



○ Ersai Sustainability Report 2011



saipem



Mission

The Mission of Ersai Llc is to remunerate capital investments and maximise local content, growing in competence and efficiency.

Our goal is to continue to be a Leader company in the field of on/offshore industry services and infrastructures in the Caspian Area.

We pursue the satisfaction of our clients by developing effective, reliable, innovative and top quality solutions, with full respect of Safety, Quality, Health, Sustainability and Environment requirements of the Republic of Kazakhstan and International Standards.

Particular care is devoted to the development of local content, by creating conditions which allow the growth of local employees, as well as local enterprises within the Republic of Kazakhstan.

Message from the Management

Following the first publication of the Ersai Sustainability Report in 2010, the second edition for 2011 focuses on our employees, the main asset of the Company, more than financial capital, equipment or services offered. Without employees, day-to-day operations and the relationships with customers would not be managed at all. Employees are the intellectual capital of a company. They not only bring their skills and

talents; they also bring ideas and creativity, as well as innovation, commitment and desire to learn. Employees know that the Company cares for them when they walk into a workplace that is safe, without health hazards and with a safety program followed by all employees, from Top Management downwards. My forthcoming commitment is to make people part of the process and the solution. Feedback communication

is just as important as communicating from the top down. Employees getting feedback by Management would feel either provided with a greater sense of responsibility or more motivated in believing in the same goals and strategies, aware that in this way their value to the company would increase.

Camillo Ceresa
Ersai Caspian Contractor Llc
General Director



Main Achievements in 2011

February: Completion of Ersai Safety movie. Ersai first HSE induction video was developed in compliance with RoK legislation and all company procedures/work instructions in the period 2010-2011. There are two types of induction video: one for visitors (11 minutes duration) and another one, entitled 'Full HSE Induction video', for all new employees and the representatives of partners, clients and contractors, as well as offshore personnel in the vessels moored to Ersai quay. The duration of the whole HSE induction video is 50 minutes.

March: Ersai LLC has been awarded with

a new project with Daewoo Shipbuilding & Marine Engineering Co for Assembly and Completion Works of Zhambyl Drilling Barge Rig. This is the first Contract assigned to Ersai after a tendering phase managed completely 'in-house', with its own resources and know-how. Moreover, this Contract has been awarded in a completely open competition regime and with a totally new Client. The Zhambyl self-propelled drilling rig can drill wells up to 6,000 meters in depth. Typically, these barges are not self-propelled as tugs are used for their transport to the point of drilling. However, the construction of

the Zhambyl barge will allow it to move independently around the internal reservoir. The assembly of the barge is underway and the project is scheduled to be complete in the second quarter of 2012 with the first exploration well to be drilled in place. According to experts, the construction of the first rig in Kazakhstan is an important step in implementing the national strategy for the development of the Caspian shelf.

April: On April 28, 2011 the Kazakhstan Welding Association was founded. One of the five founders of the 'KazWeld' Association was Ersai. On July 17, 2011 the association

was recognized as 55th member of the International Institute of Welding.

June: Acquisition of State License for Ionizing Radiation Sources handling at the frame of RT services preparation.

December: Ersai signed the contracts with N Operating Co for onshore base services, industrial waste disposal and provision of transport and specialized vehicles.

Positive trend of safety and medical statistics in comparison with 2010 results. IVMS proper implementation and personnel commitment resulting in Zero road traffic accident in 2011.

Ersai at a glance

Key figures

Number of employees

1,809

Percentage of local employees

61%

Percentage of purchasing related to local suppliers and subcontractors

67%

Percentage of treated sewage water reused for technical purposes

73%

Percentage of waste separation

80%

About Ersai

Ersai is a leading company in Kazakhstan. Founded by ERC holdings and Saipem International BV, it provides a wide range of services to the Customers including project management, organization, engineering, procurement, construction & installation, commissioning & maintenance of plant and equipment, facilities, shipbuilding, port management, logistic services and ancillary works pertinent to the Oil and Gas onshore and offshore locations. The high technological level of structures and equipment owned, associated with the highly technical experience of qualified personnel,

allows Ersai to reach a yearly production of 35,000-40,000 tonnes for fabrication of structural, tubular, piping, pile assembly, etc. Ersai is based in Aktau, the head office in Almaty and the Fabrication Yard in Kuryk, fully equipped with all types of cutting, bevelling, welding and painting equipment and cranes up to 1,000 tonnes lifting capacity. Ersai has an Integrated QHSE Management System certified in accordance with ISO 9001:2000 since 2005. With the revision of the standard, the new ISO 9001:2008 certification was released to the QHSE Integrated Management System in 2008 together

with ISO 14001:2004 and OHSAS 18001:2007 certifications. In 2010 the Quality Management System of Welding Process was confirmed to be in compliance with ISO 3834-2:2005 standard. Ersai yard has received the Recognition Certification from the Russian Maritime Register of Shipping (RMRS) as Shipyard. RMRS acknowledged the welder training and qualification of Ersai yard Training Centre to work on shipbuilding and reconstruction activities.

Saipem Code of Ethics, fully implemented by Ersai, defines the values recognized, accepted

and shared by the Company, as well as the responsibilities it assumes in relation to internal and external stakeholders. Compliance with the Code of Ethics is of fundamental importance for ensuring the functioning, reliability and reputation of the Company. The Code requires fairness, loyalty, integrity and transparency of operations, conduct, working practices and processes and in the relations either within the Group or with external parties (Shareholders, Clients, Suppliers, Partners, and Local Communities).



Ersai main projects in 2011

Name	Client	Description
Piles & Flares project	Saipem Kazakhstan (for Agip KCO as final client)	In 2011 Piles and Flares project scope comprises the following activities: Mooring Protection (Assembling and Welding Piles, Sleeves & Clamps - 45 sets) and fabrication of 11 Pedestals for Cranes and Boom Rest structures. The scope also includes Non Destructive Testing of welded joints and anticorrosion activity – painting and coating.
Hook-up and commissioning	Agip KCO	Hook up & commissioning of Complex D and Complex A offshore facilities. In Kuryk yard the following activities have been carried out: inshore works for the reinstatement of Loose Items, prefabrication, marine logistics.
Conversion of Castoro 16 Barge	Saipem Kazakhstan	Project management, construction, engineering, and procurement, dismantling of equipment from the old TRB barge, preservation and installation on new C16 barge. Construction and installation of steel outfitting, testing and commissioning.
TRB/FTB	Agip KCO	Conversion of the existing 'Module 19' into a Temporary Refuge Barge (TRB) to be used for Kashagan Hook up and Commissioning Project. Ersai activities foresee detailed engineering design, procurement and construction. However, during the conversion phase AKCO changed the intention concerning ultimate utilization of Module 19 and requested Ersai to convert the module into a Flat Top Barge, supposed to float under Classification Society (RINA) approval.
Mud & Water Tanks Project	Saipem Saudi Arabia	Procurement and fabrication of mud and water tanks for rig 5843.
TRB/FTB	Saipem Kazakhstan	Procurement and fabrication of mud and water tanks for rigs 201 and 5829.
Zhambyl	Daewoo Shipbuilding & Marine Engineering	Procurement, fabrication of structure, assembly of blocks and equipment, installation, hook up and integration, test and commissioning for the completion of Zhambyl Submersible Drilling Rig.
Pig Trap Skids	Kazakhstan Caspian Offshore Industries LLP	Construction engineering, prefabrication and assembly of steel structure, NDT of executed works, painting of structure and transportation to KCOI facilities.

