  | Commitments, Results, Objectives and Key Sustainability Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                     | Policy                        | Saipem website                                                      | Section 'Sustainability, Sustainability Policy'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                     | Organisational Responsibility | SS12                                                                | Chapter 'People: our success driver'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                     |                               | Saipem website                                                      | 'Sustainability' section                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                     | Training and Awareness        | SS12                                                                | Chapters 'People: our success driver' and 'Health & Safety: key principles in Saipem's operations'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                     | Monitoring and Follow-Up      | SP                                                                  | Key Sustainability Indicators                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                     | AR                            | 'HR' and 'QHSE' paragraphs                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Category                 | Topic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Document                      | Section title                                                                                                                                                 |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human Rights             | Saipem complies with international human and workers' rights legislation and is committed to ensuring that its own vendors do likewise. Saipem's sustainability policy declares explicitly that 'respect for Human Rights is the foundation of inclusive growth of societies and local areas and, consequently, of the companies that work within them'. Saipem contributes to the creation of the socio-economic conditions required for the effective enjoyment of fundamental rights and promotes the professional growth and well-being of its own local human resources. As expressed quite clearly in the Code of Ethics, Saipem undertakes to spread knowledge of Company values and principles by implementing suitable procedures of control and protecting the specific rights of local populations. |                               |                                                                                                                                                               |
|                          | Management Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | SS12                          | Chapters 'People: our success driver', 'Building a sustainable supply chain', 'Global company, global integrity' and 'Living together with local communities' |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | CE                            | Business Ethics                                                                                                                                               |
|                          | Goals and Performances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SP                            | Commitments, Results, Objectives and Key Sustainability Indicators                                                                                            |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | CE                            | Business Ethics                                                                                                                                               |
|                          | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Saipem website                | Key Sustainability Indicators                                                                                                                                 |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SS12                          | Chapter 'Global company, global integrity'                                                                                                                    |
|                          | Organisational Responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | CE                            | Business Ethics                                                                                                                                               |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SP                            | Key Sustainability Indicators                                                                                                                                 |
|                          | Training and Awareness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SS12                          | Chapter 'Global company, global integrity'                                                                                                                    |
| SP                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Key Sustainability Indicators |                                                                                                                                                               |
| Monitoring and Follow-Up | SP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Key Sustainability Indicators |                                                                                                                                                               |
| Social Performance       | Saipem undertakes to contribute to the long-term social and economic development of the areas in which its business is located. This objective 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 in order to pinpoint, by way of a structured process, those 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 that is conducive to ensuring constructive and ongoing dialogue, has been introduced.            |                               |                                                                                                                                                               |
|                          | Management Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Saipem website                | 'Sustainability' section                                                                                                                                      |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SS12                          | Chapters 'Living together with local communities' and 'People: our success driver'                                                                            |
|                          | Goals and Performances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | CG                            | Paragraphs 'Transparency' and 'Anti-Corruption Practices'                                                                                                     |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SP                            | Commitments, Results, Objectives and Key Sustainability Indicators                                                                                            |
|                          | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Saipem website                | Key Sustainability Indicators                                                                                                                                 |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | CG                            | Paragraphs 'Transparency' and 'Anti-Corruption Practices'                                                                                                     |
|                          | Organisational Responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SS12                          | Chapter 'Living together with local communities'                                                                                                              |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | AR                            | 'HR' paragraph                                                                                                                                                |
|                          | Monitoring and Follow-Up                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SP                            | Key Sustainability Indicators                                                                                                                                 |
| Product Responsibility   | Customer satisfaction is a key factor in sustainable business. Each Saipem project has Quality and HSE Management Systems implemented in order to manufacture products, supply quality services and carry out all activities in conditions of maximum safety. In compliance with Corporate Policy for Quality, all of Saipem's operating companies have implemented a Quality Management System in accordance with ISO 9001, Corporate guidelines and relevant standards.                                                                                                                                                                                                                                                                                                                                      |                               |                                                                                                                                                               |
|                          | Management Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Saipem website                | 'Activities' section                                                                                                                                          |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SS12                          | Chapters 'Health & Safety: key principles in Saipem's operations' and 'Managing our business for a long-lasting success'                                      |
|                          | Goals and Performances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SS12                          | Chapter 'Health & Safety: key principles in Saipem's operations'                                                                                              |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SP                            | Commitments, Results, Objectives                                                                                                                              |
|                          | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Saipem website                | Key Sustainability Indicators                                                                                                                                 |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Saipem website                | 'Sustainability' and 'Activities' sections                                                                                                                    |
|                          | Training and Awareness                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SS12                          | Chapter 'Health & Safety: key principles in Saipem's operations'                                                                                              |
|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SS12                          | Chapter 'Health & Safety: key principles in Saipem's operations'                                                                                              |

Acronyms:

AR: Annual Report 2012

SS12: Saipem Sustainability 2012

SP: Addendum - Sustainability Performance

CE: Code of Ethics

CG: Corporate Governance and Shareholding Structure Report 2012

## 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 2012' [CGR 2012], which is available in the 'Governance' section of the Company website.

| Ref. GRI    | Governance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.1-4.2-4.3 | <p>Saipem's organisational structure is characterised 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 External Auditors are in charge of the legal auditing of accounts. The Shareholders' Meeting manifests the will of 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 8 members, of whom 6 non-executive, 5 independent non-executive and 2 executive. The Board was appointed by the Shareholders' Meeting of May 4, 2011. Two committees with advisory and consulting functions have been set up within the Board of Directors. These are the Audit and Risk Committee, consisting of three non-executive independent members, and the Compensation and Nomination Committee, likewise made up of three non-executive independent members.</p> <p>[Ref. CGR 2012 – 'Organisational 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>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 website or can be requested via email by writing to: <a href="mailto:segreteria.societaria@saipem.com">segreteria.societaria@saipem.com</a>. 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.</p> <p>More generally, information is guaranteed by means of ample documentation made available to investors, the market and the press on the Saipem website. It is further ensured by means of press releases, periodical meetings with institutional investors, the financial community and the press. Saipem employees have a number of dedicated information channels available, including the intranet portal, the quarterly in-house magazine 'Orizzonti' and a large number of newsletters and local magazines.</p> <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.].</p> <p>[Ref. CGR 2012 – 'Board of Statutory Auditors'; website <a href="http://www.saipem.com">www.saipem.com</a>]</p>              |
| 4.5         | <p>Remuneration of the CEO and the Deputy CEO, as well as 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.</p> <p>[Ref. CGR 2012 – '2012 Remuneration Report']</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 4.6         | <p>The Saipem procedure 'Transactions involving interests held by Board Directors and Statutory Auditors and Transactions with Related Parties' (available at <a href="http://www.saipem.com">www.saipem.com</a> 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 was amended on March 13, 2012.</p> <p>[Ref. CGR 2012 – 'Transactions involving interests held by Board Directors and Statutory Auditors and Transactions 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, the Board of Directors carries out a yearly Board Review on the size, composition and level of functioning and efficiency of the Board and its Committees. To this end, it avails of the assistance of a specialist external consultant.</p> <p>[Ref. CGR 2012 – '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 characterise the conduct of the entire organisation. In compliance with the provisions of law, the Code of Ethics clearly defines the values that Saipem recognises, accepts and shares, as well as the responsibilities the Company assumes both internally and externally.</p> <p>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'; 'Our tangible and intangible assets'; 'Sustainability'; 'Integrity in our operations'. 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 2012'.</p> <p>[Ref. CGR 2012 – 'Issuer Profile'; 'Code of Ethics'; 'Saipem Sustainability 2012']</p>                                                                                                                                                                                                                                    |
| 4.9-4.10    | <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 sustainability aspects of the business. 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, control, review of results and 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 maximising 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.</p> <p>Every four months, the Sustainability Committee, of which the CEO and the Deputy CEO are members, is presented with the main performance results and activities underway as regards sustainability. The Committee then supplies guidelines and approves the activity plan. The Committee 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. In accordance with 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. AR 2012 – 'Risk Management'; 'Sustainability'; CGR 2012 – 'Risk and Internal Control Management System in Relation to the Financial Reporting Process'; 'Board Review']</p> |

