

SAIPEM MODERN SLAVERY STATEMENT 2020

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INTRODUCTION

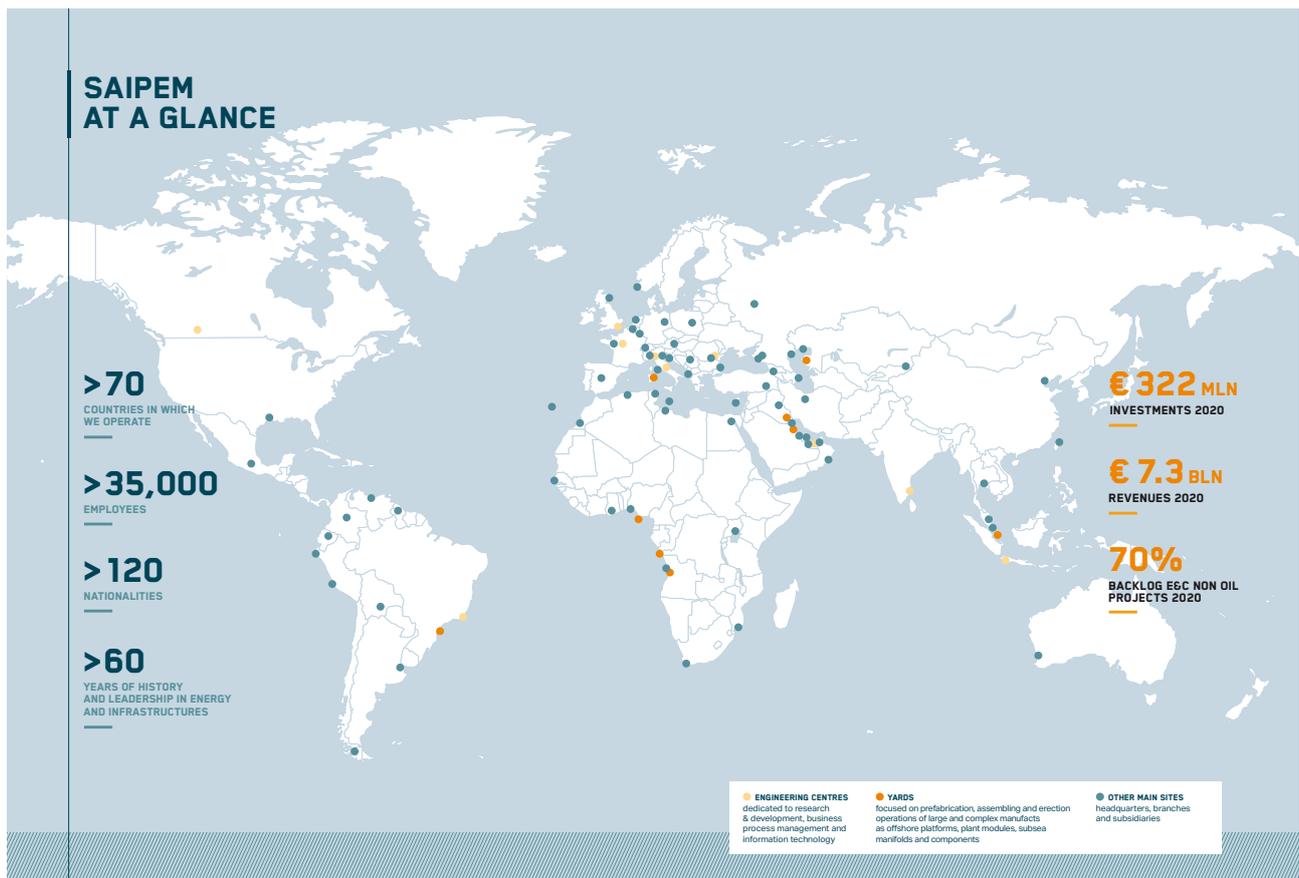
Modern slavery is an umbrella term covering forced labour, servitude, debt bondage and human trafficking for the purposes of labour exploitation. Our statement describes the policies and processes implemented by Saipem to address modern slavery risks across our

global business and supply chain and the actions taken in 2020 and planned for the year ahead. "Saipem" refers to the parent company Saipem SpA and its consolidated subsidiaries as identified in the Annual Report 2020, including Saipem Ltd (a wholly owned UK based subsidiary).