The fleet

Ersai 1

Hull length: 139.84 m; length overall (LOA): 140.45 m; hull breadth: 42.00 m; breadth overall: 42.61 m; depth: 8.40 m; lightship: 9,200 t approx.; lightship (without crane): 7,300 t; draught light: 1.70 m approx., typical 4.00 m, max. 5.60 m.

Class notation RMRS KE I technological pontoon.

Main crawler crane capacity 1,200 t.



Ersai 2

Crane type: Demag TC-1000s; maximum load: 200 t fully revolving; auxiliary hoist: 10 t; boom length: 54 m.

Powered: diesel-hydraulic; length (overall.): 59.89 m; tonnage: gross 824 t, net 247 t; 2x1,000 kg, chain 150 m.



Ersai 400

Accommodation Barge ABS (American Bureau of Shipping).

Hull type: ship shaped barge with side; blisters: ice class notation A0.

Hull length: 111 m; hull width: 16.20 m; depth: 3.75 m; load line displacement: 3,600 t; freeboard draught: 2.8 m; 2x10 t capacity revolving cranes at side; 1x3 t revolving crane at stern.

Helideck: aluminium made and suitable for Super Puma AS 332L2 helicopter.



Ersai 3

Classification: Utility Barge; class: Germanischer Lloyd - 100 A5 KE 'Special purpose ship' RMRS.

Length overall: 68.27 m; gross tonnage: 1,963 t; 1 pedestal crane capacity 5 t @ 12 m on exposed deck at stern; 1 overhead crane of 3 t capacity; 1 electrical monorail hoist of 2 t capacity.



Ersai 4

Type of Unit: WSB1 - Workshop Storage Barge; Class: RMRS; dimension: 96 m x 15 m x 3.6 m draft; pedestal crane capacity: 5 t @ 12 m; overhead crane capacity: 3 t; electrical hoist capacity: 3 t; office: 100 pp., meeting room. Ice reinforcement: 0.6 m.

Facilities for external users: 3x275 kW DDGG set 50 HZ; 1 Air compressor (10.5 m³/min - 12 bar); Dirty water tanks: 320 m³.



Kuryk Logistic Base and Fabrication Yard

Total area: 220 hectares; developed area: 130 hectares; shelter area (structural and piping prefabrication, painting and sand blasting, warehousing): 25,000 m²; offices area: 5,000 m².

Accommodation facilities for 2,000 persons in 21 buildings and 17 bungalows; fully equipped Port with the following configurations:

- water front 1,000 m;
- quay: 464 m; 22.4 m width;
- mooring dolphin: 100 m length; 22 m width;
- service jetty: 200 m length; 20 m width, with 30 t gantry crane;
- water front basin: 328,740 m²;
- water front fully protected by breakwaters for a total of about 1,700 m;

- entrance channel: 120 m width;
- water depth: 5.2 m C.D.

Total fabrication capacity of about 1,500-2,100 tonnes/month. In the case of a request of an additional fabrication capacity, the future workload could be increased up to 3,200 tonnes/month by further developing an already owned area and hiring additional employees.



Making People a strategic asset

- Our People
- People Management
- Training
- Our Safety Priority
- Health and Welfare

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Our operational performance

- Satisfying our Clients' requirements
- Working with our Vendors

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Environmental Preservation

- Actions to improve the environmental performance
- Increase awareness and competences

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Company citizenship

- Relation with local authorities
- Initiatives for local communities

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- Methodology
- Glossary and Acronyms

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Making People a strategic asset

Ersai employees' point of view about the Company

'I have enjoyed working in Ersai all these years. Recently I have obtained the MBA diploma (personal education) and I will try to implement my new theoretical knowledge in my work.

I have many friends among

colleagues, and in general I think the atmosphere is quite open. I would like to optimize controls for ICT security issues and improve service satisfaction of our end-users and Clients'.

Sarsenov Sungat

Our People

Employees represent the main resource for business implementation and one of the main pillars of Sustainability in Ersai.

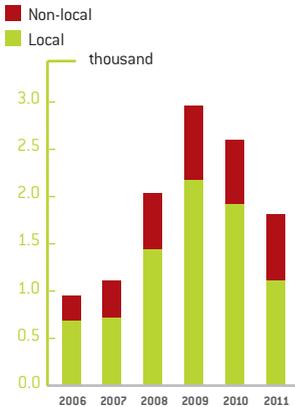
The importance of human resources' role is the basis of the company management policy. Involving highly qualified and motivated employees, creating a good environment for their effective work and

continuous professional development are essential purposes for Ersai. With respect to its employees, the Company carries out a fair and open policy at all working stages. General obligations of

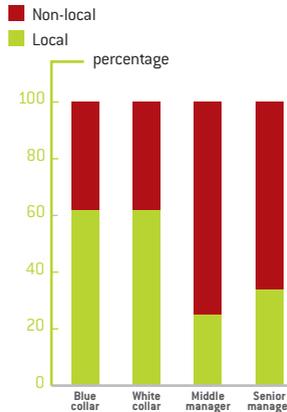
the employees and Ersai are stipulated in the Collective Agreement and Labour Contract. Ersai employed 1,896 people in 2011, 61% of which are local (Kazakh nationals) (December 2011).

Ersai commitment to local employment was driven by different targets. The Company adopts a strict policy to maximise local people's hiring.

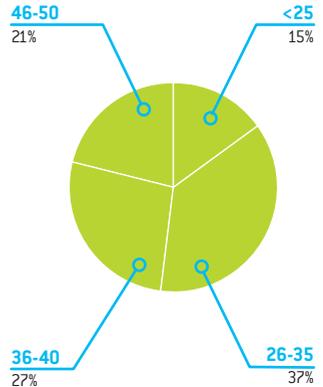
Local staff over total workforce



Employees category distribution



Employees distribution by age (years old)



People Management

With reference to the Retention Plan (one of the programs to motivate and retain key resources in the Company) 16 employees deemed valid signed an agreement in 2011.

In total, there are now 51 key resources. The implementation of a 'loyalty' attitude towards Company resources, a career perspective and job continuity are the main advantages of the program. A personal saving

account was created for each employee in the Kazinvestbank, where every year Ersai allocates a deposit, based on the seniority achieved and the monthly basic gross salary. This project has been scheduled for a

5-year period for each key resource. During 2011, 10 employees collected a capital corresponding to the 30% of credit fund after 3 years. In 2012, 25 employees are going to get 100% of their accumulated capital

and 8 employees 30% respectively. Moreover, Ersai established Valuable International Pool (VIP), which represents a segmentation process aiming at the creation of an internal market for international resources. The purpose of Valuable International Pool is to simplify data collection, at corporate level, focusing on some critical

clusters and sharing more information about them. The objective is to identify the resources considered significant for Ersai and the entire Saipem Group who are characterized by:

- High potential to cover managerial responsibilities at worldwide level;
- Proven technical-professional background and capability to transfer the know-how worldwide;
- Leadership attitude for the future.

Up to now, 16 Ersai VIP resources have been identified. The second approach is the 'Assessment of Potential' with the aim of gathering information, which may be useful in appraising the potential skills of young resources. Nine (6 middle managers

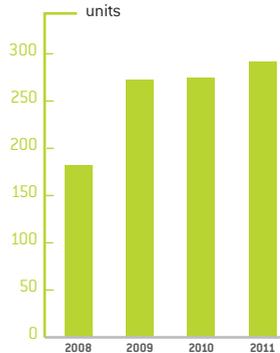
and 3 young talents) employees passed the assessment. The information collected allowed the Head of Departments and Supervisors to accurately plan the steps of their professional development, and analyse their strengths and areas of improvement.

