

---

# CREATING VALUE

---

2018 SUSTAINABILITY REPORT



---

**TALKING ABOUT SUSTAINABILITY  
MEANS FOR US TALKING  
ABOUT OUR VALUES.**

**BEING RESPECTFUL,  
BEING RESPONSIBLE,  
CREATING VALUE.**

---

---

# TABLE OF CONTENTS

---



	<p><b>LETTER FROM THE CHAIRMAN</b></p> <p><b>LETTER FROM THE CEO</b></p> <p><b>2018: OUR SUSTAINABILITY EVENTS</b></p> <p><b>MISSION AND VISION</b></p> <p><b>2018 GROUP HIGHLIGHTS</b></p>
1	<p><b>OUR CORPORATE IDENTITY</b></p> <p>1.1 GROUP OVERVIEW ..... 14</p> <p>1.2 GROUP ECONOMIC, FINANCIAL AND BALANCE SHEET PERFORMANCE ..... 15</p> <p>1.3 OUR PRESENCE IN THE WORLD ..... 16</p> <p>1.4 INVESTOR INFORMATION ..... 18</p> <p>1.5 OUR THREE SOULS: WHO WE ARE, WHAT WE DO ..... 19</p> <p>1.6 GREEN INNOVATION ..... 20</p> <p>1.7 FLAGSHIP PROJECTS ..... 22</p> <p>1.8 MARKET LEADERSHIP ..... 24</p> <p>1.9 MEMBERSHIP ..... 25</p>
	<p><b>SUSTAINABILITY AT MAIRE TECNIMONT</b></p> <p>2.1 SUSTAINABILITY CONTEXT ..... 29</p> <p>2.2 GROUP COMMITMENT TO THE SDGs AND THE UN GLOBAL COMPACT ..... 30</p> <p>2.3 MAIRE TECNIMONT GREEN ACCELERATION PROJECT ..... 32</p> <p>2.4 STAKEHOLDER ENGAGEMENT ..... 33</p> <p>2.5 MATERIALITY ANALYSIS ..... 35</p> <p>2.6 MANAGING RISKS AND OPPORTUNITIES ..... 38</p>
	<p><b>GOVERNANCE AND ETHICS</b></p> <p>3.1 GOVERNANCE ..... 45</p> <p>3.2 ETHICS &amp; COMPLIANCE ..... 50</p> <p>3.3 ANTI-CORRUPTION ..... 52</p> <p>3.4 GRIEVANCE MECHANISMS ..... 54</p>
	<p><b>PEOPLE AT THE CENTER</b></p> <p>4.1 EMPLOYMENT ..... 59</p> <p>4.2 INDUSTRIAL RELATIONS ..... 62</p> <p>4.3 DIVERSITY ..... 63</p> <p>4.4 HUMAN CAPITAL DEVELOPMENT ..... 65</p>
	<p><b>TECHNOLOGY, DEVELOPMENT, INNOVATION AND R&amp;D</b></p> <p>5.1 R&amp;D AND TECHNOLOGICAL INNOVATION ..... 78</p> <p>5.2 EPC INNOVATION ..... 82</p> <p>5.3 DIGITAL INNOVATION ..... 84</p> <p>5.4 KNOW-HOW MANAGEMENT ..... 86</p>
	<p><b>CREATING SUSTAINABLE VALUE</b></p> <p>6.1 ECONOMIC DEVELOPMENT ..... 91</p> <p>6.2 LOCAL COMMUNITIES AND LOCAL ECONOMIC DEVELOPMENT ..... 93</p> <p>6.3 CUSTOMER RELATIONS ..... 99</p> <p>6.4 RESPONSIBLE SUPPLY CHAIN ..... 101</p>
	<p><b>THE POSITIVENESS OF HSE</b></p> <p>7.1 HUMAN RIGHTS ..... 108</p> <p>7.2 HSE CULTURE ..... 111</p> <p>7.3 HEALTH AND SAFETY ..... 113</p> <p>7.4 ENVIRONMENT ..... 118</p>
	<p><b>METHODOLOGY, CRITERIA AND REPORTING PRINCIPLES</b></p> <p>REPORTING PRINCIPLES, PERIOD &amp; PURPOSE ..... 127</p> <p>GRI AND UN GLOBAL COMPACT CONTENT INDEX ..... 130</p> <p>INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT ..... 140</p>

---

# LETTER FROM THE CHAIRMAN

---

**Dear Stakeholders,**

*Awareness has been the key word of our 2018. Awareness of our past and of the importance of the heritage we treasure. Awareness of our future, looking ahead to the new realities of our business environment, being cognizant of the role we want to play in it.*

*Our capacity to have a long-term view of both the past and of the future sets us apart. Our uninterrupted links with Academia and Research since our foundation have allowed us to tap into and capitalize on future trends. They ensure that we are proactive to change and not reactive and a high-value and high-quality business proposition for our stakeholders.*

*This past year has been a clear indicator of the ongoing evolution we are experiencing, bringing into focus the challenges we have ahead of us both as a business player and as a corporate citizen.*

*Sustainability is not a mere declaration of intent. It becomes a core tenet of our operations and acts as a compass to guide business decisions, while providing a major competitive leverage.*

*Global changes prompt us to find long-run solutions to environmental emergencies and we are aware of the difference we can make by flanking Clients as they make business decisions, as well as the importance of mitigating any side effects that could emerge from the misuse of industrial materials that we contribute to creating.*

*Moreover, value creation for stakeholders and the local impact generation of our projects are of utmost relevance and central to our responsibilities as an international industrial player.*

*The international-level commitment we have taken, supporting the UN Global Compact and embedding the Sustainable Development Goals in our everyday work, is an integral part of our way of doing business and is the lens through which our 2018 could be read.*



**Fabrizio Di Amato**

Maire Tecnimont Chairman and Major Shareholder

**«NEW CHALLENGES IN  
A FAST-CHANGING  
WORLD AWAIT US»**



---

# LETTER FROM THE CEO

---

«BE PIONEERS  
TO DRIVE  
CHANGE»



**Dear Stakeholders,**

*The Maire Tecnimont Group has grown relentlessly over recent years, both in terms of its structure and its financial results, reporting in 2018 a record of 3.6 billion of revenues. Such outstanding development in a skin-changing global environment impacted by strong market discontinuities is the first, sound evidence of our pioneering mindset: we read the market and react in advance so as to seize opportunities and open new paths of sustainable growth.*

*As we operate in the hydrocarbons downstream industry (petrochemicals, oil&gas refining and fertilizers), the key factors that drive our business are based on global demand both for plastic and for fertilizers, linking tightly our operating strategy to demographics, as well as to social and industrial development. Our technological know-how in the delivery of large, complex industrial plant puts us at the crossroads between the energy and manufacturing industries, bridging the gap required to unlock and retain locally higher value by processing natural resources. We contribute to locally build developments brick by brick, driven by a strong, best-in-class focus on Health, Security and Environment. Sustainability is, hence, truly a key factor in each project we execute, both in economic and social terms.*

*Given our technological mindset, we want to play a pivotal role in this ever-changing energy scenario. We have reacted responsively to progressive market trends towards non-fossil and unconventional sources, launching at the end of 2018 our Green Acceleration project through a dedicated company, NextChem, to seize opportunities in the field of Green Chemistry and technologies to support the Energy Transition. We have invested in several initiatives to lead the way as a green innovator, focused on a three-pillar strategy: Greening the Brown - reducing carbon footprint by offsetting environmental impacts from the conversion of oil and gas - Circular Economy, and Green-Green - developing oil additives or substitutes used for fuels or plastics from renewables, with the long term goal of industrializing the production of bioplastics. Our mission is to be a technology enabler and accelerator, identifying new solutions to be industrialized as breakthrough innovations. We maintain a constant focus on the Sustainable Development Goals as a core feature of our daily operations as we want to thrive in this future environment: our commitment is clear and our engagement is measurable. This is our time to drive change.*

A handwritten signature in black ink, consisting of a stylized 'P' and 'F' followed by a horizontal line.

**Pierroberto Folgiero**

Maire Tecnimont CEO and Managing Director

# 2018: OUR SUSTAINABILITY EVENTS

## FEBRUARY

### February 28

Maire Tecnimont and SACE SIMEST (CDP Group) feature in “Seenergy Talks”, dedicated to the production chain of the Italian SME’s of the Group.



## APRIL

### April 5

Publication of the Group’s 2017 Sustainability Report.



# 2018



## MARCH

### March 13

The polyptych “nell’aperto”, created by Antonio Pauciolo for the Maire Tecnimont Group, is shown permanently at Milan-Bicocca University for the twentieth anniversary celebrations of the University.

### March 31

Maire Tecnimont renews its collaboration with the NGO CORP to support the women empowerment in India.



## MAY

### May 30

Ceremony for the presentation of diplomas to participants in the Development Programme delivered by the Group in collaboration with the Baku Higher Oil School.



## JUNE

### June 7

2018 Seenergy, the Group event dedicated to Maire Tecnimont supply chain partners.



## NOVEMBER

### November 27

Maire Tecnimont Technology Innovation Day: presentation of the green acceleration project with the launch of NextChem, the new energy transition company.



## OCTOBER

### October 18

Maire Tecnimont and the Politecnico di Milano establish a new course in design and management of Chemical Processes in Industrial Plants.

### October 30

Maire Tecnimont wins the Smart Working Award 2018 established by the Smart Working Research Center of the Politecnico di Milano.

## DECEMBER

### December 4

Maire Tecnimont supports "The Ocean Cleanup", a non-profit organisation committed to finding innovative solutions for the collection of plastics from the seas.