SAIPEM'S ACTIVITIES AND LOCATIONS

Saipem is a global solutions provider within the energy and infrastructure sectors, specialising in the management of complex on and offshore projects, from

design to decommissioning and including those in extreme environments, remote areas and deep waters.

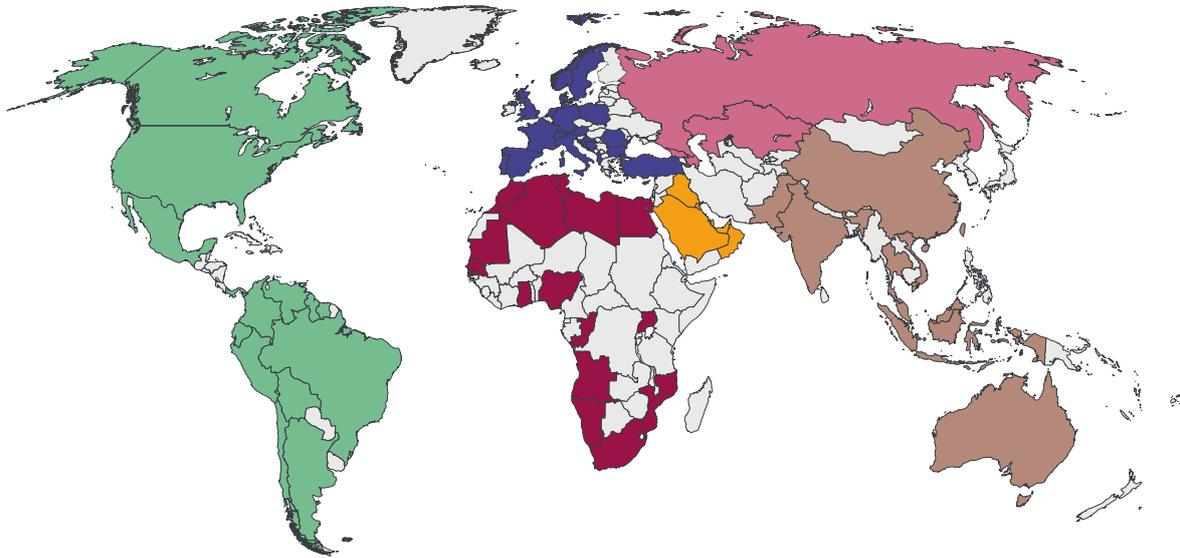


Our sites include:

- > 9 fabrication yards;
- > 44 vessels;
- > 83 onshore drilling units, and 3 onshore

rigs owned by third parties, operated by Saipem;

- > and various office facilities.



AMERICAS

Employees (No.)	2,209
Supply chain orders (€ mln)	357
Qualified Suppliers (No.)	4,333

AFRICA

Employees (No.)	5,136
Supply chain orders (€ mln)	1,928
Qualified Suppliers (No.)	3,490

MIDDLE EAST

Employees (No.)	7,964
Supply chain orders (€ mln)	1,322
Qualified Suppliers (No.)	3,834

FAR EAST AND OCEANIA

Employees (No.)	5,735
Supply chain orders (€ mln)	1,566
Qualified Suppliers (No.)	2,865

CIS

Employees (No.)	4,438
Supply chain orders (€ mln)	729
Qualified Suppliers (No.)	1,624

EUROPE

Employees (No.)	9,541
Supply chain orders (€ mln)	2,825
Qualified Suppliers (No.)	7,550

Our operations span over 70 countries, in the following locations:

Europe

Albania, Austria, Bulgaria, Croatia, Cyprus, Denmark, France, Germany, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, Turkey, United Kingdom.

Americas

Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Guyana, Mexico, Peru, United States, Venezuela.

CIS

Azerbaijan, Georgia, Kazakhstan, Russia.