Ersai employees' point of view about the Company

'Having worked in Ersai for nearly 6 years, I have always been confident and I am firmly convinced that I have entrusted my career and the best years of my life in proper hands. Ersai has considerably developed my position and definitely improved the quality of my life compared to before I joined. Apart from regular trainings that Ersai provides, I'm thankful to the Company for delegating me important and complex projects. This is the best knowledge and experience path that one can take. Working in Ersai I have met a lot of nice and important people that now I'm always glad to meet not only at work, but in informal life. Retention Plan and International Pool programs are the great projects of Ersai aimed at promoting its local employees. I would like to ask Ersai to keep on going in this direction'.

Gurbanov Roman

Female employees



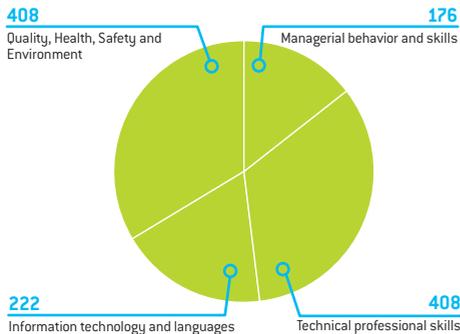
Training

The Company needs specific, highly qualified, continuously updated professional personnel.

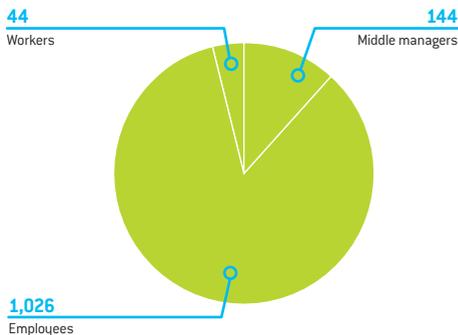
In support of this need, Ersai provides both theoretical and practical training courses, for the development of professional skills by its Human Resources Department. The Company organizes all types of courses on the basis of training plan and budget approved by the

Top Management. In 2009 and 2010, 233 Blue Collars were trained in the PTC. In 2011, PTC was mainly focused on white collars training [e.g. Managerial courses, Languages, etc.], while professional training on welding and welders' certification were continued.

Training hours per course type



Training hours per category



The Professional Training Centre (PTC)

Recognizing the necessity for professional qualified personnel as welders, pipe-fitters, steel carpenters, scaffolders, instrumentation specialists, painters, hydro-test specialists and electricians, Ersai decided to further develop its Training Center opened on April 2005. In 2009 Ersai Training Centre became a separate entity with the new name Professional Training Centre Llp, strictly focused on serving the industry's training needs. The Professional Training Centre instructs people from the local community on the skills necessary to meet the requirements of the Company and provides additional training to further

enhance the individual skills. In addition to the main technical courses, since 2007 the PTC has organized language and computer skills courses for unemploeed inhabitants and school children of Kuryk settlement. On August 2010, PTC QHSE Integrated Management System was successfully certified in compliance with three standards: ISO 9001:2008; ISO 14001:2004 and OHSAS 18001:2007 by 'Bureau Veritas' Certification Body. On April 28, 2011 the Kazakhstan Welding Association was founded. One of the five founders

Training of local young engineers: Testimony

A group of five young Kazakh engineers have completed their study for a nine month-period at the engineering centre at Saipem Energy Services SpA (SES), Fano (Italy) and then a further period at the Integrated Projects Department in Saipem SpA, Milan (Italy). They were also involved in offshore campaigns on-board of the lay vessel Castoro 12, operating in the Caspian Sea.

Interview with Trainee, Kaumbayev Berik, Structural Engineer:
'On-the-job training in Saipem Energy Services

lasted 7 months. SES office is located in a small Italian city called Fano, we were sent there in a group of 5 people. The course, named Offshore Pipeline Engineering Training, was organized in the following way: self-study, work with a tutor and participation to workshops. When we arrived in SES we were split into 5 separate departments. I took my on-the-job training in the ENVI (Ocean and seabed engineering) department. The course itself is

of the 'KazWeld' Association was Ersai. On July 17, 2011 the association was recognized as 55th member of the International Institute of Welding. In the period from September 2011 to February 2012 PTC was certified as first preliminary authorized training body. By July 2012 PTC will be the first Training centre authorized to train for the international levels 'International Welding Practitioner' and 'International Welder'. Functions of the 'KazWeld' Association:

- Represent Kazakhstan at the International Institute of Welding;
- Represent the International Institute of Welding in Kazakhstan;
- Organize exchanges of

scientific and technical information with the International Institute of Welding;

- Manage access to the technical database of the International Institute of Welding;
- Participate in IIW Commissions to prepare recommendations, state-of-the-art reports and technical papers related to welding technology;
- Responsible for conducting examinations in the training centres;
- Award diplomas of the International Institute of Welding.

Functions of PTC within 'KazWeld':

- The Experts have been delegated by PTC and Ersai to adapt IIW documentation (charter,

procedures, access conditions, etc.) in Kazakhstan;

- The Board of Directors of the Association includes representatives of PTC;
- PTC representative from the Board of Directors was awarded on the position of Chairman of the Education and Training Committee;
- PTC serves as a Training Centre model thanks to the experience and equipment.

PTC today:

- First Training Center in Kazakhstan for International Welder courses. Opening date proposed in the 1st quarter 2012;
- Three PTC welding instructors have been certified for IIW course;

- In a ceremony organized by KazWeld, Total and the Kazakh Ministry of Oil & Gas, both the PTC instructor Bakhtygeriev Amirzhan and the welder Kadyrbekov Adilkhan got Diplomas for their contribution to Kazakhstan welding production.

PTC tomorrow:

- Leading training centre in Kazakhstan, training and issuing international certificates;
- Main Certification Centre for specialists and technologies of welding production;
- Set up PTC branches in each region of Kazakhstan.

unique, because it gives you a better understanding about a specific field as sea line engineering. You have the opportunity to discuss matters of your interest with specialists who have enormous experience and to meet people not only from Fano, but also from all over the world, expanding your horizons. You familiarize yourself with advanced technologies currently in use. The most fascinating thing is that you read scientific articles written by those people you meet there every day'.

Our Safety Priority

The HSE Management System of Ersai was established and certified by Bureau Veritas Certification in accordance with the OHSAS 18001:2007 and ISO 14001:2004 standards.

Based on the annual Training Plan, approved by Ersai management,

the HSE Department conducts different training courses for

employees in order to ensure that all personnel are aware of the possible

Ersai employees' point of view about the Company

'After becoming an Ersai employee, I felt supported and understood by colleagues. This kind of attitude helps to develop professional quality. Work in Ersai is not only an inestimable experience, but also represents a chance to take in order to create good relationships with people of different cultures.

Working together we learn from each other. It allows not standing in one place but to develop. We become stronger and better together with our Company'.

Skvortsov Yevgeniy

Ersai employees' point of view about the Company

'Ersai is a stronghold of reliability, confidence and stability, with an excellent program for developing and improving the skills of employees. The Company also aims at improving the personal qualities of staff through training and has acquired over the years an invaluable experience and knowledge. Coordinated work of the departments contributes to the creation of friendly relations among employees. Ersai should promote the implementation of a program for the development and professional growth of key resources within the Company'.