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.11 | <p>Saipem identifies, monitors and actively manages project related risk mainly in relation to engineering and construction contracts, both in bid and execution 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 optimisation of any opportunities identified.<br/>[Ref. FR 2012 – 'Risk Management', website <a href="http://www.saipem.com">www.saipem.com</a>]</p>                                                                                                                                                                                                                                                                                                                                                                  |
| 4.12 | <p>The Universal Declaration of Human Rights adopted by the United Nations, the Fundamental Conventions of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises, are fundamental principles on which Saipem bases its Code of Ethics and conducts its operations.<br/>[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 36 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), ILOCA (International Pipeline &amp; Offshore Contractors Association), UNI (Ente Nazionale Italiano di Unificazione - Italian Organisation for Standardization) and ANIDA (Associazione Nazionale Imprese Difesa Ambiente - National Business Association for Environmental Protection). Some operating companies are members of the 'Ship Owners and Marine Industry Ventures Association' and of the BIP (Brazilian Institute of Petroleum and Gas). The Saipem Group takes part in a total of 46 associations.</p> |

## Stakeholder relations Ref. GRI 4.14-4.17

The methods adopted by the Company to identify, map and engage with stakeholders locally are described in the document 'Saipem Sustainability 2012'. The main stakeholder engagement activities carried out in 2012 are outlined below.

### Financial stakeholders

Saipem's shareholders are mainly involved through Road Shows (25), interfacing with the Company Secretary, conferences for financial investors (12) and updating of the special shareholders' section on the Saipem website. Financial analysts and rating agencies are provided with information via the disclosure of periodical results and the illustration of objectives and achievements. The document 'Key for interpreting Saipem's website and published documents' describes where information and data can be found for each significant sustainability theme. In 2012, Saipem provided a number of informative sustainability documents to Goldman Sachs, Inrate, La Financière Responsable, EIRIS and F&C Management Ltd, and was in direct contact with the Carbon Disclosure Project (CDP).

### Clients

Nurturing of relations at the level of operating projects is ongoing and constant. Project managers and project staff hold interviews and meetings with clients, who are often present on-site, and reply on-the-ground to their queries and requests. Clients are also involved in HSE training initiatives, such as environmental awareness campaigns or the LiHS (Leadership in Health and Safety) programme. At the end of each significant project, and on an annual basis, the client is asked for feedback using the Customer Satisfaction tool. Furthermore, meetings with clients or potential clients are organised in pre-bid and bid phase and can involve a number of specific aspects such as Saipem's approach to sustainability. In 2012 Saipem held numerous meetings with clients to involve them in its global and local sustainability strategy. Some of these were attended by Chevron, Petrobras, ExxonMobil, Total E&P, Inpex, SABIC Saftco and Woodside.

### Employees

Workers' representatives and trade unions are involved in collective bargaining and in other forms of dialogue regarding specific local activities, including through periodical meetings. Management of Company employees is the responsibility of the Human Resources function on all Group operating sites, as described in the document 'Saipem Sustainability 2012'. Specific schemes can be organised, such as employee satisfaction and work environment surveys, and in-house meetings. In Kazakhstan, for example, the company ER SAI Caspian Contractor Llc initiated dialogue with its employees to define a community initiatives plan and invited them to take part in activities such as sports events, displays and grand openings. In the Congo, employees, along with their spouses, partners and children, participated in the Little LiHS workshop. Personnel engagement and training activities on sustainability themes continued throughout 2012 with induction for new employees, thematic seminars (in France) and specific meetings with managerial functions in France, Italy, Brazil, Australia and Indonesia.

### Local communities

As described in the document 'Saipem Sustainability 2012', each operating company or project has a specific approach to relations with local communities. This takes into account both the role of Saipem and the socio-economic and cultural context in which it operates. Many initiatives involving local communities were held during 2012. In Karimun (Indonesia), a Stakeholder Perception Survey was carried out on 142 residents of the island (as described in the document 'Saipem Sustainability 2012'), while in Kazakhstan a public meeting was held with the population of Kuryk village to present and discuss the Ersai sustainability plan. In Nigeria, relations with local communities are defined and regulated in Memorandums of Understanding (MoU) signed by the Company, the client (for projects) and representatives of the communities affected by operations. Other initiatives and projects for local communities were held in the Congo, Colombia, Kazakhstan, Indonesia, Peru, Venezuela and Brazil (for further details see 'Saipem Sustainability 2012').

### Governments and local authorities

Engagement with governments and, above all, local authorities is defined in relation to the circumstances in which Saipem operates, taking into consideration the specificities of the country and the social context. Alongside institutional and official relations with the authorities, Saipem cooperates with public bodies for the launch of initiatives in favour of local communities and local areas. In this regard, Saipem collaborates with local government health entities, hospitals and medical centres to implement projects targeted at raising awareness of diseases such as malaria, tuberculosis or AIDS in the Congo, Nigeria and Kazakhstan, as well as with environmental protection bodies in the Congo and Kazakhstan. In 2012, a 'Declaration of Intent' was signed with the Municipality of Guarujá in Brazil to formalise roles and commitments in the construction of a new Offshore Technology and Construction Centre. Furthermore, joint initiatives with the Department of Labour in the Republic of Kazakhstan facilitated the holding of a course organised and delivered by Saipem for public sector workers on lessons learned in the field of oil rig health and safety. Saipem works with local institutions such as schools and universities, including through specific partnership agreements, in order to contribute to the development of an education system that meets the needs of the private sector, with particular reference to the Oil&Gas industry. Numerous initiatives are under way in Algeria, Kazakhstan, Italy, Congo, Indonesia, Azerbaijan and Colombia in this regard.

### Local organisations and NGOs

Saipem collaborates with organisations or NGOs, above all at local level, and at times through specific partnership agreements, with a view to implementing community initiatives tailored to the area's specificities and main problems. Cooperation with local NGOs is for the most part in the Congo and in Kazakhstan and is targeted at conducting studies and implementing initiatives of a local nature. The Stakeholder Perception Survey in Karimun also included a local environmental NGO. In 2012, Saipem and ER SAI Caspian Contractor Llc also met representatives of the Human Rights Watch in Kazakhstan to clarify events surrounding a strike that took place the previous year.

### Vendors

Relations with vendors are discussed in the document 'Saipem Sustainability 2012', where the selection and assessment processes are described. At local level, specific initiatives for vendor involvement are constantly ongoing. These are targeted at improving the quality of supplies and at encouraging vendors to comply with Saipem's quality, health and safety, environmental and social requirements. In this regard, meetings were held most especially with vendors in India, China and Brazil. In Indonesia, the Congo and Kazakhstan, vendors were involved in initiatives for local communities, while in Azerbaijan an important training project was implemented for subcontractor employees supplying maritime services.