Africa

Algeria, Angola, Congo, Egypt, Equatorial Guinea, Ghana, Libya, Mauritania, Morocco, Mozambique, Nigeria, Senegal, South Africa, Tunisia, Uganda.

Middle East

Iraq, Israel, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.

Far East and Oceania

Australia, Bangladesh, China, India, Indonesia, Malaysia, Pakistan, Singapore, Taiwan, Thailand, Vietnam.

RISK

COUNTRY-BASED RISKS

For each country in which Saipem operates, an in-depth analysis of the current legislation in force is examined for each of these areas:

- > child labour;
- > forced labour;
- > non-discrimination in employment and occupation;
- > freedom of association and collective bargaining.

Information and reports provided by international organisations, NGOs and trade union associations covering labour rights and human trafficking are also considered.

Countries are divided into four distinct categories: high, medium, moderate and low risk countries.

SUPPLY CHAIN RISKS

Saipem has identified a series of sustainability aspects as priority areas in the management of supplier business ethics; their respect for human and labour rights, their approach to protecting their workers in terms of health and safety and their commitment to protecting the environment. These aspects are integrated into Saipem's Supply Chain Management System. This also applies to third party recruitment providers. Further details on the qualification process and ongoing monitoring are provided in section 6.

LOCAL RISKS

Saipem strives to minimise any adverse impacts in the areas where we operate and contribute in a positive way by implementing strategies that promote sustainable local development.

Our approach entails listening carefully to the demands and needs of our local stakeholders. Saipem has a structured system of collecting and managing the needs of the local communities connected to our operations. Many of our important operations in different geographical locations (e.g., Nigeria, Oman, Indonesia and Mozambique) have implemented these systems to guarantee effective communication with local communities.

Saipem's activities, carried out together with local communities, create long-term value and contribute to the local socio-economic development in the countries in which we operate. We generate new jobs and spur demand for local goods and services, all while building and improving infrastructure, contributing to the education system and developing professional skills. This work style and approach contributes to the creation of socio-economic conditions needed for the effective enjoyment of fundamental human rights and the promotion of sustainable growth also in the regions where we operate.

PROJECT RISKS

Before proceeding with the tender of a new project, an updated assessment of the country risk is made and an execution plan prepared setting out the actions required to mitigate risks should the project be awarded. In some cases, Saipem may partner with another contractor in a joint venture arrangement. Formal and detailed due diligence activities are carried out by a dedicated Business Integrity unit within Saipem, on all prospective partners.

OUR COMMITMENT

Saipem operates within the reference framework of the UN Universal Declaration of Human Rights, the Fundamental Conventions of the ILO, the OECD Convention, and the UN Global Compact principles.

We became a UN Global Compact Signatory in 2016 and participant in 2018, incorporating their 10 principles into our

strategies, policies and procedures.

During the course of 2020, to further confirm Saipem's commitment, the CEO signed a call to action for company leaders on human rights issues, by signing the Italian version



of the “CEO Guide to Human Rights” drafted by the World Business Council on Sustainable Development (WBCSD).

Our Code of Ethics **states the rejection of any form of discrimination, corruption, forced or child labour. The code promotes human rights and safeguards the dignity, freedom and equality of human beings including the protection of labour rights and the freedom of trade union association and health & safety.**

Saipem’s Code of Ethics strictly demands that there shall be no harassment in the workplace, for example:

- > the creation of an intimidating, hostile, isolating or in any case discriminatory environment for individual employees or groups of employees;

- > unjustified interference in the execution of work duties by others;
- > placing obstacles in the way of the work prospects of others for reasons of personal competitiveness on their own behalf or on behalf of other employees.

The Code of Ethics applies to the entire Saipem population, as well as to third parties with which Saipem collaborates, to promote the establishment of long-lasting relations for the progressive improvement of performance while protecting and upholding the principles and contents of the Code.

The Code of Ethics is currently available in Arabic, English, French, Indian (Hindi), Indian (Tamil), Italian, Portuguese, Portuguese (Brazil), Russian and Spanish.