### December 21

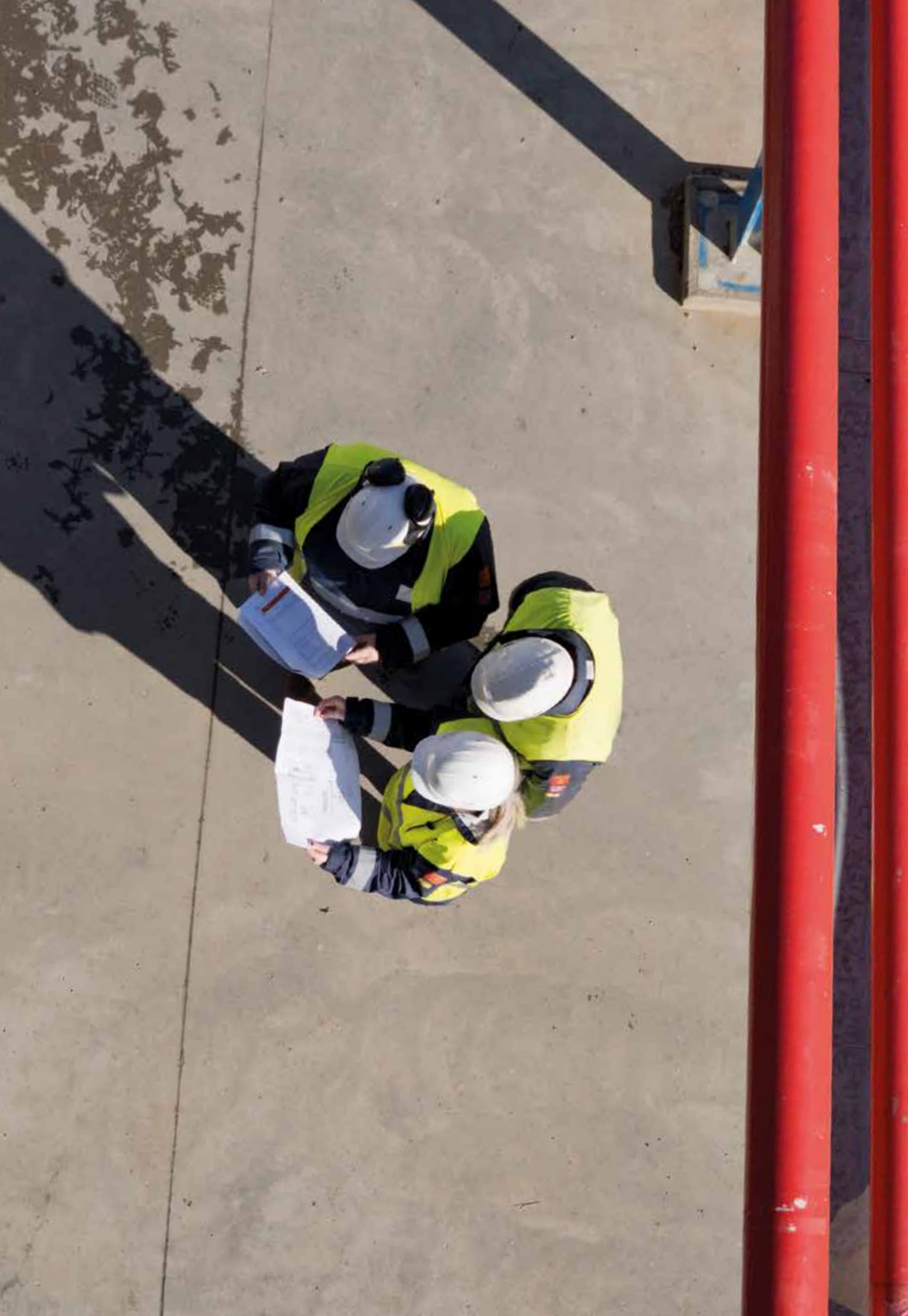
Maire Tecnimont donates workers' furnitures from the Tempa Rossa project to the Civil Protection of Basilicata.

## **MISSION**

**We want to be a world class technology-driven contractor operating in the Engineering, Procurement and Construction sector. Our key factors are competence, entrepreneurship, and adaptiveness.**

## **VISION**

**We have long roots and distinctive competences and technologies in the hydrocarbon processing sector namely petrochemicals, oil&gas refining and fertilizers industries. We aim at accelerating the world energy transition towards sustainable development and a circular economy approach, having a wide range of services end to end in the value chain. We focus on the chemical processing of conventional and renewable natural resources into energy and advanced products for manufacturing.**



# 2018 GROUP HIGHLIGHTS

## FINANCIALS



**€3.6 BLN**  
REVENUES



**€6.6 BLN**  
BACKLOG



**€3.0 BLN**  
ORDER INTAKE

## SUPPLY CHAIN



**€4.3 BLN**  
TOT GOODS  
AND SERVICES  
ORDERED IN THE YEAR



**22,000+**  
SUPPLIERS



**59%**  
GOODS  
AND SERVICES  
PURCHASED LOCALLY\*

## TECHNOLOGY



**1,297**  
PATENTS



**5**  
INNOVATION  
CENTERS



**79**  
INNOVATION  
PROJECTS

\* Referred to 16 projects that best represent the business of the Group both in terms of progress and as a type of product and technology (ref. to par. 6.4)

PEOPLE



**6,140**  
EMPLOYEES



**1,161**  
WOMEN



**3.4 MLN**  
HRS OF TRAINING  
(INCL. HSE AND  
SUB-CONTRACTORS)



**2,968**  
ENGINEERING  
DEGREE



**74**  
NATIONALITIES



**133 MLN**  
HRS  
WORKED ON SITE

HSE



**B RATING**  
CARBON  
DISCLOSURE PROJECT



**253,663**  
t EMISSIONS CO<sub>2</sub>EQ  
(SCOPE 1 + SCOPE 2)



**0.015**  
LTIF ON SITE\*\*  
(LOST TIME INJURY FREQ.)

\*\* Referred to Technology, Engineering and Construction Business Unit



**45**  
COUNTRIES  
WHERE MAIRE  
TECNIMONT OPERATES



**2011**  
OFFICIALLY JOINED THE  
"UNITED NATIONS  
GLOBAL COMPACT"  
ITALY FOUNDING MEMBER

---

# OUR CORPORATE IDENTITY

---

# 1

---








## CONTENTS

---










- GROUP OVERVIEW
- GROUP ECONOMIC,  
FINANCIAL AND BALANCE  
SHEET PERFORMANCE
- OUR PRESENCE  
IN THE WORLD
- INVESTOR INFORMATION
- OUR THREE SOULS:  
WHO WE ARE, WHAT WE DO
- GREEN INNOVATION
- FLAGSHIP PROJECTS
- MARKET LEADERSHIP
- MEMBERSHIPS



# OUR FOCUS

INDUSTRY	BUSINESS MODEL
 <p>PETROCHEMICALS</p>	 <p>ENGINEERING &amp; CONSTRUCTION</p>
 <p>OIL&amp;GAS REFINING</p>	 <p>TECHNOLOGY &amp; LICENSING</p>
 <p>FERTILIZERS</p>	 <p>ENERGY BUSINESS DEVELOPMENT &amp; VENTURES</p>
 <p>POWER</p>	

## SISTER COMPANIES

## OUR PRESENCE IN THE WORLD

 <p><b>45</b> COUNTRIES</p>	 <p><b>50</b> COMPANIES</p>	 <p><b>~55</b> MAIN PROJECTS</p>	 <p><b>~6,100</b> EMPLOYEES</p>
--	--	---	--

# GROUP OVERVIEW

Maire Tecnimont SpA, listed on the **Milan Stock Exchange**, is a parent company of an industrial group leader in the natural resources processing industry (plant engineering in oil & gas downstream, with advanced technological and executive skills).

With its subsidiary NextChem it operates in the field of green chemistry and technologies for the energy transition. The Maire Tecnimont Group is present in approximately **45 countries**, has about **50 operating companies** and **employs over 6,000 people**, plus 3,000 professionals in the instrumentation business unit. We're a technology-driven player working for the conversion of natural resources into energy and innovative materials. Maire Tecnimont is a multinational group with a highly technological DNA, at the crossroads between the energy and the manufacturing industries. We are an International leader in the field of plant engineering, mainly in the

hydrocarbon sector (petrochemical, fertilizers, oil & gas refining).









Our technological roots go back to the pioneers of the **hydrocarbon chemical engineering industry**. On these strong bases, we have founded an agile, flexible and international business model that offers continuous technological and execution innovations, reflecting its own internal processes. We provide customers with proprietary and third-party technologies for the design and manufacture of a wide range of processing plants. We offer a broad scope of services on an individual or combined basis, comprising licensing, engineering, procurement of materials and equipment and construction supervision, including our project management expertise.

We have built up major competences to complete **complex full EPC turnkey projects**, featuring an adaptive model that maximizes local content in every part of the

world. Our execution strategy is based on a world-class health and safety performance, significantly ahead of the industry benchmark. Maire Tecnimont also has expertise in the design and engineering of power generation plant and major public works. We are equipped to deliver large-scale renewable energy plant generating power from wind, solar and biomass resources.

Maire Tecnimont is committed to its **strategic Green Acceleration project** based on three pillars: "Greening the Brown" (Mitigation of the environmental impact of the oil & gas industry), "Circular Economy" (plastic recycling) and "Green-Green" (Development of additives or oil substitutes for fuels or plastics from renewable sources). We also leverage a distinctive technology-driven model for project development, enabling us to embrace early involvement in clients' investment initiatives.

INDUSTRY		BUSINESS MODEL
PETROCHEMICALS	FERTILIZERS	ENGINEERING & CONSTRUCTION
OIL&GAS REFINING	POWER	TECHNOLOGY & LICENSING
		ENERGY BUSINESS DEVELOPMENT & VENTURES

OUR THREE SOULS	SISTER COMPANIES			
CONTRACTORS				
TECHNOLOGISTS				
ENTREPRENEURS				



# GROUP ECONOMIC, FINANCIAL AND BALANCE SHEET PERFORMANCE

THE MAIRE TECNIMONT GROUP 2018 KEY ECONOMIC, FINANCIAL AND BALANCE SHEET HIGHLIGHTS (COMPARED TO 2017) ARE REPORTED BELOW:

(in Euro thousand)	DECEMBER 2018	%	DECEMBER 2017 ***	%	CHANGE %
Revenues	3,646,612		3,527,235		3.4%
Business Profit *	284,111	7.8%	263,634	7.5%	7.8%
EBITDA **	205,723	5.6%	189,852	5.4%	8.4%
EBIT	185,512	5.1%	168,746	4.8%	9.9%
Net financial expense	(12,801)	(0.4%)	(22,986)	(0.7%)	(44.3%)
Income before tax	172,710	4.7%	145,761	4.1%	18.5%
Net income	117,401	3.2%	97,655	2.8%	20.2%
Group net income	110,575	3.0%	89,753	2.5%	23.2%
Net financial position (Adj.)	(77,629)		(108,042)		
Group shareholders' equity	342,633		283,770		
Backlog	6,611,968		7,229,366		
Order Intake	2,966,479		4,323,689		

\* "Business Profit" is the industrial margin before the allocation of general and administrative costs and research and development expenses; its percentage of revenues is the Business Margin.

\*\* EBITDA is net income for the year before taxes (current and deferred), net financial expenses, currency exchange differences, gains and losses on the valuation of holdings, amortization and depreciation and provisions. EBITDA is a measure utilized by management to monitor and assess the operating performance. Management consider EBITDA a key parameter in measuring the Group's performance as not impacted by the effects of differing criteria applied to taxable income, the amount and characteristics of the capital utilized and by amortization and depreciation. As EBITDA

is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

\*\*\* For comparison with 2018, the 2017 operating figures were adjusted as described in notes (1) and (2):

(1) Adjusted figure, recalculated as per IFRS 15 retrospectively to 2017, with a negative impact of Euro 3.6 million on Business Profit and EBITDA and of Euro 14.8 million on EBIT.

(2) Adjusted figure, recalculated applying that indicated in note (1) and excluding a positive one-off impact of Euro 28.3 million (pre-tax) from derivatives related to the convertible bond.