# Key Sustainability Indicators

In compliance with the 'Sustainability Reporting Guidelines' of the Global Reporting Initiatives (GRI), the following table shows the indicators covered. When indicators are not applicable or not significant in relation to Company business, explanations are

supplied. The section 'Additional Information' provides further specifications or references to documents where more details on the topic can be found. All documents cited are available on the website [www.saipem.com](http://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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                      |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                              | Dividend distribution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                      |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                              | Operating expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                      |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                              | Net sales from operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                      | EC2                                                                                                                                                                | Financial implications and other risks and opportunities for the organisation's activities due to climate change                                                                                                                                                                                             | Income taxes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                      |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                              | Generally speaking, Saipem has implemented a Risk and Opportunity Knowledge Management (ROKM) process targeted at managing the risks and opportunities intrinsic in activities performed by the Company. Specifically, this process is applied on all Saipem projects in all countries and includes, amongst other things, identification of risks associated with environmental legislation and those connected with weather conditions and the features of the area. Although climate change has not been identified as a key risk for Saipem, it is nonetheless taken into consideration, since it can influence Saipem's activities in those countries characterised by extreme and unpredictable weather conditions that could generate effects on operating costs and on the integrity of Company, to say nothing of exposing people to risk. |
|                      | EC3                                                                                                                                                                | Coverage of the organisation's defined benefit plan obligations                                                                                                                                                                                                                                              | Seniority bonus schemes<br>Pension schemes are designed and implemented by the individual companies of the Saipem Group according to law and trade union agreements. In relation to specific practices on the various markets of reference in which Saipem operates, for example North America and Northern Europe, the possibility exists for supplementary forms of social welfare, which ensure a more competitive positioning on the labour market and therefore increase the Company's ability to attract and retain resources.                                                                                                                                                                                                                                                                                                                |
| EC6                  | Policy, practices, and proportion of spending on locally-based vendors at significant locations of operations.                                                     | 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 operations                              | Local employees                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                      |                                                                                                                                                                    | % local managers                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| EC8                  | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or <i>pro bono</i> engagement | Costs for initiatives targeted at host communities broken down according to area of intervention:<br>socio-economic development and Local Content<br>infrastructure development<br>community health<br>education<br>professional training<br>environmental protection and environmental awareness<br>culture |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Unit of measure | 2010   | 2011   | 2012   | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------|--------|--------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| € million       | 1,627  | 1,750  | 2,041  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 12     | 12     | 15     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 263    | 319    | 330    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 8,231  | 9,388  | 9,832  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 11,160 | 12,593 | 13,369 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 345    | 392    | 393    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                 |        |        |        | Furthermore, Saipem's activities are carried out in different countries and are subject to different national legislations, such as laws implementing international protocols and conventions on climate change. Such legislation can, therefore, impose restrictions on emissions into the atmosphere, into water and into the soil and can entail the application of very prohibitive operating standards which have an overall impact on project costs. Conversely, since climate change is by now a theme of international importance, it can also represent a business opportunity, in particular as regards the development of new technologies based on efficiency, low environmental impact and the promotion of renewable energy. A 'Renewables and Environment' Business Line within Saipem deals with the development and construction of renewable plants and services. Saipem is also cooperating on research projects for the development of Carbon Capture & Storage (CCS) systems.<br>Further details are available in the 2012 Annual Report in the section 'Risk management'. |
| € million       | 3.608  | 3.867  | 5.456* | For employees of Saipem SpA, 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. Further information on employee benefits and seniority bonuses is available in the 2012 Annual Report.<br>* On June 16, 2011 the merger by incorporation of the subsidiary Saipem Energy Services SpA was approved. The accounting and tax effects of this merger were set at January 1, 2012.                                                                                                                                                                                                               |
| %               | 61     | 56     | 52     | Saipem contributes to creating growth opportunities for people and companies and for the communities in which it operates. Saipem undertakes to maximise and leverage Local Content, with a view to creating employment opportunities, business skills and local human capital growth. In 2012, out of a total of €9,584,102,194 in orders, excluding €1,781,227,308 for investments in company assets and staff costs, €4,040,916,633 were from local vendors. In 2012, the definition of 'local' became even more stringent to allow for a more realistic vision of Saipem's contribution to the socio-economic development of a country. Orders are considered local only when the supplier is of the same state in which the project is located and in relation to which the order is made.                                                                                                                                                                                                                                                                                                 |
| No.             | 31,761 | 33,688 | 37,285 | One of the pillars of Saipem's sustainability strategy is the maximisation of Local Content. Further details of initiatives implemented in 2012 are available in 'Saipem Sustainability 2012', in the section dedicated to Human Resources in the 2012 Annual Report, and in the Sustainability section of the Company website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| %               | 48     | 46     | 42     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.375  | 1.245  | 0.76   | Saipem has developed internal procedures and instruments to ensure effective analysis of the local context, mapping of stakeholders and their needs, and monitoring of initiatives targeted at host communities. Normally, these initiatives are implemented or coordinated by Saipem operating companies, often in conjunction with local entities. In particular, in 2012 Saipem completed a Social Return on Investment (SROI) study, applied to the investment in the new Fabrication Yard in Karimun [Indonesia]. Further analysis and details on initiatives implemented in 2012 and the results of the SROI study are available in the document 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                                            |
| € million       | 0.252  | -      | 0.421  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.087  | 0.143  | 0.131  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.069  | 0.213  | 0.546  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.186  | 0.115  | 0.167  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.025  | 0.082  | 0.038  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| € million       | 0.047  | 0.100  | 0.063  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Area                      | GRI code | GRI description                                                                                                                                                 | Saipem Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic performance      | EC9      | Understanding and describing significant indirect economic impacts, including the extent of impacts                                                             | Saipem has adopted a tool for assessing the positive effects of externalities generated on local areas by its strategy of maximising 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. Furthermore, applying the Social Return on Investment (SROI) methodology, in 2012 Saipem completed a study which analysed the positive and negative impacts of its activities on the areas in which it operates.                                                        |
|                           | EN1      | Materials used by weight or volume                                                                                                                              | Since Saipem operates as a contractor in the Oil&Gas industry, this indicator is covered only qualitatively, as the use the Company makes of the main raw materials in its operating contexts is dictated by the contract conditions set down 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.                                                                                                                                 |
| Environmental performance | EN3      | Direct energy consumption by primary energy source                                                                                                              | <ul style="list-style-type: none"> <li>Natural Gas</li> <li>Heavy Fuel Oil (HFO)</li> <li>Intermediate Fuel Oil (IFO)</li> <li>Light Fuel Oil (LFO)</li> <li>Diesel</li> <li>Diesel Marine Oil</li> <li>Gasoline</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                |
|                           | EN4      | Indirect energy consumption by primary energy source                                                                                                            | Electricity consumed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                           | EN5      | Energy saved due to conservation and efficiency improvements                                                                                                    | This indicator is not covered quantitatively. However, various initiatives targeted at energy saving were implemented in 2012. Saipem's increasing focus on energy efficiency is witnessed in the following activities planned: an Energy Performance Assessment in line with ISO 50001 energy management specifications for an office building (to identify critical areas and possible areas for improvement) and a Ship Energy Efficiency Management Plan (SEEMP - MARPOL Annex VI) for the Saipem fleet (drilling rigs excluded).                                                                                      |
|                           | 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                                                                                                                                | <ul style="list-style-type: none"> <li>Total water withdrawal, of which:</li> <li>fresh water/from waterworks</li> <li>groundwater</li> <li>surface water</li> <li>sea water</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                           | EN9      | Water sources significantly affected by withdrawal of water                                                                                                     | In order to identify areas of water risk, Saipem uses a two-step evaluation process. The first of these involves the Global Water Tool, which is implemented after identifying the sites on which operations are taking place. The second step includes assessment of water by taking a sample, evaluating water use and discharge and, finally, examining the treatment plants present. In this way, critical areas are identified for improvement. In 2013, Saipem will carry out a case study on the management of the Company's water resources. This will contain further details on the water sources most affected. |
|                           | EN10     | Percentage and total volume of water recycled and reused                                                                                                        | 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               | While the Company does not avail of a map of the lands on which it works in protected areas, it nevertheless adopts a policy of biodiversity management on these lands. In the case of areas owned, mainly fabrication yards, Saipem has an impact monitoring system in relation to its own activities, including any possible effects on the biodiversity of the surrounding areas.                                                                                                                                                                                                                                       |