RAISING CONCERNS (WHISTLEBLOWING)

Saipem personnel, directors, statutory auditors, members of the control and supervisory bodies, management and third parties with whom Saipem collaborates with have the obligation to report any violations of the Code of Ethics. The various communication channels are as follows:

- > Via email at:
WhistleBlowing@saipem.com
or segnalazioni@saipem.com
- > Ordinary postal service at:
Saipem SpA,
Internal Audit Function
Via Martiri di Cefalonia, 67
20097 San Donato Milanese (Milan),
Italy
- > Toll free international fax number
+39 02 442 54088
- > online form on Saipem SpA intranet/
internet sites (SCAN THE QR CODE)



- > alternative tools for the collection of

the reports e.g. dedicated post boxes, so-called Yellow-Boxes, in sites where IT equipment is not readily accessible.

Whistleblowers are guaranteed against any form, direct or indirect, of retaliation, discrimination or penalisation, for reasons connected directly or indirectly to their report and their anonymity is assured. Sanctions are imposed on those who violate provisions adopted to guarantee the safeguarding of the Whistleblower.

The Internal Audit function ensures that investigations are carried out:

- in 4 phases (preliminary control, verification, audit and monitoring of corrective actions);
- with the utmost urgency and;
- with the utmost confidentiality,

The Internal Audit function provides a quarterly update to the Saipem SpA Board of Directors on such matters. Details of reported and investigated cases are described in the 2020 Annual Report - Consolidated Non-Financial Statement. During 2020, there were no concerns reported that indicated modern slavery was taking place.

OUR PEOPLE AND SUPPLY CHAIN

35,023

EMPLOYEES

79%

LOCAL PERSONNEL

3,672

PEOPLE HIRED THROUGH EMPLOYMENT AGENCIES

49%

LOCAL MANAGERS

11%

FEMALE EMPLOYEES

39%

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

€8.7 BLN

TOTAL GOODS AND SERVICES ORDERED

+500

SUPPLIER QUALIFICATION QUESTIONNAIRES ON LABOUR RIGHTS ANALYSED IN 2020 IN HIGH RISK COUNTRIES

23,696

ACTIVE SUPPLIERS

+2,000

SUPPLIER QUALIFICATION QUESTIONNAIRES ON LABOUR RIGHTS ANALYSED SINCE 2013 IN HIGH RISK COUNTRIES

Saipem's business is characterised by global personnel and a highly complex global supply chain, covering different geographical areas and different industrial sectors. Today Saipem has almost 24,000 qualified suppliers, 7,000 of whom were qualified in 2020.

In over 60 years of business in numerous countries, Saipem has created a consistent and profitable network of partners and suppliers; almost 6,000 suppliers have worked with Saipem for at least 10 years.

Saipem has adopted a sustainable approach to the management of its supply chain, through continuous dialogue and engagement, a strong focus on respect

for human rights and HSE aspects and by contributing to growth and empowerment. The supplier management system is structured to guarantee that suppliers have proven technical and operational skills and share Saipem's values and policies. Specific sustainability elements are analysed and monitored in the various phases of the supplier management system.

Saipem's suppliers are bound by contractual clauses to comply with the principles of the Code of Ethics and respect human rights in conformity with Saipem's sustainability policy. We also demand that they require respect for the same principles and standards from their own suppliers, thus guaranteeing safe and

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



fair working conditions and the responsible management of environmental and social aspects throughout the procurement chain. Failure to perform on these matters may result in the suspension of the supplier's qualification and/or termination of the contract.

SUPPLIER QUALIFICATION

The qualification process begins with information gathering to evaluate:

- > their technical, operational and managerial skills and track record, including their alignment with quality standards;
- > their financial, reputational and ethical reliability;
- > their ability to manage sustainability issues.

Sustainability issues include business ethics and respect for human and labour rights including the protection of the health and safety of workers and the environment. The level of risk linked to sustainability issues is determined by the country of origin of each supplier and the industrial sector. Suppliers identified as having a high sustainability risk level are subject to additional investigations during the qualification process.