**45**

COUNTRIES

**~55**

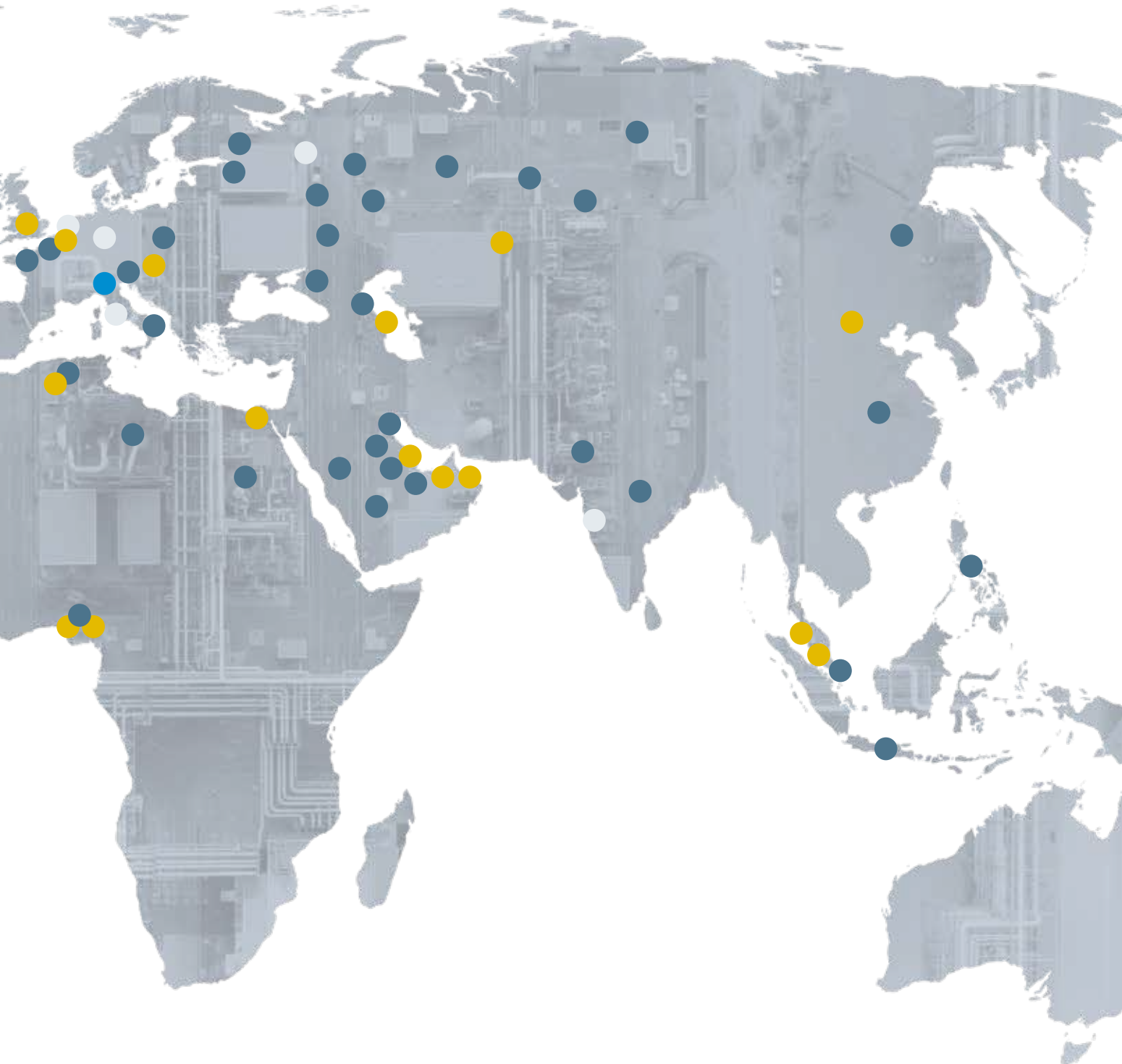
MAIN PROJECTS\*

**50**

COMPANIES

**~6,100**

EMPLOYEES



# INVESTOR INFORMATION

## MAIRE TECNIMONT S.P.A. SHARE CAPITAL at 31 December, 2018

	Expressed in No. of shares	Expressed in No. of voting rights
Share Capital	€ 19,920,679	€ 19,920,679
Total	n. 328,640,432	n. 496,305,566
Floating share capital	n. 160,976,108	n. 160,975,298
Floating share capital %	48.982%	32.435%

### MAIRE TECNIMONT SHARE PERFORMANCE

In the initial part of the year, the Maire Tecnimont share gained ground, thanks to the **strong results reported** and **contracts acquired** in strategic regions such as Azerbaijan, Russia and the Philippines.

In the second part of the year, the

share performed in line with sector indices and other Oil Services companies, which were heavily impacted by oil price movements.

Investor interest in the Maire Tecnimont share rose during the course of 2018 with more than 230 attending meetings, including in new areas such as Denmark, Sweden, Spain, Australia and Singapore. This marks a 21% increase on 2017.

The average daily trading volume in 2017 was 928,789 shares, at an average price of Euro 3.98.

### MILAN STOCK EXCHANGE SHARE PRICE, EURO

	01/01 - 31/12/2018
Maximum (September 12, 2018)	4.61
Minimum (December 7, 2018)	3.06
Average	3.98
Period-end (December 28, 2018)	3.21
Stock market capitalization (December 28, 2018)	1,054,935,787

# OUR THREE SOULS: WHO WE ARE, WHAT WE DO

## OUR THREE SOULS



### CONTRACTORS

#### ENGINEERING, PROCUREMENT, CONSTRUCTION

A well-rooted legacy in engineering design, along with a sound track record in managing large integrated complex projects, has allowed us to maintain a **leading position as an international contractor**.

A **highly technological focus** provides access to the best available state-of-the-art processes, guaranteeing us recognized world leadership as a contractor.

Through our network of **international engineering centers**, we provide clients with services and know-how ranging from conceptual studies, through technology selection, to process engineering and detailed design. The services we provide benefit from business synergies and cross-fertilization across the Group, profiting from all our companies' skills and specializations.



### TECHNOLOGISTS

#### TECHNOLOGY AND LICENSING

The Maire Tecnimont technology portfolio consists of more than 100 patent families and about **1,297 individual patents** and patent applications in many countries. In addition, the innovation pipeline (IPL) process has been rolled out across the Group, resulting in over **70 new innovation projects** in the Green Acceleration project and **more than 54 new patents in different fields**. Maire Tecnimont's research activities fall mainly into the following categories: development of new raw materials for petrochemicals production; improvement of current technologies; and development of innovative and sustainable new technologies.

The **continuous cooperation with Universities and Research Centers** makes us frontrunners in innovation and R&D, remaining on the cutting-edge of our industry.



### ENTREPRENEURS

#### BUSINESS DEVELOPMENT AND VENTURES

We pursue opportunities assisting potential clients **from the early stages of the investment process**, leveraging our advanced **technical and financial skills** to promote projects in which the Group can play a pivotal role in coordinating the whole process and the various financial, institutional and technical actors involved.

The Group itself initiates projects, bringing together investors and resources to establish a company to build and operate a plant. It entails playing a key role to steer strategic development - from concept to execution - of large-scale projects.

# GREEN INNOVATION

## CARBON FOOTPRINT REDUCTION, CIRCULAR ECONOMY, NEW BIO-BASED PRODUCTS AND FEEDSTOCKS: THE ENERGY INDUSTRY PARADIGM IS EVOLVING, AND NEW MARKET OPPORTUNITIES HAVE EMERGED.

All main industry players, both producers and buyers of plastics, are shifting towards recycling and bioplastics, while big oil companies are reviewing their investment plans in **view of decarbonization**.

Thanks to its high know-how in the construction of plants, Maire Tecnimont already has the ability to boost the process of industrialization of bioplastics, moving from laboratory innovations, to pilot plants, up to industrial scale plants. Maire Tecnimont launched its **Green Acceleration project**, a new business unit through a dedicated vehicle, NextChem, which will **manage technological initiatives for the energy transition**, to best address new market dynamics.

The Group has identified these initiatives by acting as a technologist and a plant engineering contractor: therefore it is able to develop, industrialize and commercialize new solutions deriving from validated technologies, and then fill the gap between lab and industrialization: thanks to its **technological DNA** and its **leadership in the conversion of natural resources**, Maire Tecnimont can act on the innovation curve with the right timing, to be the technological and industrial partner of choice in driving the on-going energy transition.

NextChem portfolio is composed by a series of initiatives aimed at:

### GREENING THE BROWN

- Mitigating the environmental impacts of the technologies used for hydrocarbons transformation, through for instance desulfurization projects and CO<sub>2</sub>-free processes.

### CIRCULAR ECONOMY

- Implementing mechanical recycling of plastics.
- Promoting chemical recycling.

### GREEN - GREEN

- Identifying additives or oil substitutes for the production of fuels and plastics from renewable sources and industrializing the production of bioplastics.



**RENEWABLE ENERGIES**  
SOLAR / WIND / OTHER RENEWABLE SOURCES

## GREEN GREEN

USE OF BIOLOGICAL COMPONENTS AS FEEDSTOCK



BIO-FUELS

BIO-POLYMERS

BIO-CHEMICALS / ENZYMES

FERTILIZERS BIO-COATING

## CIRCULAR ECONOMY

RE-USE OF WASTES



PLASTICS

OTHER MSW (MUNICIPAL SOLID WASTE)

## GREENING THE BROWN

INDUSTRIAL PROCESSES POLLUTION REDUCTION



ENERGY EFFICIENCY

CARBON FOOTPRINT REDUCTION

TREATMENT

REMEDIATION

# SOCAR POLYMER

PETROCHEMICALS

## The complex consists of:

- A high-density polyethylene (HDPE) plant with a capacity of 120,000 t/y, based on Ineos Innovene S technology.
- A polypropylene (PP) plant with a capacity of 180,000 t/y, based on Basell Spheripol technology (the first in Azerbaijan).

The two projects, with an overall value of approximately €500 million, were executed for SOCAR POLYMER, a subsidiary of the Azeri national oil company SOCAR, and marks an important milestone for the Azerbaijani economy as the new industrial complex will enable the Country to develop the petrochemical value chain and produce semi-finished plastic products for the first time on a large scale, boosting the national manufacturing industry.

The industrial complex will enable Azerbaijan to develop the petrochemical value chain and produce semi-finished plastic products for the first time on a large scale, boosting the national manufacturing industry and the Azeri economy as a whole. During the realization of the two projects, Maire Tecnimont involved a very large number of Italian and Azeri companies playing a pivotal role for the entire value chain. More than 120 Italian and 140 Azeri companies were involved in the projects, while approximately 3,000 resources were mobilized at its peak, the majority being Azeri professionals.

The Maire Tecnimont Group is also very committed to partnering up with the academic community. In cooperation with the Baku Higher Oil School, the Group has implemented a development program in order to offer to the best students a professional trainings and mentorships within its companies' network, both in the Baku Branch offices and in the Construction Sites in Sumgayit.

In seeking to boost local content in the host country, we have developed three specific programs:

- support the education of local students, in collaboration with Baku Higher Oil School (BHOS);
- acquire local specialized talent;
- prioritize procurement of local suppliers.

### CAPACITY:

**180,000 T/Y**    **120,000 T/Y**  
PP                      HDPE

**CLIENT:**  
**SOCAR POLYMER LLC**

**STATUS:**  
**COMPLETED**



## SOCAR PP PLANT - OPENING CEREMONY

On 18 July 2018 in Sumgayit, Azerbaijan, Fabrizio Di Amato, Maire Tecnimont's Chairman and majority shareholder, and Pierroberto Folgiero, Maire Tecnimont Group CEO, proudly welcomed the President of the Italian Republic Sergio Mattarella, and the President of the Republic of Azerbaijan, Ilham Aliyev, on the occasion of the official opening of the new polypropylene plant inside the petrochemical complex of Sumgayit, 30 km north of Baku, in Azerbaijan.

The President Mattarella, during his visit, commented: "Coming here together with President Aliyev is clear evidence of the collaboration between Italy and Azerbaijan. This morning's ceremony is truly meaningful. I must congratulate Socar and Maire Tecnimont for their great commitment in terms of growth and employment, which is evident here, thanks to the cooperation among Azeri and Italian companies."