| Unit of measure                | 2010    | 2011    | 2012    | Additional information                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------|---------|---------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |         |         |         | Further analysis and details of the SELCE model and the SROI study, as well as the results obtained, are available in the document 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                           |
| ktoe                           | 1.1     | 1.2     | 1.4     |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ktoe                           | 0.4     | 6.0     | 3.2     |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ktoe                           | 8.9     | 21.9    | 8.6     | Energy consumption includes the activities of subcontractors operating on Saipem sites who have been supplied directly with fuel by the Company. In 2012, a larger number of activities linked with work on several onshore projects led to an increase in diesel consumption compared to the previous year. The conversion factors used are certified and contained in the corporate environmental reporting methodology. |
| ktoe                           | 11.3    | 7.0     | 24.3    |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ktoe                           | 265.5   | 320.4   | 386.0   |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ktoe                           | 99.0    | 102.6   | 129.1   |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| ktoe                           | 6.5     | 5.8     | 5.6     |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GWh                            | 83.9    | 242.8   | 155.9   | In 2012, electricity consumption was down 35%, due to the conclusion of the QAFCO project for which massive quantities were required.                                                                                                                                                                                                                                                                                      |
|                                |         |         |         | Further details of the Green PC initiative are given in the chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012'. Saipem intends to expand this initiative to the main Company office buildings beginning with Saipem sa.                                                                                                                                                   |
| MWh                            | -       | 297.3   | 271.7   | The energy in question is produced using photovoltaic panels located entirely in Italy. Further details are available in the chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012'.                                                                                                                                                                                          |
| 10 <sup>3</sup> m <sup>3</sup> | 6,561.6 | 7,234.8 | 8,245.1 |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10 <sup>3</sup> m <sup>3</sup> | 2,502.4 | 2,570.8 | 4,056.8 | The increase in water consumption is due to several projects in areas with a hot climate, such as Algeria, Saudi Arabia and the United Arab Emirates.                                                                                                                                                                                                                                                                      |
| 10 <sup>3</sup> m <sup>3</sup> | 3,607.0 | 3,938.8 | 3,251.8 |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10 <sup>3</sup> m <sup>3</sup> | 81.9    | 86.6    | 221.3   |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10 <sup>3</sup> m <sup>3</sup> | 370.3   | 638.5   | 715.1   |                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                |         |         |         |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 10 <sup>3</sup> m <sup>3</sup> | -       | 303.9   | 1,024.8 | The amount rose significantly from 4% in 2011 to 12% in 2012 on account of huge quantities of water employed and reused on some large-scale projects.                                                                                                                                                                                                                                                                      |
| %                              | -       | 4       | 12      |                                                                                                                                                                                                                                                                                                                                                                                                                            |

| 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 | As regards prevention, Saipem, as a contractor, 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 in the areas where it operates, with the purpose of evaluating and implementing compensatory solutions to maintain the original environment. The potential impacts are strictly related to the specificities of the individual projects. |
|                           | EN14     | Strategies, current actions, and future plans for managing impacts on biodiversity                                                                                      | While not 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 promotes the implementation of initiatives targeted at reducing energy consumption and hence GHG emissions. An Energy Performance Assessment was planned for the San Donato Milanese office buildings pursuant to ISO 50001 specifications so as to identify critical areas and propose improvement measures.                                                                                                                                                                                                                                                     |
|                           | EN20     | NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type and weight                                                                                | SO <sub>2</sub> emissions<br>NO <sub>x</sub> emissions<br>CO emissions<br>PM emissions<br>NMVOC emissions                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                           | EN21     | Total water discharge by quality and destination                                                                                                                        | Total waste water produced, of which:<br>water discharged into sewage systems<br>water discharged into surface water bodies<br>water discharged into the sea<br>fresh water discharged in another place                                                                                                                                                                                                                                                                                                                                                                  |
|                           | EN22     | Total weight of waste by type and disposal method                                                                                                                       | Total waste produced and disposed, of which:<br>hazardous waste disposed of in landfill sites<br>incinerated hazardous waste<br>recycled hazardous waste<br>non-hazardous waste disposed of in landfill sites<br>incinerated non-hazardous waste<br>recycled non-hazardous waste                                                                                                                                                                                                                                                                                         |
|                           | EN23     | Total number and volume of significant spills                                                                                                                           | Total number of spills, of which:<br>spills of chemical substances into fresh water<br>spills of chemical substances into lakes, marshes or swamps<br>spills of chemical substances into the sea<br>spills of chemical substances onto land<br>spills of oily substances into fresh water<br>spills of oily substances into lakes, marshes or swamps<br>spills of oily substances into the sea<br>spills of oily substances onto land<br>Volume of substances spilled, of which:<br>chemical substances<br>oily substances                                               |