Suppliers are subject to a Counterparty Risk Assessment ("VERC"), that examines their ethical conduct in terms of anti-corruption, unlawful conduct and human rights and any other aspect that could directly damage the reputation of the supplier, and indirectly damage Saipem's reputation. The VERC is performed by analysing the key characteristics of the counterparty, with particular attention to economic-financial, ethical/reputational aspects and ownership. These checks are typically carried out by gathering information from third party specialists rather than directly involving the counterparty. VERCs are performed at the start of the qualification process, prior to a contractual award and on an ongoing monitoring basis.

Onsite audits may take place during the qualification and/or monitoring process, particularly if the supplier operates in countries classified as "high risk" on human and labour rights. The audit will assess the supplier against local legislation and Saipem's principles and standards.

To promote our HSE and other ethical principles and train suppliers on Saipem's standards and requirements and how they should align with them, Saipem organises tailored events, meetings and forums for suppliers, both prior to qualification and during the execution of contracts. Further information is available in the chapter "Generating shared value" in the 2020 Sustainability Report "Ready for the transition - Enabling a green future".

EMPLOYMENT AGENCIES

Global Petroprojects Services (GPS AG) is a fully owned subsidiary within Saipem which has held a licence for international recruitment and manpower supply since 1994 and in addition is a Seafarer's Recruitment and Placement Services agent in compliance with ILO MLC 2006. GPS AG is a human resource centre of excellence, which provides a complex spectrum of labour related services. Saipem (particularly GPS AG) are supported by local employment agencies. Ongoing monitoring systems are in place to observe how employment agencies manage sensitive processes such as recruitment practices. This monitoring involves the validation of documents, audits at the supplier's premises and phone interviews with personnel.

LOCAL SECURITY FIRMS

Saipem is committed to adopting preventive measures aimed at minimising the need for a response from public/private security forces in the event of any threats to the safety of its people and the integrity of its assets. Saipem manages relations with local security forces to ensure a shared commitment to human rights, as well as the adoption of rules of engagement that limit the use of force and the impact on local communities. Before signing a contract, suppliers of security systems and services due diligence is performed to verify that there are indicators connected with the violation of human rights. Saipem introduced clauses regarding the respect for human rights in its contracts with these suppliers in 2010 and failure to observe the clauses leads to the termination of the contract.

OFFSHORE PERSONNEL

In addition to the Whistleblowing system implemented for the entire Saipem Group, Saipem adheres to the principles and the

rights recognised to Seafarers promoted under the ILO Maritime Labour Convention of 2006 (MLC 2006). Seafarers also have the right to submit grievances in accordance with a structured process if a violation of their rights arises. To ensure Seafarer is aware of their rights, all people working on offshore vessels receive a copy of the related procedure and all the forms necessary to submit complaints, together with a copy of their employment agreement. Complaints are examined by

the Captain and/or the Company and are managed in compliance with Saipem's disciplinary procedures.

INDUSTRIAL RELATIONS

Saipem has a sound record of relations with trade union organisations in a variety of geographical locations. During 2020, relations with trade union organisations were characterised by regular dialogue for the management of the COVID-19 emergency.

ACTIVITIES IN 2020

Due to the COVID-19 pandemic and significantly reduced international travel, Saipem's activities typically involved e-learning and desktop audits and assessments.

AWARENESS OF MODERN SLAVERY

To mark the International Day for the Abolition of Slavery and to create awareness and reinforce the importance of preventing modern slavery and human trafficking in everyday life, an information campaign was published on Saipem's intranet portal which is available to all employees. The campaign provided real examples of Modern Slavery that emerge not only in the workplace but also in daily life.

SUPPLIERS' EVALUATION

4,645 vendors were subject to a Counterparty Risk Assessment ("VERC"), that also aimed to verify their ethical conduct in terms of anti-corruption, unlawful conduct and human rights. In addition:

- > 585 suppliers were assessed on HSE issues;
- > 504 were assessed on labour rights issues;
- > an onsite audit was carried out on a supplier in the United Arab Emirates on issues relating to workers' rights (as a result of the pandemic, it was not possible to carry out a significant number of audits with vendors);
- > 44 vendors were checked on their labour rights performance during the execution of the contract;
- > 2,485 feedback questionnaires were completed on supplier performances, of which 65% were positive (no

points of attention were reported that indicated modern slavery was taking place).