# ADCO – AL DABB’IYA SURFACE FACILITIES – PHASE III

OIL AND GAS REFINING

Phase III of Al Dabb’iya project is part of the North East Bab (NEB) development program of ADCO, a shallow coastal and marine area, located 40 km South West of Abu Dhabi, a sensitive environment with mangroves, coral reef, salt marshes and low-level islands hosting unique and protected wildlife species.

The client is Abu Dhabi Company for Onshore Oil Operations (ADCO), operating company of the national ADNOC Group, one of the largest oil companies in the world.

This is a challenging project in terms of execution, but it holds strategic importance for the Maire Tecnimont Group in the Oil & Gas business. Al Dabb’iya Phase III will contribute to fulfill the need of additional oil demand with 73,000 Barrels Oil Per Day (BOPD). Plant capacity also includes Gathering & Injection System, Oil export and Gas import and export pipelines.

The current Project’s scope of work consists in the EPC activities up to Performance Tests for the expansion of the existing facility. It will encompass the following main parts:

- Gathering crude oil from onshore and offshore wells (114) aggregated in 24 new and existing so called “clusters”.
- Collecting such crude oil through gathering network of pipelines bringing well products from the clusters to the new Central Process Plant (CPP), where the crude oil is separated and stabilized from associated product (gas and water). About 370 km of gathering/reinjection pipe network.
- Sending through export pipelines both the stabilized crude product and the associated sales gas in the Country energy network.
- All other associated facilities such as gas lift and water injection system/network to support oil wells pressure, all necessary utilities to serve the new facility including new electrical overhead line.

This contract marked a crucial milestone for Tecnimont due to its magnitude and technical content and can be considered the largest EPC contract acquired as a single contractor in the Group’s history.



**73,000**  
BARRELS OIL  
PER DAY (BOPD)





**370 KM**  
OF GATHERING/  
REINJECTION PIPE  
NETWORK

**CLIENT:**  
ADCO (ABU DHABI  
COMPANY FOR  
ONSHORE OIL  
OPERATIONS)

**STATUS:**  
ON GOING



# MARKET LEADERSHIP

PETROCHEMICALS	FERTILIZERS	OIL&GAS REFINING
<p>MARKET SHARE IN <b>30%</b> POLYOLEFIN PLANTS</p> <p>MARKET SHARE IN <b>50%</b> LDPE PLANTS</p> <p>SINCE 1970</p>	<p>MARKET SHARE IN <b>54%</b> LICENSING UREA PLANTS TECHNOLOGY (#1 WORLDWIDE)*</p> <p>MARKET SHARE IN <b>34%</b> LICENSING UREA GRANULATION TECHNOLOGY (#2 WORLDWIDE)*</p> <p>SINCE 1924</p>	<p> <b>WELL RECOGNIZED LEADERSHIP</b> IN LICENSING HYDROGEN TECHNOLOGY AND IN LICENSING SULPHUR RECOVERY AND TAIL GAS TREATMENT TECHNOLOGY</p> <p> <b>WORLD CLASS TRACK RECORD</b> IN LARGE GAS TREATMENT PLANTS AND REFINERY PROCESS UNITS</p> <p>SINCE 1971</p>
<p>MORE THAN <b>200</b> POLYETHYLENE AND POLYPROPYLENE PLANTS COMPLETED</p> <p><small>* Data are based on corporate analysis</small></p>	<p> <b>172</b> AMMONIA AND UREA PLANTS COMPLETED</p>	<p> MORE THAN <b>250</b> HYDROGEN AND SULPHUR RECOVERY UNIT PROJECTS COMPLETED</p>

 **~1,300**  
CUMULATED PATENTS

STRONG COMMITMENT  
TO TECHNOLOGY  
DEVELOPMENT

 **€ 50** MLN  
INVESTED IN INNOVATION

 **70**  
R&D PROJECTS

IN GREEN  
ACCELERATION  
(LAST 5YS)

# MEMBERSHIP

**THE MAIRE TECNIMONT GROUP ACTIVELY PARTICIPATES IN THE NATIONAL AND INTERNATIONAL ASSOCIATIONS AND ORGANIZATIONS THAT SUPPORT LONG-TERM GOALS AND COMMITMENTS TO PROMOTE A SUSTAINABLE WAY OF DOING BUSINESS AND MANAGING THE ECONOMIC, SOCIAL AND ENVIRONMENTAL PRESSURES AFFECTING OUR INDUSTRY AND THE TERRITORIES WE OPERATE IN.**

Memberships are strategic for our business and our technological development, as well as for our corporate responsibility strategy. A few examples follow:

ASSOCIATION/ORGANISATION	STATUS	YEAR
Assonime	Associate	2011
ANEST Associazione Nazionale Energia Solare Termodinamica	Associate	2013
Arab Fertilizer Association	Associate	2009
Carbon Disclosure Project	Participant	2014
ECRI - Engineering and Construction Risk Institute	Associate	2010
European Construction Institute	Associate	1999
Fertilizer Association of India	Associate	2007
Fondo Ambientale Italiano	Associate	2009
Global Compact Network Italia	Founder	2014
UN Global Compact	Participant	2011
International Fertilizer Industry Association	Associate	2009
Res4Med	Associate	2016
MAXXI	Associate	2018

# SUSTAINABILITY AT MAIRE TECNIMONT

# 2

## CONTENTS

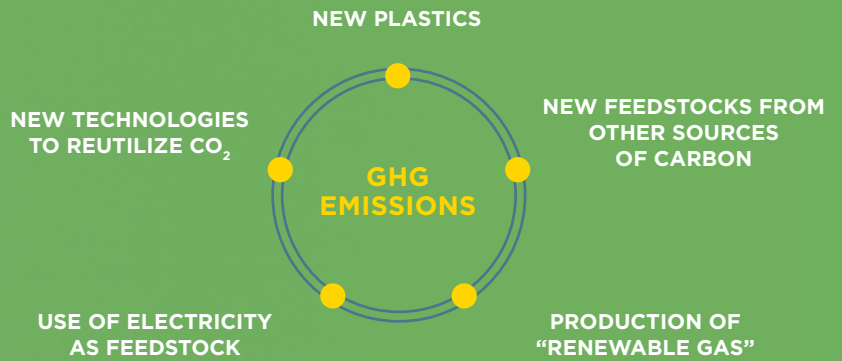
- SUSTAINABILITY CONTEXT
- MAIRE TECNIMONT GREEN ACCELERATION PROJECT
- GROUP COMMITMENT TO THE SDGs AND THE UN GLOBAL COMPACT
- STAKEHOLDER ENGAGEMENT
- MATERIALITY ANALYSIS
- MANAGING RISKS AND OPPORTUNITIES

# OUR FOCUS

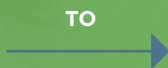
## SUSTAINABILITY CONTEXT

THE PRESENT WAY OF PRODUCING AND CONSUMING GOODS AND ENERGY IS NO LONGER SUSTAINABLE.

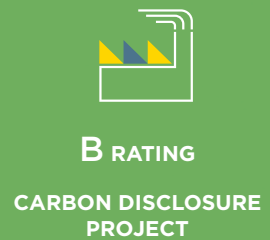
### TO LOWER GHG EMISSIONS



## OUR AIM



## RATING CDP



## STAKEHOLDERS



EMPLOYEES



SHAREHOLDERS & INVESTORS



TECHNOLOGICAL PARTNERS



BUSINESS PARTNERS



CLIENTS



LOCAL AUTHORITIES & GOVERNMENTS



CONTRACTORS & SUB-CONTRACTORS



LOCAL COMMUNITIES



SUPPLIERS



LOCAL ORGANIZATIONS & NGOs



PROFESSIONAL/ CATEGORY ASSOCIATIONS

# 2



A sound sustainability vision is for our Group not only a powerful risk management trigger but also helps us to be increasingly resilient to the ever-changing energy scenario in which we operate. It shapes our approach as we seek to generate shared value in the long-term for our stakeholders.

As a compass for our **sustainability journey**, the Sustainable Development Goals (SDGs) help us to stay focused on our **environmental, social and governance (ESG) targets**. The acceleration of climate change has made the SDGs more real and urgent and the current international debate calls for a faster energy transition. Young opinion makers influence on a global scale, consumers' behaviors evolve, regulators change the business playing field and new business opportunities emerge, in particular for companies with acute technical skills to industrialize green innovations.

This is the way sustainability is re-shaping our Group business. We are concentrating technologies, references and our best professionals into a company dedicated to our green acceleration to support the energy transition. We are committed to minimizing the environmental footprint of the Oil & Gas processing industry. We are working to develop new forms of energies and materials created by the up-cycling revolution, blended with innovative bio-based feedstocks.

Our role as a corporate citizen has grown in complexity and in terms of responsibility along with the expansion of our business. As a technology-driven general contractor for large industrial plants, our business model implies the high-level expertise of our people and significant impacts on our supply chain, allowing us to play a driving role to develop the territories in which we operate.

Globally, we are capable of generating value in different forms through our projects across a range of social and economic contexts. The capacity of our Group in terms of local content dynamization is significant. This approach shall be considered as a form of readiness for the numerous evolving markets where local content is progressively required and measured by our customers.

The Industrial Plan 2019-2023 of the Group includes for the first time a Sustainability Plan that promotes sustainable development fully in line with the guidelines of the United Nations Global Compact, of which Maire has been an active member since 2011. A key element to this approach is the adoption of ESG (environmental, social and governance) indicators in connection with the 2030 United Nations' Sustainable Development Goals (SDGs) identified by the Group.

# SUSTAINABILITY CONTEXT

**OVER RECENT DECADES, THE GLOBAL POPULATION HAS EXPLODED, AFFECTING THE STATUS AND THE HEALTH OF OUR PLANET DUE TO AN EXTENSIVE AND UNSUSTAINABLE USE OF NATURAL RESOURCES.**

Exponential growth of Green House Gas (GHG) emissions and waste production have put our ecosystem under pressure. We are living in a new geological era: Anthropocene.

The present way of producing and consuming goods and energy is no longer sustainable. Recognizing this means that we must be at the forefront of finding and promoting new ways to achieve sustainable development.

The latest UN estimate forecast that the world population in 2050 will be about 9.8 billion people, with a majority in Asia (about 5 billion) and in Africa (over 2 billion), and by 2030 43 cities around the globe will have more than 10 million inhabitants<sup>1</sup>.

The energy consumption scenario is moving to a **new energy mix**, where oil & coal related sources will decrease from over 60% to less than 50% in 2040 - or even less in a faster transition scenario which is the most likely outcome<sup>2</sup>.

In order to lower GHG emissions we can reduce our carbon-dioxide (CO<sub>2</sub>) emissions with a commitment to the following “decarbonization macro trend”:

■ New plastics obtained from chemical recycling, renewable feedstock, biodegradable molecules.

■ New Feedstocks from other sources of carbon (Bio Ethanol, Bio Ethylene).

■ Gas exploitation as transport fuel and production of “Renewable gas” from waste gasification.

■ Electrification through the storage of electricity produced using renewable energy sources and the use of electricity as feedstock.

■ CO<sub>2</sub> Capture developing specific technologies to minimize, capture or reutilize CO<sub>2</sub>.

The understanding of the global macro trends in advance allows us to adjust the business model and drive the transition towards a new scenario.