Ramazanov Rinat

2011. The Managers of the departments submitted their best teams and a special committee verified these lists as per QHSE criteria. In 2011, the Award was given to labourers, foremen, drivers, crane operators, welders, pipe fitters, steel carpenters; in total 649 employees.

risks associated with their job. In addition to this, even Safety

Committee meetings, safety stand-down meetings, periodical HSE

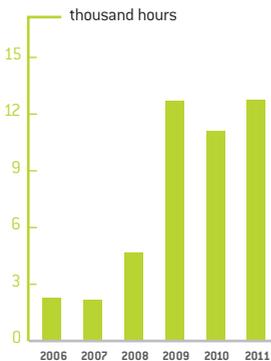
campaigns, inductions at workplaces and daily toolbox talks are conducted to improve the safety culture among employees in Ersai. A Quality, Health, Safety and Environment (QHSE) Award System is set up to increase QHSE awareness and encourage the employees to take proactive actions in order to promote and improve the Company's QHSE Performance during daily activities. QHSE Award Ceremonies took place on a quarterly basis during

Safety Climate Analysis

Climate Analysis questionnaire is the way to measure the perception of employees towards safety and environmental programs and activities developed in the Company. 2011 results indicate how important is:

- Communicating/ discussing HSE issues (policy, procedures, events, etc.) with all personnel.
- Providing awareness (through training) about HSE issues.
- Providing necessary

Safety awareness courses



	2005	2006	2007	2008	2009	2010	2011
Worked Manhours	2,989,356	3,393,006	2,799,323	4,813,705	7,622,995	6,692,035	6,149,386
Lost Time Injuries	3	5	2	3	5	6	3
Total Recordable Incidents	5	6	3	6	13	12	6
First Aid Cases	110	41	59	142	54	11	7
Lost Workdays	197	191	186	220	185	390	61
LTI Frequency Rate	1.00	1.47	0.71	0.62	0.65	0.90	0.48
TRI Frequency Rate	1.67	1.77	1.07	1.25	1.71	1.79	0.97
FA Cases Rate	0.36	0.12	0.21	0.29	0.07	0.01	0.01
Severity Rate	0.06	0.05	0.09	0.04	0.02	0.06	0.01

	2007	2008	2009	2010	2011
Safety Hazard Observation Cards	796	947	1,018	3,338	2,089
Tool Box Talks	5,615	10,281	14,203	13,555	15,641
HSE Meetings	157	143	570	612	574
Job Safety Analysis	648	1,099	539	1,180	2,640
HSE Training Hours	4,282	8,165	13,444	13,191	16,008
HSE Inspections	182	237	578	585	414
Emergency Drills	7	13	17	29	26

- PEEs for the job.
- Identifying and assessing the risks related to the activities and inform the workforce accordingly.
- Protecting and respecting the environment.
- Caring about the health of employees, not only in relation to work related events (incidents), but also by providing assistance and advice through site clinic and medical personnel during and after working time, even for non-work related health cases.

Here below are listed some employees' suggestions recorded inside the questionnaire:

- lack of places for sport activities, the devices at the gym are insufficient;
- proposal to plant trees and flowers;
- lack of heaters in shelters.

Performance Indicators

Analysing the trend it is possible to note that:

- The total number

of minor incidents drastically decreases across the years. As at 2011, 7 First Aid Cases (FAC) were reported (positive trend since 2008).

- The total number of 'medium and serious' incidents drastically decreases across the years. The number of incidents was decreased by 50% in comparison with year 2010.

The number of Tool Box Talks increased in 2011, giving good evidence of Ersai workers' proactive attitude to HSE issues. The number of JSA increased twice compared to 2010, as well as HSE training hours.

Leadership in Health and Safety (LiHS)

During 2011, Ersai has implemented the Leading Behaviours campaign, that is a phase 4 of a behaviour-based training program called Leadership in Health & Safety. This campaign is crucial to support LiHS initiatives and a cultural

change towards safe working practices within the organization.

Ersai Leading Behaviours campaign was officially kicked off on April 13, 2011 and gradually released during a global communication campaign over a 9-month period. In order to maintain people's interest, the campaign was developed as a gradual build-up, divided into 6 phases: the 5 Leading Behaviours release and 1 final conclusion phase, each lasting approximately 6 weeks. During this period, every

Leading Behaviour was introduced by Ersai Llc General Director or Operations Manager to all the employees and subcontractors through a poster and a short video of Saipem CEO, Mr Tali, showing his full support to the campaign along with an extract from a film showing the Leading Behaviours in practical terms. The entire film called 'What comes first' was used for the conclusion phase, accompanied by a specially designed brochure with full information about the 5 Leading Behaviours. In

Safety Achievements in 2011

- No fatalities (since 2005 zero fatalities has been recorded)
- LTI FR ≤ 0.65 (0.48) & TRI FR ≤ 1.62 (0.97) targets achieved
- 1,119,393 MHRS worked without LTI in IHUC Project
- 1,035,628 MHRS worked without LTI in Prefabrication for Hook-up Project
- 195,761 MHRS worked without LTI in Piles and Flares Project
- TRB Project successfully completed without LTI

Negative events in 2011:

- No. 3 LTI

Ersai employees' point of view about the Company

'I have been working in Ersai since the first day of Company establishment.

I joined this project in June 2003 when staff consisted of 5 people working in small rooms of Rakhat Hotel, when the present site of Ersai base was a piece of desert on the seaside, with old buildings of a destroyed pioneer camp. More than 8 years in Ersai are like a relevant part of my life, spent with a big friendly family which keeps on changing every day.

When I joined this project my position was buyer. Sometimes I had even to go around Aktau and to buy urgent materials by cash and to send to the project. My current position is Procurement Coordinator. I think that what we do as procurement team is a very significant part of any Ersai project.

Ersai gave me a huge experience in my activity, as well as an overall view of all the project processes. My knowledge improved considerably thanks to the best teacher I've ever had in my life, our Procurement Manager Mr. Lorenzo Starnieri. His sudden death is a big loss for me, for our department and for the entire Organization.

In addition, I would like to highlight the very healthy environment inside our department. Relationships among all the colleagues are friendly and respectful. I have always avoided personal conflicts and lacks of respect inside our team. Such attitude generated some sort of ethic of behaviour among our people. Our approach towards other departments of the Company is the same and this allows all the processes to be connected with our activity in a rapid and efficient way.

Key employees, those positively assessed by Department Heads during annual evaluation, should be more motivated'.

Yartsev Vladimir

In addition to that, a public network was always available for all Ersai personnel to access and learn about LiHS and leading behaviours. In addition to this campaign, all personnel were requested to give a feedback and share the personal stories about

the implementation of the 5 leading behaviours. This is an important component within a cultural change process, as it provides personal evidence of the realisation of change. This new LiHS phase is related to the previous ones of the LiHS program

and complements the occurring workshops, cascades and Five STARS trainings. In 2011, 39 Five STARS Intervention Trainings (LiHS Phase 3) were carried out in English, Kazakh and Russian, as well as cascading events. With the purpose of

solving problems, the following targets were settled for the next year:

- ensure continuous monitoring of safe working practices, workplace conditions and state of equipment in use;
- ensure the competence of employees provided by recruiting companies;
- ensure the competence of key personnel in civil defence;
- ensure Ersai LLC is adequately prepared to respond in an event of civil defence;
- review incidents and share lessons learnt;
- update training needs for particular groups of employees;
- ensure Ersai safety training programs comply with amended RoK legislation;
- continuously improve the image of safety trainers;
- enforce safe driving practices within Company's operational areas;
- conduct LiHS Phase 3;
- run LiHS Phase 4, Part 2.