ASSESSMENT OF NIGERIAN SUBCONTRACTORS

- > 10 subcontractors in Nigeria were assessed through a desktop audit, which assessed their alignment with international standards (such as the ILO conventions) and the principles on the well-being of workers established by the "Building Responsibly" Initiative, that include, among others, forced, trafficked and bonded labour. The results indicated that the subcontractors' operations were in line with Saipem's standards.

EMPLOYMENT AGENCIES

- > 143 potential employment agencies were assessed on both technical and social aspects, 105 of which were successfully qualified;
- > 2 on site and 2 remote assessments were performed on previously qualified agencies in Saudi Arabia, the United Arab Emirates and Italy (with the latter relating to employment services for Italy, Bulgaria, Romania and the United Arab Emirates);
- > an internal survey was carried out on 13 employment agencies, that support GPS AG. The survey involved the internal GPS personnel who work daily with these agencies (e.g. recruiters). No concerns emerged on potential cases related with modern slavery;
- > 18 international personnel employed by agencies were interviewed by phone during their off-duty period to gather input about the management

of the recruitment process and all administration practices.

HUMAN RIGHTS RISK REGISTER

- > a new tool was created to analyse the potential human rights risks associated with the activities in our projects and identify mitigating actions. In 2020, this tool was tested in Kuwait. Some mitigation actions, including an awareness on human and labour rights aspects, were launched in 2020, with further activities to be carried out in 2021;
- > in 2021, the "Human Rights risk register" will be applied at all relevant company sites in order to identify and address potential Human Rights risks in our operations.

ENGAGEMENT WITH OUR EMPLOYEES

- > 2,512 Saipem employees participated in the United Nations' survey aimed at identifying priorities for international cooperation, and how to address the challenges we face, from COVID-19 to the climate crisis. The outcome of the Saipem employee survey revealed the 10 most relevant themes for our people, and among them we highlight: Decent work, Gender equality, Diversity and inclusion and Future work. The results of the survey were included in Saipem's annual materiality assessment. More details on our 2020 Sustainability Report "Ready for the transition - Enabling a green future".

TRAINING

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

During the 2016-2019 period, a training programme on "human rights and the supply chain" was implemented and the Saipem procurement functions involved, mainly Vendor Management and the Post Order Functions, were wholly trained. Training was delivered via an e-learning platform to reach all Saipem sites worldwide. The training includes international standards and Saipem's policies, the actions that can be implemented and the role of employees on these critical issues. The training

aims, in particular, to instruct employees who interact directly with vendors on the importance of reporting serious situations they may observe during visits to vendors.

In 2018, GPS AG, our wholly controlled subsidiary, launched a customised e-learning course on topics such as fighting corruption, social responsibility, integrity, ethical supply chain, health and safety, etc., and to transfer and share Saipem's ethical principles.

In 2020, 17 employees from 14 different employment agencies were trained with the e-learning course.

A new e-learning training programme dedicated specifically to people operating in security was launched in 2020, focused on ethics and compliance issues, including human rights. A total of 59 people completed the training, which is expected to be continued in 2021 to the rest of the identified population.

OBJECTIVES FOR 2021

Saipem is continuously committed to protecting and promoting human and labour rights in its business operations further consolidating the tools and

activities carried out in previous years. For 2021, three additional specific objectives have been defined:

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- | | |
|--------------------|--|
| Objective 1 | Development of a human rights awareness raising tool |
| Objective 2 | Application of the "Human Rights Risk Register" tool to other Company sites |
| Objective 3 | Continuation of the training programme for security personnel |
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This statement was approved by the Board of Directors of Saipem SpA on June 30, 2021.



Saipem SpA
Chief Executive Officer
Francesco Caio

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



Società per Azioni
Share Capital €2,191,384,693 fully paid up
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Companies' Register No. 00825790157



SAIPEM SpA
Via Martiri di Cefalonia, 67
20097 San Donato Milanese
Milan - Italy

SAIPEM.COM