## UN ESTIMATE FORECAST<sup>1</sup>

### WORLD POPULATION IN 2050



ASIA

AFRICA

5 BLN PEOPLE

2 BLN PEOPLE

2030



WITH MORE THAN

10 MLN INHABITANTS



## OUR AIM



LOWER GHG EMISSIONS

REDUCE OUR CARBON-DIOXIDE (CO<sub>2</sub>) EMISSIONS



<sup>1</sup> World Population Prospects: The 2017 Revision - UNDESA 2017

<sup>2</sup> World Energy Outlook 2017 - International Energy Agency (IEA) 2017

# GROUP COMMITMENT TO THE SDGs AND THE UN GLOBAL COMPACT

## WE SUPPORT



Since 2011, the **Maire Tecnimont Group incorporates the Ten Principles of the UN Global Compact into its strategies**, policies and procedures. This means operating in ways that meet fundamental responsibilities in the areas of human rights, labor, the environment and anti-corruption.

It is a clear **commitment to public accountability and transparency** that the Group renews every year through the Communication on Progress document, which summarizes its actions to embed the UN

principles into our everyday work. The UN's 2030 agenda for Sustainable Development, presented in New York in September 2015, identifies 17 Sustainable Development Goals (SDGs) which represent common goals for the current complex social challenges and are an important reference for the international community.

In 2017, Maire Tecnimont set itself the goal to define to what extent its activities are able to contribute directly or indirectly to achieving the SDGs and has identified 12 of 17 Goals to which it can contribute most through extensive internal engagement, involving all the significant functions of each Group company.

With the final approval of Group Top Management, Maire Tecnimont then clearly defined its **Sustainability Vision** and, accordingly, its specific commitment and goals - which are closely linked with the business strategy - for each SDG. Each SDG applicable to the Group is presented below, along with its consequences in business terms.

## CARBON DISCLOSURE PROJECT



In the last few years, a number of activities to tackle climate change have been developed. These activities help address SDG 13.

Proving this commitment, in 2018 the Maire Tecnimont has achieved a "B" rating for its company policy on climate change and environmental sustainability from CDP (Carbon Disclosure Project), the international non-profit organization specialized in the evaluation and measurement of environmental performance and strategies addressing climate change adopted by major international companies.

The Maire Tecnimont Group, which has been participating in the project for four years, continues to improve its standing, ranking in the top-25 out of 120 monitored Italian companies, a "best in class" result that emphasizes how transparency and engagement with all stakeholders are central to the Group's identity. In fact, Maire Tecnimont has performed above both the national and European average, confirming its ongoing commitment to sustainability, as also revealed by the rapid progress it has achieved in pursuing the United Nations' Sustainable Development Objectives (SDGs).

The "B" rating is a significant step forward over last year's "C" rating and acknowledges the efforts made by Maire Tecnimont to mitigate risks, making its assessment more solid and thorough, implementing environmental policy and integrating social and climatic issues into its strategy. Maire Tecnimont's business model is based on financial robustness and sustainability, through competence and innovation, with an operative model that minimizes risks as well as social and environmental impact, outlining a clear and well-defined strategy for carbon footprint reduction.

The report recognizes these important steps and encourages additional plans and timelines in respect of the objectives of the Paris Climate Agreement.





# SUSTAINABLE DEVELOPMENT GOALS

## MAIRE TECNIMONT COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS



- ENABLE THE WORLD TO ACHIEVE FOOD SECURITY
- IMPROVE SUSTAINABLE AGRICULTURE BY INCREASING CROP YIELDS AND IMPROVING THE USE OF SUSTAINABLE MACRO- AND MICRO-NUTRIENTS



- PROMOTE R&D ACTIVITIES PURSUING TECHNOLOGICAL INNOVATION



- PROTECT WORKERS' SAFETY
- PROMOTE WORKERS' HEALTH
- PROMOTE A MORE SUSTAINABLE SUPPLY CHAIN



- PROMOTE THE DEVELOPMENT OF RESILIENT AND SUSTAINABLE INFRASTRUCTURE, ALSO WITH A LONG-TERM OUTLOOK



- STRENGTHEN THE KNOWLEDGE AND SKILLS OF THE ENTIRE WORKFORCE



- APPLY INTERNATIONAL GUIDELINES AND BAT TO REDUCE THE ENVIRONMENTAL IMPACTS OF PRODUCTION



- PROMOTE EQUAL EMPLOYMENT OPPORTUNITIES FOR MEN AND WOMEN



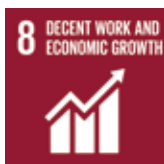
- REDUCE THE CARBON FOOTPRINT OF THE GROUP AND ITS CLIENTS



- STRENGTHEN RENEWABLE ENERGY SECTOR PRESENCE



- PROTECT THE ECOSYSTEMS AFFECTED BY CONSTRUCTION SITE OPERATIONS



- PROMOTE THE PROTECTION OF HUMAN AND WORKERS' RIGHTS
- CONTRIBUTE TO THE DEVELOPMENT AND ECONOMIC GROWTH OF THE COUNTRIES WHERE THE COMPANY OPERATES



- STEP UP INVOLVEMENT IN WORKING TABLES ON SUSTAINABILITY ISSUES
- PROMOTE AND CONSOLIDATE UNIVERSITY PARTNERSHIPS
- PROMOTE AND CONSOLIDATE INNOVATION PARTNERSHIPS



---

# MAIRE TECNIMONT GREEN ACCELERATION PROJECT

---

**IN NOVEMBER 2018, MAIRE TECNIMONT PRESENTED ITS GREEN ACCELERATION PROJECT AND LAUNCHED NEXTCHEM, A DEDICATED COMPANY.**

In order to play a significant role in promoting and supporting the delivery of the UN's sustainable development goals (SDGs) and give its contribution, in november 2018, Maire Tecnimont presented its **green acceleration project** and launched the company Next-Chem, which will manage a series of technological initiatives for the energy transition. Green chemistry, circular economy, plastics recycling, innovative processes with low environmental impact: these

are the key words of the agreement signed by Maire Tecnimont and ENEA, the National Agency for New Technologies, to jointly develop technological initiatives in the field of environmental sustainability.

The agreement was signed in November 2018 in the framework of the NextChem launch event.

---

## NEXTCHEM ADVISORY BOARD

---

Maire Tecnimont is always seeking new challenges and ideas, to bring innovation and excellence to all its activities. That's why, to support its Green Acceleration, the Group gathered an Advisory Board composed of people with great experience, from different professional backgrounds.

The Advisory Board will help the Group in defining the vision and strategy for the years to come, by positioning it to anticipate and ride the change.

# STAKEHOLDER ENGAGEMENT

## SUSTAINABLE GROWTH OVER TIME IS CLOSELY LINKED TO THE RESPONSIVENESS OF THE GROUP TO CHANGES BOTH IN OUR MARKET AND IN SOCIETY.

To identify, engage and enhance the relations with stakeholders that can reasonably be expected to affect the ability of the Group to successfully implement its strategies and achieve its objectives, are pivotal to set Group's priorities.

A **steady interaction with stakeholders** allows the Group to identify the most relevant sustainability issues and to assess how to best incorporate them into business and management operations.

**Constant dialogue**, including a formal system to report any compliance through a grievance mechanism, **promotes trust, creates mutual value** and **supports the sustainable growth** of the business in line with stakeholder expectations.

For these reasons, **Maire Tecnimont has identified and mapped its stakeholders**, with the aim of defining the importance and the impact of their expectations on Group operations. The list of stakeholders and the main methods of their engagement are identified in the following page.

To keep a dynamic flow of information toward all the groups of interest and the media is essential, both in giving a clear insight on the evolution of our business and creating a constant contact between our Group and public opinion. In this regard, our presence on social media, along with an up-to-date Group's web sites system, are very effective channels to give live evidence of our everyday work and ensure transparent access to any relevant data on our Group.

### OUR DIGITAL PRESENCE

With a widespread presence on social media, including LinkedIn, Twitter and YouTube, the Maire Tecnimont Group aim is to promote its values on digital channels. The online community is an important touchpoint for directly sharing and discussing company values, sustainability and business initiatives and for keeping in contact with communities, stakeholders and clients.

We communicate in a transparent way who we are, our values and our objectives with the stakeholders with the aim of creating and maintaining credibility and trust.

The Maire Tecnimont online presence includes also a group website and 5 sister companies websites, always kept up-to-date to learn more about our companies, sustainability projects and financial information.

MORE THAN



**110**  
THOUSAND  
FOLLOWERS

ON

 LINKEDIN

 TWITTER

 YOUTUBE

## STAKEHOLDER ENGAGEMENT METHOD

EMPLOYEES		<ul style="list-style-type: none"> <li>– CORPORATE NEWSLETTERS, GROUP MAGAZINE EVOLVE</li> <li>– ONGOING COMMUNICATIONS, TRAINING PROGRAMS AND E-LEARNINGS THROUGH GROUP INTRANET PORTAL</li> <li>– MEETINGS/EVENTS WITH TOP MANAGEMENT</li> <li>– EMPLOYEES SURVEY YOUR VOICE</li> </ul>
SHAREHOLDERS & INVESTORS		<ul style="list-style-type: none"> <li>– DIALOGUE THROUGH THE INVESTOR RELATIONS FUNCTION</li> <li>– REGULAR MEETINGS, WEBCASTS AND CONFERENCE CALLS</li> <li>– ONGOING WEBSITE UPDATES AND PRESS RELEASES</li> <li>– REGULAR FINANCIAL UPDATES</li> </ul>
TECHNOLOGICAL PARTNERS		<ul style="list-style-type: none"> <li>– REGULAR MEETINGS</li> <li>– INVOLVEMENT IN CORPORATE EVENTS (E.G. NEXTCHEM EVENT, SEENERGY EVENT...)</li> </ul>
BUSINESS PARTNERS		<ul style="list-style-type: none"> <li>– COMMERCIAL EVENTS AND EXHIBITIONS</li> <li>– INVOLVEMENT IN CORPORATE EVENTS (E.G. NEXTCHEM EVENT, SEENERGY EVENT...)</li> </ul>
CLIENTS		<ul style="list-style-type: none"> <li>– COMMERCIAL EVENTS AND EXHIBITIONS</li> <li>– OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (I.E. STAMICARBON SYMPOSIUM)</li> <li>– TEAM BUILDING MEETINGS AND ACTIVITIES</li> </ul>
LOCAL AUTHORITIES & GOVERNMENTS		<ul style="list-style-type: none"> <li>– INSTITUTIONAL MEETINGS</li> <li>– RESPONSES TO CONSULTATIONS, POSITION PAPERS, ONE-TO-ONE MEETINGS</li> </ul>
CONTRACTORS & SUB-CONTRACTORS		<ul style="list-style-type: none"> <li>– ORGANIZATION OF JOINT PROJECTS</li> <li>– MEETINGS ABOUT AND INVOLVEMENT IN SPECIFIC PROJECTS</li> <li>– OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (I.E. STAMICARBON SYMPOSIUM)</li> <li>– CSR ACTIVITIES AND PHILANTHROPY INITIATIVES</li> </ul>
LOCAL COMMUNITIES		<ul style="list-style-type: none"> <li>– MEETINGS WITH CIVIL SOCIETY REPRESENTATIVES</li> <li>– KNOW-HOW SHARING</li> <li>– PROCUREMENT DAY WITH KEY SUPPLIERS (I.E. SEENERGY EVENT)</li> </ul>
SUPPLIERS		<ul style="list-style-type: none"> <li>– MEETINGS ABOUT AND INVOLVEMENT IN SPECIFIC PROJECTS</li> <li>– OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (I.E. STAMICARBON SYMPOSIUM)</li> <li>– INSTITUTIONAL MEETINGS</li> </ul>
LOCAL ORGANIZATIONS & NGOs		<ul style="list-style-type: none"> <li>– PARTICIPATION IN THE UN GLOBAL COMPACT AND GLOBAL COMPACT ITALIAN NETWORK ACTIVITIES</li> <li>– CO-PLANNING WITH NGOS IN CSR PROJECTS</li> <li>– MEETINGS, WORKSHOPS, AND PARTICIPATION IN TECHNICAL COMMITTEES</li> </ul>
PROFESSIONAL/ CATEGORY ASSOCIATIONS		<ul style="list-style-type: none"> <li>– PARTICIPATION IN INDUSTRY ASSOCIATIONS, INSTITUTIONAL WORKING GROUPS AND PUBLIC EVENTS</li> <li>– CORPORATE NEWSLETTERS, GROUP MAGAZINE EVOLVE</li> </ul>