Health and Welfare

In 2011, Ersai launched the BE.ST program in the Kuryk Fabrication Yard.

As a first step, a meeting was organized with catering personnel on the implementation of

the program. Besides, questionnaires were distributed to all camp residents for the

evaluation of the quality of food, the identification of possibilities for development, and the

improvement of catering facilities. Following that, a series of actions were agreed with the

BE.ST Program: the Saipem Better Life Style Program

BE.ST is the acronym of Better Life Style, a program which suggests an alternative lifestyle to Saipem employees during their work and resting time on site.

The BE.ST Program consists of 3 steps:

- 'Better Food' includes the possibility of choosing healthier meals prepared by the catering service. The menu is based mainly on the Mediterranean diet and

is adapted to different needs according to the job position, type of work or chronic diseases.

- 'Better Working Environment' aims at activating the behavioural patterns in order to keep worksites and resting places clean.
- 'Better Community' intends to create a 'table zone' similar to a restaurant/tavern, as a pleasant place where people may gather

together to spend their free time.

The BE.ST Program was launched in several Saipem sites, vessels and Saipem Operating Companies. The participation was not mandatory but strongly recommended, especially for those people with cardiovascular risks or diseases (including high blood pressure, diabetes or dyslipidaemia), as well as for those who are overweight.

catering subcontractor, mainly concerning the alignment of the daily menu in accordance with this program.

Fitness examination

In 2011, Ersai signed an agreement with Oil Insurance Company with the purpose of providing a medical insurance to all Company employees. Employees were able to get free consultation, 24 hour family doctor visits, and emergency calls organization. In the case of emergencies, employees can get specific treatments, hospitalization, and medicines. Ersai health service continuously monitors the fitness status of all its employees, on a monthly basis. As a result, 97% of local employees and 97% of expatriate personnel have a valid medical fitness certificate.

Cardiovascular Disease Prevention Program

Cardiovascular diseases (CVD) are the leading cause of death in nowadays world and in oil & gas industry, and

smoking is one of the main causes.

Ersai developed the program to reduce CVDs and encourage smoking cessation.

In order to assure better health conditions to their employees, as well as to promote a healthier and safer environment, Ersai has implemented the Cardiovascular Disease

Ersai employees' point of view about the Company

'I am proud of working in Ersai Llc since 2005. Within the company, I started as HSE Translator to move later to LiHS Program Country Coordinator. Ersai gives us a positive view about promotion in the company, recognizing hard-worker, enthusiastic and open-minded employees. Moreover, Ersai launches many young specialists, both investing in their professional trainings and qualification. Several Ersai ex-employees found good jobs in oil & gas companies, either in Kazakhstan or even neighbours states.

Working in Safety Training Department makes my job wide-ranging and extremely interesting, due to the fact that it allows me to communicate to a variety of people coming from different cities of Kazakhstan and locations all over the world. Regardless of positions, age, education most of them are always polite and friendly, and I not only train these persons, but also learn from them something new about their work, culture and life in general.

LiHS program is reaching the main aim of creating a strong Safety Culture within our Company, and Ersai gives these opportunities for all employees to work towards a health and safety vision by providing all the required material, PPE, trainings, etc. I am happy to play an important role in such changes, improvements and growths.

Good luck Ersai! I wish a prosperous future for the Company and its employees!'

Selyunina Anastassiya

Main Health Data for 2011 - Proactive HPI

Total number of Health training hours	828
Total number of employees taking part in Health courses	611
Total number of local employees taking part in Health courses	498
Total number of medical staff	13 (12 of them are local)
Health training hours among Kuryk school children	167
Total number of Vaccinations	1,000
No. of personnel involved in First Aid Training Program/total number of workforce	14%

Main Health Data for 2011 - Reactive HPI

1.16% of Ersai employees visited the clinic due to illness on a monthly average in 2011.

0.12% of Ersai employees were absent due to illness on a monthly average in 2011.

Main causes of sickness are respiratory diseases (24.85%), digestive (7.63%) musculoskeletal (5.64%) and other kinds of illnesses (18.41%).

43.37% of visits to the clinic were due to follow up, vaccinations, Cardio Vascular Disease Prevention program and remaining 56.63% due to sickness.

17 Medical Evacuation (Medevac) performed in 2011: 4 caused by accident (23.5%);

13 caused by sickness (76.5%). Main reasons of Medevac were sickness involving the following systems: respiratory 23.5%, circulatory 17.60%, genitourinary 17.60%, musculoskeletal 11.8%, digestive 6%.

Ersai employees' point of view about the Company

'I like to work in the Company; I had a good work experience in a big multicultural team which is a part of a worldwide Company. In Ersai I started my career as engineer and attained the position of coordinator. I received a good knowledge of legal and international requirements in the environmental area, as well as in developing and implementation of ISO 14001:2004 standard and skills in auditing the EMS. Relations with colleagues and the atmosphere in the Company are good. The training system focuses on improving our management skills and provides the sharing of experience with other Saipem branches'.

Kim Vadim

'Ersai Sustainability program defines how to achieve a common social agreement and to develop local regions. As a local employee, I can say with confidence that up to now we have got positive results around us, what makes our quality of life higher.

I am proud of working in Ersai, where I have developed a lot of capabilities and gained experience in international standards, in a general atmosphere where we can get any support to improve our know-how and feel free to express our own ideas'.

Tulemaganbetova Meiramgul

Prevention Program since 2008.

In 2011, 300 persons participated in this program.

Out of 29 employees belonging to the Risk Factors Following Program, 16 participants decreased their score (reporting the following risk factors: gender, age, smoking, systolic blood pressure, total cholesterol or cholesterol/HDL ratio); 12 participants maintained their score.

Results were achieved by medical treatment (57.1%), life style modification and medical treatment (35.7%) and life style modification (7.2%).

Other initiatives

To improve the transportation service of employees between Kuryk and Aktau, 6 new buses were purchased for this service. In addition to this, changing rooms with shower and toilets for workers of the yard were constructed.



Our Operational Performance

Ersai is committed to continue to be a leader company in the field of oil and gas industry services and infrastructures in the Caspian area. To that, Ersai is continuously working to improve its competences, technologies and equipment to be always able to respond to Clients' needs

and expectations.

Ersai is working together with its vendors being aware they are key to its success.

The Company is committed to maintaining and improving a mutual long-term understanding and trust with the enterprises that work with and for Ersai.

Satisfying our Clients' requirements

Project Management Review Meetings

In 2011, Ersai project teams continued to implement the Project Management Review Meeting for all projects carried out in Kuryk Yard, in order to analyse the results with the functions concerned and identify possible actions that would add value to further project processes. Project Management Review Meetings were organized for Piles & Flares, IHUC Prefabrication, and Temporary Refuge Barge project.

Lessons Learned

Lessons learned are of paramount importance considering the opportunity to learn from failures and success and adding value to

the future activities and processes. In this context, in 2011 a 'Lessons Learned Workshop' took place for all projects. Ersai Project Management and Key functions, as well as Clients' representatives, participated in the event sharing their opinions and experiences. All the stages of the project from design development aspects to concerns related to final documents preparation were discussed. All attendees of the workshop including Client representatives extended their full agreement on the lessons capitalized from Ersai project experience and delivered during the event.