| Unit of measure                | 2010     | 2011    | 2012    | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------|----------|---------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                |          |         |         | The chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012' provides several examples of the management of impacts on biodiversity on the Gorgon Project being executed on the Barrow islands on the north-west coast of Australia, and on the Shah-Habshan-Ruwais project for the construction of a railway in the United Arab Emirates.                                                                                                                                                                                                                                                             |
|                                |          |         |         | Specific actions to protect biodiversity were carried out in 2012. Further details on projects in the Arab Emirates and in Australia are available in the chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                    |
| kt                             | 1,176.5* | 1,320.9 | 1,542.6 | In 2012 an awareness campaign was launched on World Environmental Day (WED) to promote environmentally respectful behaviour on the part of employees. The 2012 theme was the reduction of the ecological footprint. Further details are available in the chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012'. The variation in the quantity of emissions follows that in the consumption of fuels. The emission factors are based on the 'Saipem Emission Estimation Methodology', certified by Bureau Veritas in 2011 and in line with international standards for the calculation of emissions. |
| ktCO <sub>2</sub> eq           | -        | 120.1   | 69.7    | * Figures for 2010 are calculated using the method previously adopted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                |          |         |         | The results obtained from the implementation of improvement measures will be monitored quantitatively. Further details are available in the chapter 'Environmental protection: delivering a sustainable future' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                                  |
| kt                             | 3.3      | 4.0     | 4.2     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 19.0     | 22.4    | 26.2    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 9.6      | 9.0     | 10.7    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | -        | -       | 0.7     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | -        | -       | 1.0     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 10 <sup>3</sup> m <sup>3</sup> | 2,618.6  | 1,642.0 | 3,696.3 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 10 <sup>3</sup> m <sup>3</sup> | -        | -       | 400.4   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 10 <sup>3</sup> m <sup>3</sup> | -        | -       | 572.8   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 10 <sup>3</sup> m <sup>3</sup> | -        | -       | 480.3   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 10 <sup>3</sup> m <sup>3</sup> | -        | -       | 2,242.6 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 206.4    | 199.9   | 257.9   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 12.0     | 22.3    | 31.9    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 3.9      | 4.3     | 5.3     | Hazardous waste increased compared to 2010, since, in compliance with local legislation, the waste water from some projects is reported under that category. Non-hazardous waste increased due to the higher amount of construction operations 2012. The figures for 2011 were, however, revised in 2012, and are given here.                                                                                                                                                                                                                                                                                                                     |
| kt                             | 2.8      | 4.3     | 13.9    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 165.5    | 134.6   | 171.5   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 6.0      | 11.2    | 4.0     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| kt                             | 16.2     | 23.2    | 31.3    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | 55       | 94      | 144     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | -       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | -       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | 3       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | 16      | * With reference to the period 2010-2012, the data given for volumes of substances spilled is partial, since monitoring of the indicator for all significant operations became functional only from 2011 onwards.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| No.                            | -        | -       | 1       | All accidents are logged and investigated appropriately in order to establish the causes and identify corrective and preventive measures. With a view to sharing lessons learned, environmental bulletins are issued every quarter along with Group level reports.                                                                                                                                                                                                                                                                                                                                                                                |
| No.                            | -        | -       | -       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | 12      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| No.                            | -        | -       | 112     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| m <sup>3</sup>                 | 73.12*   | 656.45  | 5.4     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| m <sup>3</sup>                 | -        | -       | 1.6     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| m <sup>3</sup>                 | -        | -       | 3.8     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| 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 Annexes I, II, III and VIII, and percentage of transported waste shipped internationally | Not relevant. Dangerous waste is disposed of locally through a third-party company, with the exception of some waste incinerated on-board several of the main vessels.                                                                                                                                                                                                                                                               |
|                           | 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 cannot 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 2012, Saipem did not receive any significant fine and/or non-monetary sanction for non-compliance with laws and regulations.                                                                                                                                                                                                                                                                                                      |
|                           | EN30     | Total environmental protection expenditures and investments by type                                                                                                                                           | As a contractor, Saipem accounts 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.<br>HSE investments<br>Expenses for integrated HSE management<br>Expenses for the environment                                                                      |
| Employment                | LA1      | Total workforce by employment type, employment contract and region                                                                                                                                            | Total employees at year end, of which:<br>Middle and Senior Manager<br>White Collar<br>Blue Collar<br>employees in non-EU countries<br>female employees<br>employees on permanent contracts<br>employees with full-time open-ended contracts                                                                                                                                                                                         |
|                           | LA2      | Total number and rate of employee turnover by age group, gender and region                                                                                                                                    | Total workforce increase, of which:<br>men<br>women<br>Termination of employment of critical resources                                                                                                                                                                                                                                                                                                                               |
|                           | LA3      | Benefits provided to full-time employees that are not provided to temporary or part-time employees, divided according to major operations                                                                     | Both monetary and in kind benefits are paid to employees independent of their contract type (open-ended or full-time permanent), except for those specific cases which, by their nature, may be incompatible in terms of time with the duration of open-ended contracts.                                                                                                                                                             |
| Industrial relations      | LA4      | Employees covered by collective bargaining                                                                                                                                                                    | Out of 40,419 employees monitored in 2012, 19,770 were covered by collective bargaining agreements.                                                                                                                                                                                                                                                                                                                                  |
|                           | LA5      | Minimum notice period(s) regarding operational changes, specifying whether these conditions are included or not in collective bargaining agreements                                                           | For organisational 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. This custom and method of information and consultation derives from a consolidated praxis of industrial relations built over time.                                                                               |

| Unit of measure | 2010   | 2011   | 2012   | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------|--------|--------|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |        |        |        | Further details on supply chain management are available in the chapter 'Building a sustainable supply chain' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                        |
|                 |        |        |        | Further details on the measures adopted by Saipem to reduce the environmental impact of its vessels, rigs and equipment, and initiatives implemented to ensure safeguarding of the environment during works execution, are discussed in the document 'Saipem Sustainability 2012' in the chapters 'Managing company business for long-lasting success' and 'Environmental protection: delivering a sustainable future', respectively. |
| € million       | -      | 19.4   | 35.4   |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| € million       | -      | 31.7   | 39.7   |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| € million       | -      | 2.7    | 6.7    |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 41,174 | 44,232 | 48,455 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 5,039  | 5,137  | 5,293  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 18,413 | 20,382 | 22,148 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 17,722 | 18,713 | 21,014 | Further details on employment are supplied in the 'People' section of this document and in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                              |
| No.             | 30,611 | 33,822 | 37,322 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 4,439  | 5,068  | 5,331  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | -      | 17,679 | 18,025 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | -      | -      | 48,227 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | -      | -      | 4,223  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | -      | -      | 3,960  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | -      | -      | 263    |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 2,369  | 2,918  | 3,541  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| %               | 65     | 55     | 48     |                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| 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 advise on worker health and safety programmes          | <p>Saipem promotes a culture of health and safety via training and informative initiatives. In compliance with the law or internal praxis, national and company based agreements have been entered into, broken down according to type of intervention:</p> <ul style="list-style-type: none"> <li>- setting up of workers' health and safety committees (composition and number), compulsory provisions for the use of personal protective equipment;</li> <li>- specific training plans for health and safety operators (officers and workers' representatives) and issuing of widespread information on health and safety themes to all employees;</li> <li>- periodical meetings between the Company and workers' representatives.</li> </ul> <p>HSE themes vary according to the laws in force or the collective bargaining agreement applied for the sector. In the absence of legal or contractual stipulations, best practices are defined according to the guidelines of supranational organisations such as the ILO, which are generally applicable to labour, or the IMP, for the maritime sector.</p>                                                                                                                                                                                                          |
|                             | LA7      | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region                                                                   | <p>Man-hours worked</p> <p>Fatal accidents</p> <p>Lost Time Injuries</p> <p>Days lost</p> <p>Total recordable Incidents</p> <p>LTI Frequency Rate</p> <p>TRI Frequency Rate</p> <p>Occupational illnesses reported</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                             | LA8      | Education, training, counselling, prevention, and risk-control programmes are in place to assist workforce members, their families, or community members when facing serious diseases | <p>HSE Training Protocol</p> <p>Vaccines administered to employees and subcontractors</p> <p>Tool Box Talks</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                             | LA9      | Health and safety topics covered in formal agreements with trade unions                                                                                                               | <p>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:</p> <ul style="list-style-type: none"> <li>- setting up of workers' health and safety committees (composition and number);</li> <li>- compulsory provisions for the use of personal protective equipment;</li> <li>- specific training plans for health and safety operators (officers and workers' representatives) and issuing of widespread information on health and safety themes to all employees;</li> <li>- periodical meetings between the Company and workers' representatives.</li> </ul> <p>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.</p> |