# MATERIALITY ANALYSIS

**SINCE 2017 MAIRE TECNIMONT HAS CONDUCTED A MATERIALITY ANALYSIS. IN ORDER TO IDENTIFY THE GROUP'S PRIORITIES FOR ACTION.**

<p>In order to play a significant role in promoting and supporting the delivery of the Sustainable Development Goals (SDGs) and give its contribution, in november 2018, Maire Tecnimont presented its green acceleration project and</p>	<p>launched a new company through the company NextChem, which will manage a series of technological initiatives for the energy transition. <b>The objective of the analysis is to identify the key topics for Maire Tecnimont and its</b></p>	<p><b>stakeholders</b>, which can act as management levers <b>to create long term value to support the Group's strategy.</b></p> <p>The materiality analysis process is divided into three main phases:</p>
---	---	---

## THE PROCESS

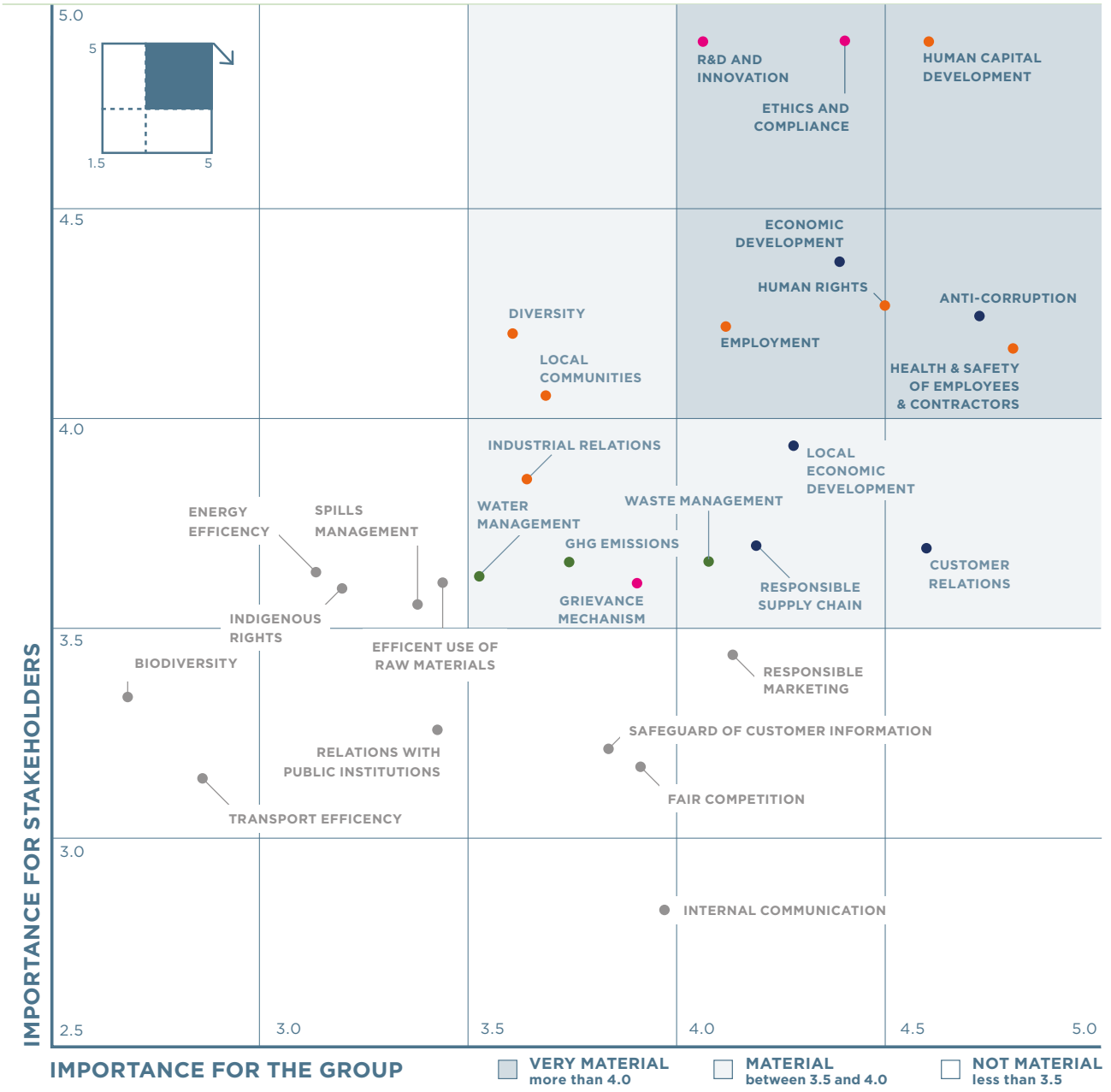


The result of the materiality analysis is summarized in the **materiality matrix**, which contains the following information:

The **horizontal axis** shows the relevance of topics according to the Group. The right part of the matrix shows the issues for which a high level of impact in the coming years is foreseen in terms of the capacity of Maire Tecnimont to create long-term value.

On the **vertical axis** the priority that stakeholders attribute to the various issues. On the upper part of the matrix are the issues more relevant for the stakeholders in terms of the influence that each of them has on their decision-making.

**MATERIALITY MATRIX**



**MATERIAL TOPIC**













- Social
- Environmental
- Cross themes
- Economic

<span style="color: orange;">■</span> Human rights	<span style="color: green;">■</span> Energy efficiency	<span style="color: blue;">■</span> Economic Development
<span style="color: orange;">■</span> Employment	<span style="color: green;">■</span> Water Management	<span style="color: blue;">■</span> Local Economic Development
<span style="color: orange;">■</span> Industrial Relations	<span style="color: green;">■</span> GHG Emissions	<span style="color: blue;">■</span> Anti-corruption
<span style="color: orange;">■</span> Health and Safety of Employees and Contractors	<span style="color: green;">■</span> Waste Management	<span style="color: blue;">■</span> Responsible Supply Chain
<span style="color: orange;">■</span> Human Capital Development	<span style="color: pink;">■</span> Ethics and Compliance	<span style="color: blue;">■</span> Customer relations
<span style="color: orange;">■</span> Diversity	<span style="color: pink;">■</span> Grievance Mechanisms	
<span style="color: orange;">■</span> Local Communities	<span style="color: pink;">■</span> R&D and Innovation	

<p>The <b>material topics</b> that have emerged from the analysis are <b>consistent</b> with our <b>corporate vision</b> and represent the <b>pillars</b> of our <b>corporate responsibility strategy</b>. Information on all these topics are disclosed in this report, including those required by Italian Legs. Decree 254/16 on non-financial disclosure<sup>4</sup>.</p>	<p>In the process followed for the 2018 materiality analysis, the potentially significant topics and categories of stakeholder subject to the assessment were reviewed following the guidelines of the leading sustainability reporting standards.</p> <p>In particular, Maire Tecnimont's material topics were assessed by</p>	<p>involving more company's functions and an external key stakeholder such as Investors. Moreover, during the 2019 new initiatives to involve and listen to external stakeholders (Clients and Suppliers) will be implemented with the aim of reacting to the changes to the sustainability scenario the Company operates in.</p>
---	---	---

**CORRELATION TABLE BETWEEN MATERIAL TOPICS AND SUSTAINABLE DEVELOPMENT GOALS IDENTIFIED BY THE GROUP**

With its Sustainability Plan 2019-2023, Maire Tecnimont has aligned its commitment to the Sustainable Development Goals (SDGs) with material topics as shown in the following correlation table:

	■ ECONOMIC					■ ENVIRONMENTAL				■ SOCIAL					■ CROSS THEMES				
	ECONOMIC DEVELOPMENT	LOCAL ECONOMIC DEVELOPMENT	ANTI-CORRUPTION	RESPONSIBLE SUPPLY CHAIN	CUSTOMER RELATIONS	ENERGY EFFICIENCY	WATER MANAGEMENT	GHG EMISSIONS	WASTE MANAGEMENT	HUMAN RIGHTS	EMPLOYMENT	INDUSTRIAL RELATIONS	HEALTH AND SAFETY	HUMAN CAPITAL DEVELOPMENT	DIVERSITY	LOCAL COMMUNITIES	ETHICS AND COMPLIANCE	GRIEVANCE MECHANISM	R&D AND INNOVATION
																			●
	●												●			●			
			●										●	●		●	●		
										●					●		●	●	
						●		●											
	●	●	●	●	●					●	●	●	●	●	●	●	●	●	
		●																	●
	●	●				●			●	●									
				●		●	●	●	●	●									●
							●	●	●	●									
							●	●	●	●									
	●																		

<sup>4</sup> For the correlation of the material topics with the topics of Legs. Decree 254/2016, reference should be made to the table in the section "Methodology, Principles and Reporting Criteria" page. 129.

# MANAGING RISKS AND OPPORTUNITIES

**SINCE 2011, THE MAIRE TECNIMONT GROUP INCORPORATES THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT INTO ITS STRATEGIES, POLICIES AND PROCEDURES.**

In order to guarantee the achievement of the strategic objectives assigned by Top Management, Maire Tecnimont has introduced an internal system for control and management of risk and opportunities, comprising tools and organizational structures developed on guidelines and standards defined at Group level.

For this purpose, Maire Tecnimont has developed and adopted a Risk Management System that guarantees traceability and transparent analysis and control of risks and opportunities through a process which allows the monitoring and controlling of risks of the projects from the proposal phase and of the cross-departmental risks affecting the various corporate functions of Maire Tecnimont.

The Risk Management System is based on five pillars:

**1** ERM and Project Risk Management Structure: the risks, including those related to social and environmental matters, are identified, monitored and managed both at corporate level (ERM), on a quarterly basis to provide a reasonable assurance that corporate objectives can be achieved, and at project level (Project Risk Management) from proposal preparation

and along all the phases of the project life cycle in order to guarantee the execution schedule and economic results.

**2** Identification & Analysis: the Risk Management System undertakes the identification & assessment as well the management of the risks and opportunities, in accordance to the "Precautionary Principle".

**3** Control Strategy Implementation: for the risks judged active, specific mitigation actions to offset the probability of occurrence and/or impacts are undertaken.

**4** Reporting Tools: the monitoring of the evolution of the risks and opportunities, at project and portfolio level, are submitted to management and group control bodies.

**5** Risk Management Database (Lesson Learned): the mitigation actions and experiences accrued and learned during each project is collected into a dedicated database to improve the risk control strategy on current and future projects.