Customer Satisfaction Monitoring

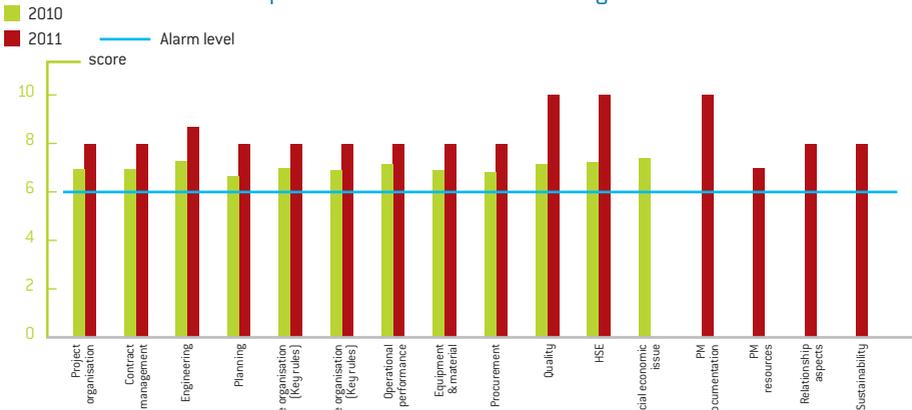
In a competitive marketplace where businesses compete for clients, customer satisfaction is seen as a key differentiator and a primary element of the business strategy. For this purpose, Customer Satisfaction Questionnaires are sent to customers in order to receive feedbacks about the activities carried out by Ersai. In 2011, 2 feedbacks were received for Zhambyl Project and IHUC Project. The main items highlighted by the Customers were the following:

- Uniqueness in the Caspian area;
- Sustainability of oil

- and gas industries in Kazakhstan;
- Lifting operation by using 1,000 tonnes crane (availability of heavy lifting);
- Range of services offered;
- Implementation of QC (NDT); good field supervision/management;
- Requirement of proper logistics solutions due to the location of the yard;
- Proper implementation of Governmental Regulation;
- Implementation of security at camp recognized as the big challenge.

A meeting is planned for 2012 to analyse the questionnaires and decide corrective actions to be taken.

Customer satisfaction: comparison table of 2010 and 2011 figures



Score is from 1 (worst score) to 10 (best score). 2011 results are better than those of year 2010. In 2011 socio-economic issues were split into four topics as per new revision of the form.

Certified Laboratory

In 2011 NDT Laboratory successfully passed either the surveillance Audit from the Kazakhstan National Centre of Accreditation or the international audit from third party Bureau Veritas. The infrastructure was reconditioned to a new independent office/ building, consisting of comfortable and modern equipment. Taking advantage of the presence of qualified international personnel in NDT laboratory, the

objective for 2012 is to train and certify local employees for TOFD and Phased Array methods.

Ersai additional licenses

Ersai has obtained a license for handling of nuclear materials, ionizing radiation sources and radioactive materials and for handling with precursors; it allows to do radiographic inspections and non-destructive testing in-house. Moreover, Ersai has got the license for environmental design, which gives the

opportunity to prepare in-house environmental parts of execution plans, Environmental Impact Assessment and Maximum Permissible Discharge projects.

Construction of dry dock

The scope of the Zhambyl Project includes launching the submersible drilling rig into the sea, which requires the construction of a dry dock in the Fabrication Yard. A temporary dry dock was built as waterproofing metallic chamber,

designed in the form of light structure with the following dimensions: length 140.06 m, width 84.86 m and depth 6.16 m, with the adjacent lock for the launching of the ship to the sea.

The structure of the dry dock is located on the safe water area below the sea level and separated by the lock paddle from the water area. It is a special structure dedicated for the construction and assembling of block modules of the offshore structure to be then launched to the sea.

Working with our Vendors

Suppliers and Subcontractors are fundamental to Ersai success.

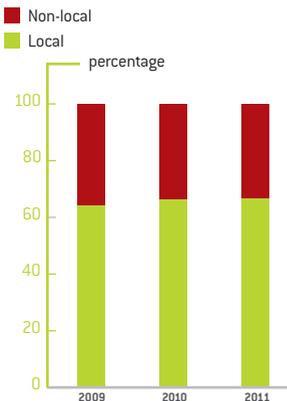
Ersai is working with its local suppliers and

subcontractors to develop their capabilities

in order to meet international standards. Comprehensive subcontractors' safety programs are in place to help them to improve their HSE systems and achieve improved overall HSE performance. Audits are regularly conducted by Ersai on suppliers and subcontractors with the purpose to assess the Vendors' QHSE Management System against ISO 9001, OHSAS 18001 and ISO 14001 standards and give feedback on improvement actions to be taken and to pre-qualify them in the Vendor Data Base.

In 2011, QHSE Assessment Audits were conducted on 8 main subcontractors and suppliers. The areas of improvement identified were mainly related to HSE Management System and control of records. To improve the performance of the Vendors, the QHSE Manager launched monthly meeting with the subcontractors working on site with the purpose of discussing QHSE issues on a regular basis and deciding necessary measures to be taken by them. Besides, HSE trainings are organized by the

Purchases by local and global suppliers & subcontractors



Subcontractor personnel working on the premises of Ersai.

Sustainable Partnership

Following the first meeting carried out in 2010, on November 23, 2011, Ersai carried out the second Ersai Sustainability Meeting with Suppliers and Subcontractors. Twenty persons, as representatives from different companies, were present. Meeting purposes were:

- to achieve Sustainability results through potential partnership with Suppliers and Subcontractors;
- to introduce the main principles of Ersai Sustainability Policy;
- to involve Suppliers and Subcontractors in the social life of the community where

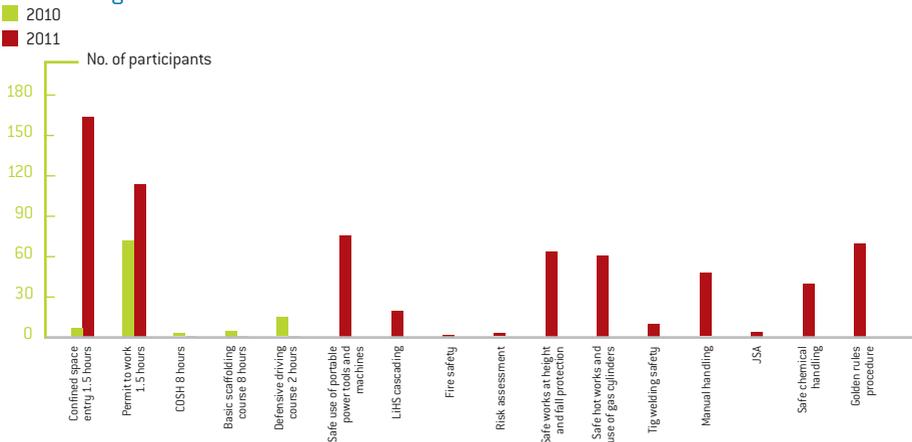


- they work;
- to present the results of the Externalities study and Ersai Suppliers and Subcontractors' impact on the local economy;
- to inform Suppliers and Subcontractors about Saipem initiatives, our Sustainability plan and to introduce the projects they can participate in;
- to reinforce good

relationships with Suppliers and Subcontractors. As a result of this campaign, last year a number of vendors like CIS and RBG started to be more proactive by directly investing in social initiatives in the region. This year, Ersai has presented 10 projects proposals that Suppliers and Subcontractors could support. Consequently, some subcontractors

like Caspian Mainport Aktau LLP, Special Oil Projects LLC, Denholm Zholdas LLP, Geecy LLC, Multicatering, Centrasia Industry Services agreed to jointly collaborate on Sustainability initiatives for 2012, specifically on the following initiatives: dental room for Kuryk children, kitchen equipment for Kuryk schools, landscaping activities, etc.