| Unit of measure | 2010    | 2011      | 2012      | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------|---------|-----------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |         |           |           | Some Company level negotiations provide for the payment of bonuses linked not just to profitability and productivity indicators, but also to health and safety objectives (i.e. the Safety Frequency Rate). In 2012, an agreement was signed with the workers health, safety and environment representatives in Milan and Fano for the assumption on their part of health and safety competencies on onshore Italian sites as provided for by law. Further details can be found in the chapter 'Health & Safety: key principles in Saipem's operations' in the document 'Saipem Sustainability 2012'. |
| mIn hours       | 280.98  | 329.54    | 321.99    | Methodology:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| No.             | 6       | 6         | 3         | - total number of hours worked by Company and subcontractor personnel, including paid overtime and training, within the perimeter of operating sites;                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| No.             | 105     | 96        | 99        | - by 'workdays lost' is understood the total number of calendar days during which the person injured was not capable of carrying out his/her duties as a result of an LTI. Calculation of days lost begins from the second day from the day of the accident and continues until the person is fit to return to work;                                                                                                                                                                                                                                                                                  |
| No.             | 4,196   | 4,447     | 5,625     | - LTIFR and TRIFR are calculated in millions of man-hours worked, as per the standard applied internationally in the Oil&Gas industry.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| No.             | 480     | 427       | 342       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ratio           | 0.40    | 0.31      | 0.32      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ratio           | 1.71    | 1.30      | 1.06      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 8       | 7         | 7         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No. hours       | 924,267 | 1,187,820 | 1,687,258 | HSE training hours comprise the total number of hours reported by individual projects. Policies and several initiatives for the promotion of the health of employees and local communities are described in detail in the chapters 'Health & Safety: key principles in Saipem's operations' and 'Living together with local communities' of the document 'Saipem Sustainability 2012'. Initiatives implemented in 2012 are described in this latter document.                                                                                                                                         |
| No.             | 12,450  | 12,387    | 9,124     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| No.             | 482,929 | 585,957   | 781,401   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Area                              | GRI code | GRI description                                                                                                                                                       | Saipem Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Training and Education            | LA10     | Average hours of training per year per employee by employee category                                                                                                  | Training hours                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                   | LA11     | Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings               | Saipem bases its business success on the strong technical ability of its vessels and its personnel. Ongoing training and development of skills are fundamental elements in the management and development of people. Saipem manages skills assessment by means of specific mapping of each Company role in terms of objectives, responsibilities and competences, both technical and personal.                                                                                                                             |
|                                   |          |                                                                                                                                                                       | Overall number of Skills Assessments<br>Number of employees undergoing performance assessment                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                   | LA12     | Percentage of employees receiving regular performance and career development reviews                                                                                  | Managers<br>White Collar<br>Blue Collar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 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 | Female employment<br>Women in managerial positions<br>Employees under 30 years of age of which women:<br>Employees aged between 30 and 50 of which women:<br>Employees above 50 years of age of which women:<br>Number of nationalities represented in the employee population                                                                                                                                                                                                                                             |
|                                   |          |                                                                                                                                                                       | Ratio of basic salary of men to women by employee category                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Employment                        | LA15*    | Return to work and retention rates after parental leave, by gender                                                                                                    | Saipem prioritises the retention of qualified personnel, and recognises 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. |

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

| Unit of measure | 2010  | 2011      | 2012      | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------|-------|-----------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| hours           | -     | 1,809,753 | 2,624,610 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | 761       | 2,605     | Specifically, professional skills are monitored and measured using the Skills Evaluation Process, with time frames linked to specific requirements. Currently, this process involves the supervisor evaluating the technical skills of the resource, with reference also to the level of seniority. Support is subsequently provided by an external consultant to complete the personal skills assessment. During this activity, gaps can emerge between the level of skill and know-how required and those possessed by the resource. In such cases, the resource is given the option of undergoing specific training, including on-the-job, classroom or practical training, to increase his/her professional skills. Training is thus a process that covers the entire professional life cycle of the resource, since it is finalised towards covering the role currently held and the one that may be held in the future on the basis of personal development plans targeted at covering project-based and structural needs in both qualitative and quantitative terms. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | 17,220    | 23,498    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 3,401     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | -         | 64        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 10,774    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | -         | 49        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 9,323     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | -         | 44        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | 4,439 | 4,911     | 5,331     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As regards protected categories, Saipem operates in full observance of international conventions and agreements on the protection of human and labour rights, of the legislation of the countries in which it operates and in line with the Company's Code of Ethics. Saipem guarantees equal professional rights and repudiates all forms of discrimination, acting in such a way that everyone enjoys equal legal and remunerative treatment based on merit and competence. In this sense, and with reference to the Italian legal system, in 2012 agreements were entered into with the Public Administration with a view to employing disabled people and hence ensuring a more efficient and rapid point of encounter between the Company and those resources available on the labour market who are in possession of skills and professional abilities that are of interest to Saipem. |
| No.             | -     | -         | 622       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 9,140     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 1,399     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 31,230    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 3,341     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 8,085     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | -         | 591       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| No.             | -     | 119       | 124       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | -         | 79        | The indicator was calculated as the ratio between the average woman's salary and the average man's salary by job category. The categories to which foreign employees belong were calculated according to the logic of the 'Job Evaluation System'. In 2012, the calculation methodology was changed to align it as much as possible with the international character of Saipem.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | 91        | 90        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | 92        | 89        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| %               | -     | 92        | 128       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Area                                             | GRI code | GRI description                                                                                                                                                             | Saipem Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment and Procurement Practices             | HR1      | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone assessment                                        | 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 Organisation (ILO) 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                  | HR2      | Percentage of significant vendors and contractors that have undergone screening on human rights and actions taken                                                           | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Non-discrimination                               | HR4      | Total number of incidents of discrimination and actions taken                                                                                                               | Four reports of alleged discriminatory practices were received. Three of these were closed as unfounded while the fourth is still pending. Improvement and/or corrective actions were nevertheless implemented in two cases (re-employment of the staff member and improvement in the overtime management process).<br>Reports of discrimination, of which:<br>- founded or partially founded<br>- still pending                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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 Organisation (ILO) 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. 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 Organisation (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, pay, working hours, discrimination and disciplinary procedures, health and safety. A programme of specific audits was started on some new vendors in China, India, South Korea, Brazil and Turkey. |
| Child Labour                                     | HR6      | Operations identified as being of significant risk for child labour, and measures taken to contribute to the elimination thereof                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Forced and Compulsory Labour                     | HR7      | Operations identified as being of significant risk for forced or compulsory labour, and measures taken to contribute to the elimination thereof                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Unit of measure | 2010 | 2011 | 2012 | Additional information                                                                                                                                                                                                                                                                                                                                     |
|-----------------|------|------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |      |      |      | Further details can be found in the chapter 'Building a sustainable supply chain' in 'Saipem Sustainability 2012' and in the Code of Ethics.                                                                                                                                                                                                               |
|                 |      |      |      | Saipem has also commenced on site verification of 19 vendors, with specific reference to labour rights, based on the Fundamental Principles of the ILO and the SA8000 standard. Further details can be found in the chapter 'Building a sustainable supply chain' in 'Saipem Sustainability 2012', in the Code of Ethics and in the Sustainability Policy. |
|                 |      |      |      | Further details on the discrimination report management process can be found in the chapter 'Global company, global integrity' in 'Saipem Sustainability 2012'.                                                                                                                                                                                            |
| No.             | -    | 3    | 4    | Reports received are handled according to the methods described in the Company procedure 'Reports of misdemeanours received by Saipem and its subsidiaries'. It should be noted that the figure for 2011 has been updated in as much as the report that was still pending as of December 31, 2011 was closed and deemed to be unfounded.                   |
| No.             | -    | -    | -    |                                                                                                                                                                                                                                                                                                                                                            |
| No.             | -    | -    | 1    |                                                                                                                                                                                                                                                                                                                                                            |

Further details on vendor control can be found in the chapter 'Building a sustainable supply chain' in 'Saipem Sustainability 2012'.