Moreover, in order to consistently translate Maire Tecnimont's values and in accordance with the Sustainability Plan that promotes

sustainable development fully in line with the guidelines of the United Nations Global Compact of which Maire Tecnimont has been an active member since 2011, the Group has decided to formalise specific policies on the subject of Sustainability which introduces principles and guidelines in order to link the internal operating policies/procedures and management systems already in place. The whole process is expected to be completed in 2019.

## RISK MANAGEMENT SYSTEM





MATERIAL TOPICS <sup>5</sup>	REFERENCE SCENARIO AND MAIN RISKS/OPPORTUNITIES	MITIGATION ACTIONS (INCLUDING THE POLICIES PURSUED OR IMPLEMENTED)
<p><b>ETHICS AND COMPLIANCE</b></p> <p><b>ANTI-CORRUPTION</b></p> <p><b>GRIEVANCE MECHANISM</b></p>	<p>Carrying out its international activities, the Group must ensure compliance with its ethical principles, laws and relevant regulations by its employees and third party involved.</p> <p>Main risks are related to non-compliance to the above as well the risks of fraud and/or illegal conduct and corruption in all its forms, including extortion and bribery.</p> <p>Further risks concern an incorrect detection of complaints raised by an individual or group of individuals related to actual or perceived impacts cause by the company's operating activities.</p>	<ul style="list-style-type: none"> <li>- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model");</li> <li>- Issuing and adoption of Group Standard Procedures;</li> <li>- Execution of audits by the Internal Audit Department and by the Supervisory Body as per Italian Legislative Decree 231/2001;</li> <li>- Scheduling of induction sessions in order to improve the knowledge of the members of the Board of Directors and the Board of Statutory Auditors;</li> <li>- Training programs concerning Legislative Decree 231/2001, the 231 Model and the Group Code of Ethics or related issues for all Maire Tecnimont's personnel;</li> <li>- Communications of the Grievance mechanism outlined in the Group Code of Ethics and Model 231 to all employees, suppliers, sub-contractors and business partners in general.</li> </ul> <p>For more details, please refer to Chapter 3.</p>
<p><b>EMPLOYMENT</b></p> <p><b>DIVERSITY</b></p> <p><b>INDUSTRIAL RELATIONS</b></p> <p><b>HUMAN CAPITAL DEVELOPMENT</b></p>	<p>The Group operates in over 45 countries, through approx. 50 companies and having to manage over 6,000 employees with different social and cultural backgrounds together with varied skills, daily facing the challenges deriving from diversity and multiculturalism.</p> <p>Main risks may relate to:</p> <ul style="list-style-type: none"> <li>- loss of key personnel and/or highly specialized professionals;</li> <li>- decrease of employee engagement and motivation;</li> <li>- lack of training and development opportunities;</li> <li>- decrease of attractiveness as employer in the labor market;</li> <li>- non-compliance with relevant laws on worker's rights;</li> <li>- not respecting diversity and assuring equal opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model");</li> <li>- Corporate guidelines for management of Human Capital;</li> <li>- Processes related to employees' skills and behaviors assessment;</li> <li>- Development plans;</li> <li>- Rewarding and incentive processes;</li> <li>- Engagement surveys;</li> <li>- Policies fostering work-life balance and encouraging ever growing responsibility;</li> <li>- Care and respect of diversity value within the Group;</li> <li>- Monitoring of worker's rights respect and application of collective agreements;</li> <li>- Industrial Relations system based on transparent and ongoing dialogue.</li> </ul> <p>For more details, please refer to Chapter 4.</p>

<sup>5</sup> For the correlation of the material topics with the topics of Legs. Decree 254/2016, reference should be made to the table in the section "Methodology, Principles and Reporting Criteria" page. 129.

MATERIAL TOPICS	REFERENCE SCENARIO AND MAIN RISKS/OPPORTUNITIES	MITIGATION ACTIONS
<b>R&amp;D &amp; INNOVATION</b>	<p>Operating in competitive sectors, the Group is subject to risks associated with the constant development of used technologies and licenses in order to maintain and/or increase its market share.</p> <p>Main risks could be related to:</p> <ul style="list-style-type: none"> <li>- Technologies not “up to date” to the needs of the market;</li> <li>- Risks of know-how and Intellectual Property infringement Vs owned and third-party technologies;</li> <li>- Financial risks associated with the investment in R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>- Technical and economic resources allocated to R&amp;D;</li> <li>- Proper management of the Group’s intellectual property assets and technological skills in order to develop new business projects, technologies and licenses;</li> <li>- Collaboration with universities and research centers;</li> <li>- Updating and protection of its patents and other intellectual property rights;</li> <li>- Signature of specific Non-Disclosure Agreements with Vendors and third parties involved;</li> <li>- Constant monitoring of all projects and new initiatives in research and development through evaluation of expected results during the entire development and industrialization process;</li> <li>- Development of a new business unit (‘Next Chem’) dedicated to green acceleration through the launch of new technological initiatives in the field of energy transition, to better respond to new market dynamics.</li> </ul> <p>For more details, please refers to Chapter 5.</p>
<b>ECONOMIC DEVELOPMENT</b>  <b>LOCAL COMMUNITIES/ LOCAL ECONOMIC DEVELOPMENT</b>  <b>CUSTOMER RELATIONS</b>  <b>RESPONSIBLE SUPPLY CHAIN</b>	<p>The presence of the Group in over 45 countries and the execution of projects in some of these, involves a necessary and fundamental interaction with customers and local communities in order to guarantee their economic development. Possible risks may arise regarding the failure to support the local content in terms of opportunity for local labor force and for local-based suppliers of good and services, training for local people and investments in local assets.</p> <p>Furthermore, a solid and reliable supply chain must be guaranteed, both in terms of performance and ethical behavior, including risks deriving from non-compliance by the supplier with the principles and policies to which the Group had requested to underwrite and pursue.</p> <p>Finally, possible risks may concern non-compliance regarding information and labeling of products and services</p>	<ul style="list-style-type: none"> <li>- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 (“231 Model”);</li> <li>- Importance of MET Economic value distributed;</li> <li>- Ability to provide a broad and integrated range of services, from feasibility studies to basic engineering, from selecting technology to developing lump-sum turnkey projects;</li> <li>- Policy (implemented) regarding the adoption of a strategy described below: <ul style="list-style-type: none"> <li>• Pursuing a local content strategy enhancing the opportunities for local labor force and goods and services, supplying training for local people;</li> <li>• Adoption of internal model to quantify the footprint in the local territory.</li> </ul> </li> <li>- Policy (implemented) regarding the management of suppliers, in accordance to the strategy described below: <ul style="list-style-type: none"> <li>• Promoting the Partner’s involvement even before the bidding stage, proposing innovative solutions which create added value;</li> <li>• Strengthening the local supply chain trough International Procurement Office (IPO);</li> <li>• Scouting of suppliers in different countries around the globe;</li> <li>• Using the E2Y procurement platform;</li> <li>• Maire Tecnimont group qualification and management process of supplier through questionnaires and tools requesting information about the Environment, Social Accountability, Health and Safety matters;</li> </ul> </li> </ul>

MATERIAL TOPICS	REFERENCE SCENARIO AND MAIN RISKS/OPPORTUNITIES	MITIGATION ACTIONS
<b>HEALTH AND SAFETY OF EMPLOYEES AND CONTRACTORS</b>	<p>Maire Tecnimont is subject to laws and regulations for the protection of health and safety, the respect of human rights and the safeguarding of the environment at national, international and EU level.</p>	<ul style="list-style-type: none"> <li>• Sharing with suppliers of Maire TecnimontGroup’s Terms and Conditions that include environmental and social requirements.</li> <li>- Policy regarding information and labeling of products and services (there are no cases of “non-compliance” regarding information and labeling of products and services).</li> </ul>
<b>HUMAN RIGHTS</b>	<p>Being an EPC Contractors Group, the risks relative to the health and safety of the employees present every day at home office and construction site are continuously investigated and mitigated.</p>	<p>For more details, please refer to Chapter 6.</p>
<b>ENERGY EFFICIENCY</b>	<p>The HSE risk management is based on the principles of prevention, protection, awareness, promotion, and participation; its aim is to guarantee the workers’ health and safety and to protect the environment and the general well-being of the community. In spite of the Group adoption of such procedures and specifically at construction sites, the risk of events, even continuously investigated and mitigated, that are harmful to the health of people and the environment cannot be excluded.</p>	<ul style="list-style-type: none"> <li>- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 (“231 Model”);</li> <li>- Developing an HSE (Health, Safety and Environment) and SA (Social Accountability) Management System which is in line with the requirements of laws in force and with international standards ISO 14001 and OHSAS 18001, SA 8000 and for which multi-site certification has been obtained;</li> <li>- Performing of a detailed risk analysis to eliminate and minimize the probability and the impact related to an event;</li> <li>- Performing the HSE Design, from Front End Engineering Design to detailed EPC phase;</li> <li>- Implementing an intensive HSE training program for workers in each construction site and in head offices;</li> <li>- Policy regarding environmental compliance (there are no cases of “non-compliance” with environmental laws and regulations).</li> </ul>
<b>GHG EMISSIONS</b>	<p>Furthermore, possible risks may concern environmental non-compliance.</p>	<p>For more details, please refer to Chapter 7.</p>
<b>WATER &amp; WASTE MANAGEMENT</b>	<p>The Group is also exposed to risks related to climate change such as:</p> <ul style="list-style-type: none"> <li>- the impact of more restrictive laws and regulations on energy efficiency and climate change, which may lead to an increase in operational costs and, consequently, to a reduction in investment in the industry;</li> <li>- the impact of client awareness and sensitivity to climate change and GHG emissions reduction, with a consequent shift towards low carbon products.</li> </ul> <p>The development of “general environmental regulations” could generate new business opportunities for Maire Tecnimont in the growing low carbon energy market. The expertise of the Group in developing sustainable solutions for its clients and the ability of the Group to react quickly to changes in environmental regulations are clear competitive advantages.</p> <p>Moreover, client and consumer demand for eco-friendly solutions and renewable energy technologies is on the up. Maire Tecnimont is already providing low-carbon solutions to its clients and is therefore equipped to handle the potential growth in demand.</p>	

# GOVERNANCE AND ETHICS

# 3



## MATERIAL TOPICS

- ETHICS AND COMPLIANCE
- ANTI-CORRUPTION
- GRIEVANCE MECHANISM

## SDGs



## STAKEHOLDERS



BUSINESS PARTNERS



LOCAL ORGANIZATIONS & NGOs



PROFESSIONAL /CATEGORY ASSOCIATION



CONTRACTORS & SUB-CONTRACTORS



CLIENTS



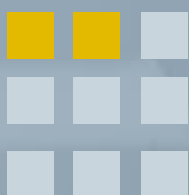
LOCAL COMMUNITIES



EMPLOYEES

## OUR FOCUS

### DIRECTORS



**2** EXECUTIVE DIRECTORS OF **9** APPOINTED DIRECTORS

### DIVERSITY



**4** FEMALES IN THE BOARD OF DIRECTORS

**1** FEMALE IN THE BOARD OF STATUTORY AUDITORS

**2** FEMALES IN THE SUPERVISORY BODY

### BOARD OF DIRECTORS

<b>1</b> FABRIZIO DI AMATO CHAIRMAN	<b>4</b> GABRIELLA CHERSICLA INDEPENDENT DIRECTOR	<b>7</b> VITTORIA GIUSTINIANI INDEPENDENT DIRECTOR
<b>2</b> PIERROBERTO FOLGIERO CEO & COO	<b>5</b> ANDREA PELLEGRINI INDEPENDENT DIRECTOR	<b>8</b> STEFANO FIORINI DIRECTOR
<b>3</b> LUIGI ALFIERI DIRECTOR	<b>6</b> PATRIZIA RIVA INDEPENDENT DIRECTOR	<b>9</b> MAURIZIA SQUINZI INDEPENDENT DIRECTOR

### GROUP'S VALUES

- |  |                                     |  |
|--|-------------------------------------|--|
| <b>1</b> LEGALITY, TRANSPARENCY AND FAIRNESS | <b>5</b> KNOWLEDGE MANAGEMENT       | <b>8</b> HEALTH AND SAFETY AT THE WORKPLACE    |
| <b>2</b> CUSTOMER COMMITMENT                 | <b>6</b> RESPECT FOR THE INDIVIDUAL | <b>9</b> SUSTAINABLE DEVELOPMENT               |
| <b>3</b> INNOVATION                          | <b>7</b> EQUAL OPPORTUNITIES        | <b>10</b> RESPONSIBILITY TOWARDS THE COMMUNITY |
| <b>4</b> FLEXIBILITY                         |                                     |  |

### ANTI-CORRUPTION COMMUNICATION AND TRAINING

<b>15</b>	GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	GOVERNANCE BODY MEMBERS TRAINED ON ANTI-CORRUPTION	<b>DURING THE YEARS 2016, 2017, AND 2018</b>
<b>100%</b>			

# 3

The Maire Tecnimont Group is committed to maintaining the highest standards of corporate governance, particularly with regards to compliance with ethical and legal requirements.