HSE training for subcontractors





Environmental Preservation

Ersai has in place an Environmental Management System certified in accordance with ISO 14001:2004 standard.

Ersai has identified the environmental aspects connected to its activities and analysed their influence on the environment.

Actions to improve the environmental performance

Connection to the public electricity grid

In 2011 the Company connected to the public electrical line, thus allowing the decrease of the use of electricity generators and related

risks. Therefore, the emission of polluting substances was reduced, the same for the risk of oil products spills. The overall emission of

GreenHouse Gases was reduced by 33% (about 13 ktonnes CO₂ eq) in comparison with 2010, and the costs related to air emissions by 57%.

The overall reduction of GHG has been of about 13%, considering both scope 1 and scope 2 emissions.

Oil Spill Prevention and Mitigation Measures

During offshore operations, oil spills can cause serious damages to the environment, especially considering the environmental sensitivity of the Caspian Sea. All ships and barges are equipped with metal trays preventing any outflow of fuel; materials and equipment for prevention of spills and clearing of water, including the modern biological absorbents for pollution, are available. A professional team, provided with all necessary modern equipment, has been placed within the yard to timely react in case of spills.

For oil spills prevention

and immediate response in the case of emergency incidents on the sea, in 2011 the company carried out several activities. To improve oil spills response, new equipment and materials have been purchased:

- Special mobile Ro-tanks for the storage of contaminated liquids;
- Special durable oil containment booms for the use during bad weather conditions;
- Multipurpose Power package;
- Special pump over system DESMI DOAS;
- New type of absorbent materials.

An environmental training on 'Oil Spill

Response' was carried out from August 8 till August 12, 2011. A team of 16 persons from Environmental, Safety Departments and Port Management participated. The training was organized by Ersai Llc Environmental Department and delivered by the Oil Spills Response Center, Southampton (UK), a worldwide Company, supported by leading oil and gas companies, to provide resources to respond to oil spills efficiently and effectively on a global basis. As a result of this training, a new Oil Spill Response Team was created in the Ersai yard.

In addition to that, a specific training on 'offshore and onshore oil spills prevention' was carried out for 148 employees working in places with potential oil and chemical spills or involved in the oil spill prevention process. Four emergency drills were organized during 2011: 2 of them with the participation of Ersai subcontractors like RBG and CIS; one on the sewage treatment plant with the participation of the operators of the plant; the fourth one on the subject 'Offshore Oil Spill', utilizing newly purchased oil spill equipment.

Testing Laboratory

A testing laboratory was established inside Ersai to carry out the analysis of potable water, the water desalination of plant water, sea water, underground water, distilled water

and sewage water [domestic, oily, return water to Caspian Sea]. The laboratory has 3 qualified specialists and is provided with modern equipment.

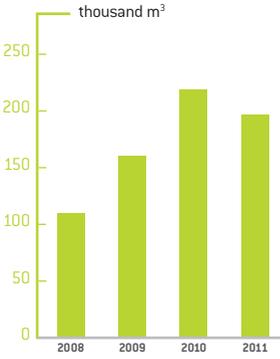


Increase awareness and competences

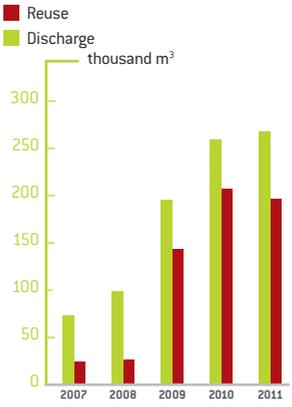
In 2011 the following training activities were carried out:

- Waste management system of Ersai: 388 hours;
- Onshore & Offshore Oil Spill Response: 148 hours;
- Environmental Aspects: 291 hours;
- Medical waste management: 10 hours.
- Environmental Management System of Ersai: 47 hours;
- Rational use of resources: 242 hours, in addition to posters and bulletin;

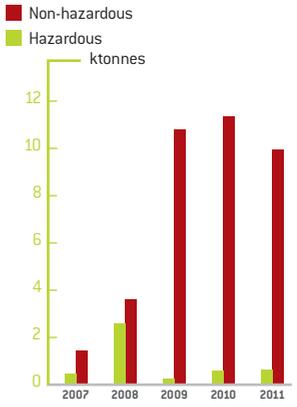
Water consumption



Water discharge and reuse



Waste produced



Emissions

		2007	2008	2009	2010	2011
CO ₂	(tonnes)	40.64	62.10	91.64	98.62	55.03
NO _x	(tonnes)	46.85	53.83	88.42	94.92	42.24
SO ₂	(tonnes)	18.48	23.30	42.47	44.73	23.76
VOC	(tonnes)	41.45	35.15	4.55	4.79	1.67
Other	(tonnes)	19.52	13.84	75.88	91.21	60.70

Consumption

		2007	2008	2009	2010	2011
Petrol	(toe)	8.66	11.40	10.61	8.54	6.98
Diesel	(toe)	246.36	341.08	445.53	451.90	327.98
Total	(toe)	255.02	352.48	456.14	460.44	334.96



CASTORO 16

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Company citizenship

Ersai is strongly committed to working responsively and contributing positively to the socio-economic development of the communities.

Every year, Ersai establishes a Sustainability Plan, based on the analysis of the needs of local communities, focusing mainly

on activities for health and cultural promotion, education and environmental protection. In particular, the focus on youngsters and their education and wealth is an essential aspect to guarantee a future development for local communities. Some initiatives carried out in 2011 are reported here.

Relation with local authorities

For further improvements of the relationship with local authorities, a specific focal point was established in Ersai to work and collaborate with them, for any issue that may arise.

In 2011, Ersai conducted several meetings with local stakeholders, like the Regional Department of Education, Local Schools, the Central

Kuryk Hospital, the Kuryk Labour Department, Kuryk Akimat, etc., to inform them about the progress of Ersai Sustainability Plan.

During the meeting, unresolved or pending items were discussed and each part took the necessary actions. Ersai and local authorities

worked together in order to achieve a common objective for a socio-economic development of the region.

Initiatives for local communities

Health promotion

In cooperation with the youth public Fund 'Urpak Next', Ersai implemented a No Tuberculosis campaign among the youngsters of Mangystau Region.

Tuberculosis is considered a social illness, due to the fact that the disease is widely diffused among young people in Kazakhstan, especially in Mangystau region.