| Area               | GRI code | GRI description                                                                                                                                                              | Saipem Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Security Practices | HR8      | Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations                     | 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. Training courses on human rights are currently being designed for Security personnel.                                                                                                                                                                                                                                                                                      |
| 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 to manage and reduce these to a minimum are decided upon.<br>Security Assessments carried out during the year                                       |
| Corrective Actions | HR11*    | Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms                                                              | Reports filed in relation to workers' rights, of which:<br>- founded or partially founded<br>- pending                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Local Communities  | S01      | 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 retains possession of 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.      |
|                    | S09*     | 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 or logistics bases. In these cases, Saipem at all times carries out a Socio-Economic Impact Assessment (positive and negative) in order to maximise the benefits for the host communities and minimise any negative effects. An assessment study was carried out in 2012 of the impacts on local communities of the new Offshore Technology and Construction Centre in Guarujá (Brazil).                                                                                                 |
|                    | S010*    | 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 the Company draws up an Action Plan to mitigate and manage these.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Corruption         | S03      | Percentage of employees trained in the organisation's anti-corruption policies and procedures                                                                                | Employees trained in compliance, governance, ethics and anti-corruption<br><br>Hours of training on compliance, governance, ethics and anti-corruption                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                    | S04      | 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 implemented on the basis of any violations and the manner in which they were committed. |

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

| Unit of measure | 2010 | 2011  | 2012   | Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------|------|-------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |      |       |        | Further details on activities targeted at ensuring the security of assets and people are available in the chapter 'People, our success driver' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                      |
|                 |      |       |        | Further details on the report management process can be found in the chapter 'Global company, global integrity' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                     |
|                 |      |       |        | Further details on activities targeted at ensuring the security of assets and people are available in the chapter 'People, our success driver' in 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                      |
| No.             | -    | 32    | 132    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| No.             | -    | 2     | 12     | Reports received are handled according to the methods described in the Company procedure 'Reports of misdemeanours received by Saipem and its subsidiaries'. It should be noted that the figure for 2011 has been updated in as much as the report that was still pending as at December 31, 2011 was closed and deemed to be unfounded.                                                                                                                                                                             |
| No.             | -    | 1     | 1      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| No.             | -    | -     | 5      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                 |      |       |        | Further analysis and details on initiatives implemented in 2012 are available in the document 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                          |
|                 |      |       |        | Further analysis and details on initiatives implemented in 2012 are available in the document 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                          |
|                 |      |       |        | Further analysis and details on initiatives implemented in 2012 are available in the document 'Saipem Sustainability 2012'.                                                                                                                                                                                                                                                                                                                                                                                          |
| No.             | -    | 999   | 1,050  | Training courses are organised on anti-corruption, the Saipem Code of Ethics, Model 231 and other themes to spread awareness among employees in order to prevent cases of non-compliance with the law. These are presented both as e-learning sessions and as workshops. It should be noted that training hours are calculated by counting the average number of hours spent on each type of course. Further details can be found in the chapter 'Global company, global integrity' in 'Saipem Sustainability 2012'. |
| No.             | -    | 8,400 | 16,800 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                 |      |       |        | Further details can be found in the chapter 'Global company, global Integrity' of the document 'Saipem Sustainability 2012' and in the paragraphs 'TSKJ Consortium', 'Algeria' and 'Kuwait' in the 'Legal proceedings' section of the 'Annual Report'.                                                                                                                                                                                                                                                               |

| Area                          | GRI code | GRI description                                                                                                                                                                                                          | Saipem Performance Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Policy                 | S06      | 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 organisations, or to their delegates and candidates, except when provided for by specific regulations.                                                                                                                                                                                                                                                                               |
| Anti-Competitive Behaviour    | S07      | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes                                                                                                      | As far as the Company is aware, in 2012 Saipem was not served with any legal notices for anti-competitive behaviour and/or anti-trust and monopoly practices.                                                                                                                                                                                                                                                                                                                              |
| Compliance                    | S08      | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations                                                                                              | In 2012, Saipem did not receive any significant fine and/or non-monetary sanction for non-compliance with laws and regulations.                                                                                                                                                                                                                                                                                                                                                            |
| Client Health and Safety      | PR1      | Life cycle stages in which the health and safety impacts of products and services are assessed in order to promote improvement, and percentage of significant product 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 the health and safety impacts of products and services during their life cycle, by type of outcome                           | Saipem operates at all times in observance of international laws, regulations and 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 services information and labelling, by type of outcome                                                           | Not relevant. Saipem supplies products that do not require labelling, and in any case the reference for technical and quality standards are the contract conditions set by the client.                                                                                                                                                                                                                                                                                                     |
|                               | PR5      | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction                                                                                                                 | Customer Satisfaction questionnaires received<br>Average client satisfaction score (on a scale of 1 to 10)<br>Average client satisfaction score in relation to Sustainability issues (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 outcome                                | Not relevant. The client is responsible for the product, Saipem only for its realisation.                                                                                                                                                                                                                                                                                                                                                                                                  |
| 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 is responsible for the product, Saipem only for its realisation. At any rate, no cases of this type have been recorded.                                                                                                                                                                                                                                                                                                                                           |



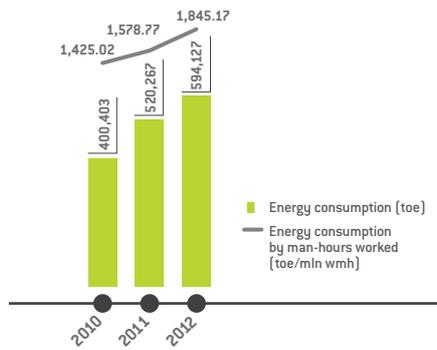
# HSE Performance

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

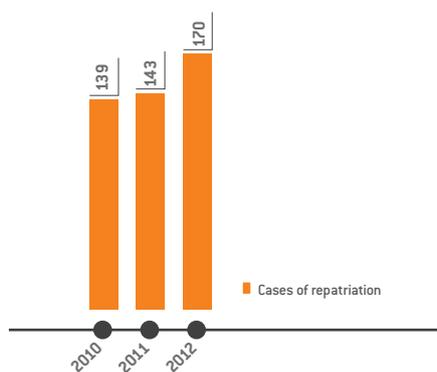
LiHS programme and health promotion and disease prevention tools.

## Supplementary performance indicators

Total energy consumption

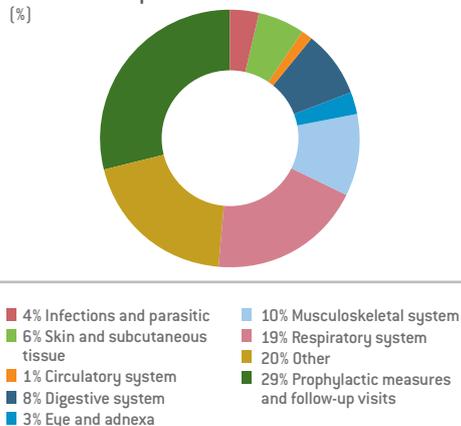


Cases of repatriation



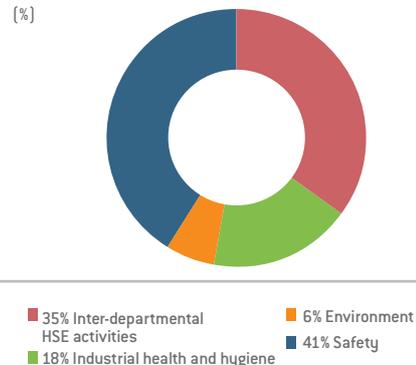
Repatriation of Saipem and subcontractor employees for reasons of health is constantly monitored and analysed. In 2012, there were 170 such cases, of which 134 Saipem and 36 subcontractor personnel. Of the overall total, 102 people were repatriated for illness and 42 for accidents. 12 cases led to death. The main cause of repatriation was illness of the circulatory system (34 cases) followed by the digestive system.