'For 10 months of the current year, the total number of diseases among youth of Mangystau region has decreased for 27% in comparison with the results of the similar period of last year. However, despite of it, the number of diseases among Mangystau teenagers, unfortunately, remains above state level. Today 37 teenagers are sick with tuberculosis, 10 of them in acute infection phase. The population is quite uninformed about

tuberculosis spread. Pupils and students ignore obligatory yearly medical check-ups' – said the Head Doctor of Mangystau Regional Tuberculosis Clinic, Mr. Kuat Titanov. 'The primary aim of this project is the diffusion

of a healthy way of life among youth, as well as the improvement of knowledge on preventive measures from tuberculosis. It is necessary for new generations to know how to protect themselves and their relatives from

such a serious disease; in fact the majority of them ignores prevention measures and medical check-ups' – says Gulzhanat Muratbay, Director of the Public Fund. As a first step, a press-conference was carried out with the



presence of concerned parties like the Head Doctor of Mangystau Regional Tuberculosis Hospital, the Social Development Centre of Mangystau region, the public association 'Urpak-Next' and some Ersai Health Department representatives. This campaign covered Tupkaragan region, Akshukur, Sayin,

Kyzyl-Ozen, Fort-shevchenko, Bautino, Taushyk, Zhyngyldy, Zhetymbay, Munayshy, and Kuryk villages. Communities and school-children received general information on tuberculosis and its first symptoms and also preventive measures. Leaflets on the topic were distributed and a practical video was

displayed. Besides, the Kuryk village hospital was refurbished to be able to treat the disease and a new 'tuberculosis ward' was created. Ersai intends to continue this campaign next year.

In continuation of the Cardio surgery program, 2 qualified doctors came to Kuryk to make medical screenings to all the

children with congenital heart disease and identified 2 to undergo surgery. Under the health campaign program addressed to school pupils, Ersai medical specialists provided health courses like first aid, STD, non-alcohol and non-smoking campaigns, thus totalling 167 training hours.

Education

In the context of the Memorandum of mutual cooperation with Karaganda State Technical University, this year Ersai has provided welding equipment, as a contribution to the training of local welding specialists. In the period 2009-2011, Ersai launched a scholarship program. The main purpose was to support students from needy families by financing their university studies at one of the State Universities of Kazakhstan. It was initially planned to choose 5 students with good scores on National

Testing Exam and from low-income families, but finally 9 students were selected, now studying in different faculties of Karaganda University, such as welding, mechanical, construction, etc. Ersai will provide tuition payment for 5 years, a monthly allowance of 25,000 KZT, and transport costs. The agreement was signed between Ersai and the students, who are required to attend the courses in a professional way, and later on to work in Ersai for a minimum period of 5 years. The first 6 students

selected took part in the summer internship in the Kuryk Base, during which they worked in different departments like training centre, quality control and document control.

For the second year, Ersai organized 7-month courses on mathematics and physics for Kuryk school graduates to prepare them for National Testing Examination. As a result, 24 students, against 13 students of the last year, received the State Scholarship to study free of charge at one of the State Universities of Kazakhstan.

English and computer courses (65 hours) for Kuryk school children and unemployed people were organized on regular basis. These courses gave the opportunity for some unemployed people to improve their knowledge and to be hired, while school children improved their English knowledge level. The Director of the Professional Training Centre, Mr. Yousri Khattab, visited several times the courses provided by trainers and had occasion to talk in English with the attendees of the class.

Environmental protection

On the occasion of Environmental Day on June 5, 2011, the environmental department conducted voluntary Saturday work

outside the base, focused on cleaning the seaside near the Kuryk village. All employees were invited to take part.

Promotion of sport and healthy lifestyle

In 2011 Ersai continued with on-going programs, such as the 'Ersai Basketball School League'. Thanks to the meetings with local

subcontractors (ref. page 15) also RBG and Hertel companies joined Ersai in supporting this school league.

Ersai Kuryk marathon took place during the celebration of the Great Victory. All the participants of different ages ran 10 km distance and winners received valuable prizes. There was proactive participation from the side of Kuryk community; even a 70-year woman joined in this competition.

The Bike Trophy event was held for the fourth year. This time Ersai cyclists chose the road to Mangystau Usturt Plateau. Mangystau Usturt environmental protection initiatives were included in the next Ersai Sustainability Plan for year 2012.

2 children playgrounds were constructed by Ersai in Kuryk village in

2011. These playgrounds were fully equipped with appropriate facilities and comply with the safety requirements.

During the last year Ersai in joint partnership with the subcontractor CIS supported the Kuryk Palace of Culture, providing costumes and musical facilities to the Kuryk orchestra. As a result, Ersai received the gratitude

letter from the Kuryk Akimat for the support in the cultural development of the Karakian region.

On the occasion of the Great Victory, Ersai hosted a special Victory Day and Nauryz event. The official ceremony took place in Ersai offices where the Company's representatives paid tribute to the present veterans.

Emergency assistance

Ersai provided humanitarian help to the

victims of flood in Uralsk and Zhanaozen city after

the riots of December 16, 2011.



Methodology

This is the second annual Sustainability Report for Ersai Caspian Contractor LLC that describes its vision and commitments, but also presents its engagement and performance in relation with its stakeholders. The Report has been prepared in accordance with the principles of materiality, stakeholder inclusiveness, Sustainability context and completeness. The document is aimed at providing a comprehensive view of Ersai's business, by reporting the Company's operations according to their both qualitative and quantitative features.

The selection of contents presented within this Sustainability Report has been made in compliance with Saipem Group Sustainability Report, Ersai operations conducted during the reference year (2011) and issues considered important for Ersai's stakeholders. The data included in this Report come from the Company's official management and reporting systems of the different functions, whose subjects are therein discussed. Whenever possible, the last three accounting years are reported.

Glossary and Acronyms

First Aid (FA) Case Rate

FA Cases Rate = $(\text{FAC} / \text{Total man hours}) * 10,000$

HSE

Health Safety and Environment

IVMS

In-Vehicle Monitoring System

KZT

Kazakh Tenge

Lost Time Injury (LTI)

A LTI is any work-related injury, which renders the injured person temporarily unable to perform any regular Job or Restricted Work on any day/shift after the day on which the injury occurred. Fatalities and Permanent Total Disabilities are included in the calculation of the total the number of the Lost Time Injuries.

Lost Time Injury Frequency Rate (LTIFR)

LTIFR = $\text{No. LTI} \times 1,000,000 / \text{Total worked man hours}$

Lost Workdays (LWD)

The total number of calendar days on which the injured person was temporarily unable to work due to a Lost Time Injury. In case of a Fatality or Permanent Total Disability no Lost Workdays are recorded. If the Fatality occurs after several Lost Workdays, both the Fatality and the Lost Workdays have to be computed.

PTC

Professional Training Centre

QHSE

Quality, Health, Safety and Environment

RoK

Republic of Kazakhstan

Severity Rate

SR = $\text{No. LWD} \times 1,000 / \text{Total worked man hours}$

Stakeholder

A company stakeholder is a party who affects, or can be affected by, the company's actions, such as: Employees; Customers; Shareholders; Vendors; Labour unions; Government and Local Authorities; NGOs and other advocacy groups; Local communities; Competitors.

STD

Sexually Transmitted Diseases

Total Recordable Incidents (TRI)

Term to define the sum of Lost Time Injuries (including Fatalities and Permanent Disability Cases), Work Restricted Cases and Medical Treatment Cases.

Total Recordable Incident Frequency Rate (TRIFR)

TRIFR = $\text{No. TRI} \times 1,000,000 / \text{Total worked man hours}$





Ersai Caspian Contractor Llc

Head Office

Business Center 'Sunkar'
Microregion 2 Bldg. 47 B
130000 Aktau - Mangystau Oblast
Republic of Kazakhstan
www.ersai.kz



saipem

Headquarter

San Donato Milanese (Milan), Italy
Via Martiri di Cefalonia, 67

Feedback

What you think of the Sustainability Report matters to us.

As we are constantly striving to improve our reporting, we would very much welcome your feedback. We will also be pleased to answer any questions you may have.

Contact

sustainability@saipem.com

Special thanks to all those who contributed to the elaboration of this report

Website: www.saipem.com

Operator: +39-025201

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