Medical check-ups and cases (%)



Check-ups are carried out periodically on all operating projects for the benefit of employees. In 2012, 85,361 medical check-ups/cases were recorded, an increase of 13% compared to 2011 (75,464). For the most part, preventive measures were implemented and follow-up check-ups performed (16,814). As regards cases, these were above all of a respiratory nature (16,253), while 368 were due to work-related and non work-related accidents.

HSE costs (%)



In 2012, HSE expenses amounted to €114 million, of which 9% (€11 million) was for medical personnel.

### Additional leading indicators for health and safety performance

|                | 2010    | 2011    | 2012    |
|----------------|---------|---------|---------|
| Tool box talks | 482,929 | 585,957 | 781,401 |
| HSE meetings   | 31,283  | 41,757  | 45,287  |

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

|                                                                | 2010  | 2011   | 2012  | Total  |
|----------------------------------------------------------------|-------|--------|-------|--------|
| LiHS trained facilitators                                      | 26    | 12     | 23    | 61     |
| Workshops held                                                 | 120   | 115    | 130   | 365    |
| Number of participants in workshops                            | 1,392 | 1,421  | 1,643 | 4,456  |
| Number of 'cascading events'                                   | 176   | 85     | 148   | 409    |
| Number of participants in 'cascading events'                   | 6,265 | 4,958  | 5,046 | 16,269 |
| 'Five Stars train the trainer'                                 | 8     | 14     | 3     | 25     |
| Number of 'Five Stars training' sessions                       | 204   | 196    | 248   | 648    |
| Number of participants in 'Five Stars training' sessions       | 2,150 | 2,055  | 2,336 | 6,541  |
| Number of 'Leading Behaviour cascading events'                 |       | 663    | 237   | 900    |
| Number of participants in 'Leading Behaviour cascading events' |       | 21,615 | 8,515 | 30,130 |

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.

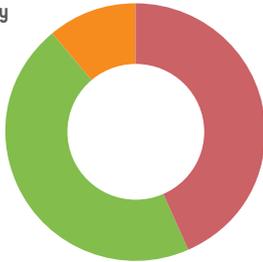
Further details on the LiHS programme are available in the chapter 'Health & Safety: key principles in Saipem's operations' in 'Saipem Sustainability 2012'.

# People

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

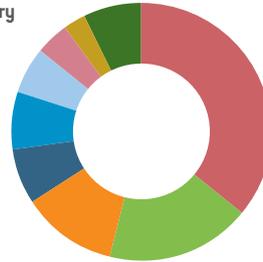
**Employees by category**  
[No.]



- 21,014 Blue Collar
- 22,148 White Collar
- 5,293 Managers and Senior Managers

Out of a total of 48,455 employees, 5,331 (11%) are women, of whom 4% are Blue Collar, 84% White Collar and 12% Managers.

**Employees by category**  
[%]



- 36% Construction
- 18% Engineering
- 12% Drilling
- 7% Quality, Health, Safety and Environment
- 7% Asset Development and Maintenance
- 6% General Support
- 4% Project Management
- 3% Procurement
- 7% Other

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

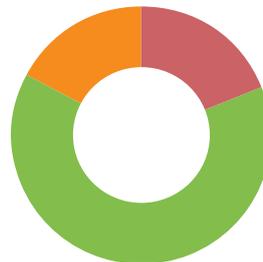
**International employees by geographical area**  
[%]



- 22% Americas
- 8% CIS
- 14% Europe
- 17% Middle East
- 16% Oceania and the rest of Asia
- 23% Africa

Out of a total of 40,996 people (Italians not included), most of the workforce is located in the Americas and Africa.

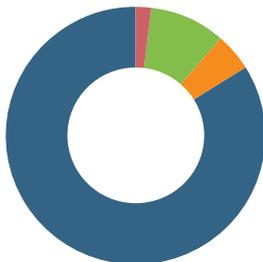
**Employee age bands**  
[%]



- 19% Under 30
- 64% Between 30 and 50
- 17% Above 50

Out of a total of 48,455 employees, 19% are aged under 30 years. In this age group in particular, there are 1,399 female employees, 26% of the total (5,331).

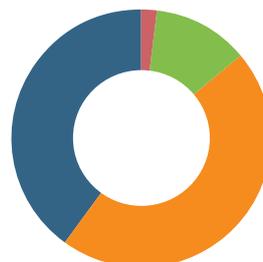
**Skills assessments carried out**  
[%]



- 2% Assessment of managerial skills
- 5% Assessment of skills for experts
- 10% Assessment of potential
- 83% Assessment of technical skills

Out of 2,605 assessments carried out, 83% (2,184) were of technical skills. This figure reflects the technical nature of Saipem's business.

**Employees who underwent performance monitoring**  
[%]



- 2% Senior Managers
- 12% Managers
- 46% White Collar
- 40% Blue Collar

In 2012, a total of 23,498 employee performance assessments were carried out.

# Independent Auditor's Report



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**Independent auditors' report on the limited assurance engagement of the addendum to the "Annual Report 2012" named "Sustainability Performance" of Saipem Group as of 31<sup>st</sup> December 2012  
(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 2012" of Saipem Group (hereinafter "the 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, Criteria and Principles of Reporting", 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, rather than a reasonable assurance, that the Addendum is free from material misstatements. A limited assurance engagement of the Addendum consists in making inquires, 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<sup>st</sup> December 2012, on which we issued our auditor's report on 3<sup>rd</sup> April 2013, pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27<sup>th</sup> 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;

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Iscritta all'Albo Speciale delle società di revisione  
Consob al progressivo n. 2 delibera n. 10831 del 16/7/1997

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- interviews and discussions with Ersai Caspian Contractor LLC's personnel carried out in Aktau (Kazakhstan) and on-site verifications at operations in Kuryk (Kazakhstan);
  - 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 of 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, with reference to the procedures applied;
  - 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 reasonable assurance engagement performed in accordance with ISAE 3000 and consequently we may not 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 28<sup>th</sup> March 2012.

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 2012" 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, Criteria and Principles of Reporting".

Milan, April 3, 2013

Reconta Ernst & Young S.p.A.  
Signed by: Pietro Carena, partner

# More on Saipem

## Reports and publications:



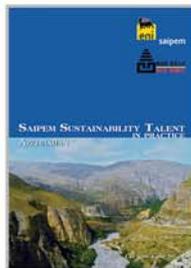
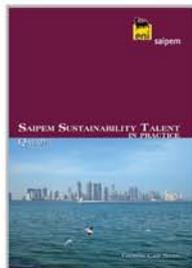
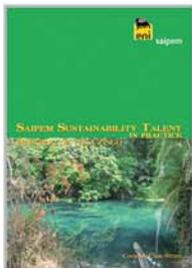
### Annual Report:

details of Saipem's financial and operating performance over the year



### Addendum: Sustainability Performance

details of Saipem's sustainability performance over the year



### Sustainability Country Report and Project Report:

Documents which Saipem has published since 2003, focusing on a specific project or country, describing the activities taking place, best practices implemented and the results achieved by Saipem and its operating companies on sustainability issues.



Saipem discloses its financial and non-financial commitments and performance in both print and online media on the Company's Website

[www.saipem.com](http://www.saipem.com)

You can order Saipem's printed publications or request more information by writing to:

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Branches:  
Cortemaggiore (Piacenza) - Italy  
Via Enrico Mattei, 20



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Share Capital €441,410,900 fully paid up  
Tax identification number and Milan Companies'  
Register No. 00825790157

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Publications  
Bilancio al 31 dicembre (in Italian)  
Annual Report (in English)

Interim Consolidated Report as of June 30  
(in Italian and English)

Saipem Sustainability (in English)

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