Maire Tecnimont features an advanced Corporate Governance system and actively promotes the fight against corruption, the promotion of human and workers' rights, and ensures that all workers and employees comply with the law and regulations and act with integrity in their everyday actions.

Ethics and compliance are the key factors in the conduct of Maire Tecnimont Group business for maintaining and strengthening stakeholder confidence.

Business ethics and compliance are indeed the principles that guide the Maire Tecnimont Group's construction of an Internal Control

and Risk Management System that is appropriate to its size, complexity, operational structure, business and sustainability challenges. The commitment to sustainability has been further improved with the assignment on 25th January 2018 of new tasks in this sphere to the existing "Control and Risk Committee", set up within the Maire Tecnimont Board of Directors. For such purposes, the "Control and Risk Committee" was renamed the "Control Risk and Sustainability Committee", that supports - among other matters - the Maire Tecnimont Board of Directors in evaluating all relevant risks for the sustainability of the long-term activities of the Company and the Group. This Committee has also competencies in sustainability matters and monitors the position of the Company on sustainability topics and in particular on the ethics indicators of sustainability.

Maire Tecnimont considers corruption as an untenable obstacle to business efficiency and fair competition. In accordance with the Group Code of Ethics, Maire Tecnimont tackles any risk of non-compliance with laws and regulation, including corruption, by adopting a structured system of rules, controls and grievance mechanisms which prevent any illicit behavior and protect its global reputation.

This includes the adoption and implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model"), the issuing of Group Standard Procedures and the execution of audits by the Internal Audit Department and by the Supervisory Body as per Italian Legislative Decree 231/2001.

---

# GOVERNANCE

---

**THE CORPORATE GOVERNANCE SYSTEM OF MAIRE TECNIMONT ESSENTIALLY FOCUSES ON CREATING SHAREHOLDER VALUE OVER THE MEDIUM-LONG TERM, CONSCIOUS OF THE SOCIETAL IMPACT OF COMPANY AND GROUP ACTIVITIES AND THE UNDERLYING NEED TO CONSIDER THE INTERESTS OF ALL STAKEHOLDERS ADEQUATELY.**

Maire Tecnimont's governance is based on the **traditional model** that includes a **Shareholders' Meeting**, a **Board of Directors** and a **Board of Statutory Auditors**.

The **Board of Directors** and the **Board of Statutory Auditors** of Maire Tecnimont are appointed at the **Ordinary Shareholders' Meeting** according to a slate voting system that protects the rights of the minority shareholders.

The Ordinary Shareholders' Meeting appointed a Board of Directors of 9 members (of which

2 executive Directors) for the three-year period 2016-2018, i.e. until approval of the company financial statements at December 31, 2018. The next Ordinary Shareholders' Meeting, called for April, 29 and April, 30 2019, respectively in first and second call, will appoint the new Board of Directors of Maire Tecnimont, defining also the term of mandate and appointing the new Chairman of the Board of Directors.

## DIRECTORS



2 EXECUTIVE DIRECTORS OF 9 APPOINTED DIRECTORS



Further information on corporate governance at Maire Tecnimont can be found in the 2018 Corporate Governance and Ownership Structure Report, pursuant to article 123-bis of the Italian Consolidated Finance Act, available on the Company website ([www.mairetecnimont.com](http://www.mairetecnimont.com), "Governance" section) (the "2018 Corporate Governance Report").



## BOARD OF DIRECTORS



1	<b>FABRIZIO DI AMATO</b> <i>CHAIRMAN</i>	4	<b>GABRIELLA CHERSICLA</b> <i>INDEPENDENT DIRECTOR</i>	7	<b>VITTORIA GIUSTINIANI</b> <i>INDEPENDENT DIRECTOR</i>
2	<b>PIERROBERTO FOLGIERO</b> <i>CEO &amp; COO</i>	5	<b>ANDREA PELLEGRINI</b> <i>INDEPENDENT DIRECTOR</i>	8	<b>STEFANO FIORINI</b> <i>DIRECTOR</i>
3	<b>LUIGI ALFIERI</b> <i>DIRECTOR</i>	6	<b>PATRIZIA RIVA</b> <i>INDEPENDENT DIRECTOR</i>	9	<b>MAURIZIA SQUINZI</b> <i>INDEPENDENT DIRECTOR</i>

 Further information on director appointment procedures according to the slate voting system and Director profiles can be found in the 2018 Corporate Governance Report.



## COMPOSITION OF THE GOVERNANCE BODIES

	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Number of members of the governance bodies by gender</b>	8	7	15	8	7	15	8	7	15
Board of Directors	5	4	9	5	4	9	5	4	9
Board of Statutory Auditors	2	1	3	2	1	3	2	1	3
Supervisory Body as per Legs. Decree 231/01	1	2	3	1	2	3	1	2	3
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<b>Number of members of the governance bodies by age:</b>	8	7	15	8	7	15	8	7	15
Under 30 years old	0	0	0	0	0	0	0	0	0
31-50 years old	1	3	4	1	3	4	1	3	4
Over 51 years old	7	4	11	7	4	11	7	4	11

On the basis of the results of the annual self-assessment for 2018 conducted - pursuant to Application Criterion 1.C.1., letter g), of the Corporate Governance Code of Borsa Italiana S.p.A (“Corporate Governance Code”) - on the functioning of the Board and its Committees as well as their size and composition also with reference to the “Diversity criteria”, as better described below, **the sitting Board of Directors is well-balanced in terms of diversity** (gender, training and professional background, age, geographical origin and international experience) and **professional and managerial background**.

Similarly, also the Board of Statutory Auditors in office, taking account of the results of the self-assessment carried out with regards to financial year 2018 in accordance with the conduct rules of Boards of Statutory Auditors of Listed companies of the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) was considered balanced in terms of diversity and professional expertise and experience.

Furthermore, the number of

independent directors (5 independent directors of 9 appointed directors), all non-executive directors, exceeds that required by law and the Maire Tecnimont By-Laws. Similarly, Committees are composed of non-executive directors, the majority of whom are independent, including the Chairman.

Regarding gender diversity, the Maire Tecnimont By-Laws include specific provisions to ensure gender balance on the Board of Directors and also the Board of Statutory Auditors, as required by the law. In this case too, the current Board of Directors is not only well-balanced from a diversity viewpoint - but the less represented gender also exceeds the requirements of applicable legislation (4 women of 9 appointed directors).

The Board of Directors has established two internal committees with advisory functions, the **Remuneration Committee** and the previously mentioned **Control Risk and Sustainability Committee**, in accordance with the Corporate Governance Code, with which Maire Tecnimont complies. The Board of Directors has also established a **Related Party Committee** which is assigned the

tasks and duties set out by the Related Parties Regulation issued by CONSOB, the Italian Authority for listed companies. The Board of Directors has appointed a **Supervisory Body** (“231 Supervisory Body”) involved in the operation, observance and updating of the 231 Model and in implementing at the Company the provisions of Italian Legislative Decree 231/2001.

## DIVERSITY IN THE BOARDS

**4** FEMALE  
IN THE BOARD  
OF DIRECTORS

**1** FEMALE  
IN THE BOARD  
OF STATUTORY AUDITORS

**2** FEMALE  
IN THE  
SUPERVISORY BODY



Further information on diversity on the Board of Directors and Board of Statutory Auditors can be found in the 2018 Corporate Governance Report).

- Management bodies
- Control bodies
- Management and Control bodies
- Supervisory bodies

### THE SHAREHOLDERS' MEETING

It adopts resolutions on issues indicated by the law, such as approval of financial statements, appointment of the Board of Directors, Board of Statutory Auditors, Independent Auditors and amendments to the Company's By-laws.

### INDEPENDENT AUDITORS

They have a mandate to form an opinion on the financial statements and to verify the proper keeping of the company accounts and the correct reporting of the operating events in the accounting records.

### BOARD OF DIRECTORS

It determines and pursues the strategic objectives of the Company and the Group.

### BOARD OF STATUTORY AUDITORS

It monitors the compliance with the law and the Company's By-laws, the principles of good administration and the suitability of the organisational, administrative and accounting structure.

### RELATED-PARTY COMMITTEE

It carries out those tasks reserved to it by the CONSOB Related Parties Regulation and the related procedure adopted by the Company.

### REMUNERATION COMMITTEE

It formulates proposals regarding the remuneration of the Directors, including those holding special offices, and the executives of the Group.

### CONTROL RISK AND SUSTAINABILITY COMMITTEE

It assists the Board of Directors in assessing the suitability of the internal control and risk management system including the risks relevant for the sphere of sustainability.

### 231 SUPERVISORY BODY

It carries out activities on the operation, observance and updating of the "Model 231" and on the implementation, within the Company, of the provisions of the Legislative Decree 231/2001.



#### Further information on the Governance Structure and Internal Control and Risk Management System can be found in the 2018 Corporate Governance Report.

In accordance with the **Corporate Governance Code** and considering the indications provided by the Chairwoman of the Italian Corporate Governance Committee of Borsa Italiana S.p.A. dated December 21st, 2018, the Board of Directors carried out, also in 2018, the annual self-assessment ("Board Evaluation") on the size, composition and operation of the Board and its Committees. Considering that this annual self-assessment regards the last year of the three-years period of mandate of the sitting Board of Directors, the Board Evaluation has been conducted by the Advisory Company Willis Towers Watson, together with Department Group Corporate Affairs, Governance & Compliance of Maire Tecnimont

and the Lead Independent Director. The Board Evaluation is based on interviews with Directors. The results are shared in advance with the Lead Independent Directors and presented to the Board of Directors and have been considered for the definition by the latter of guidelines to Shareholders, also in terms of diversity, for the appointment of the new Board of Directors of Maire Tecnimont.

Also the Board of Statutory Auditors carried out, with reference to financial year 2018, its self-assessment concerning, among other matters, the adequacy of the composition of the Board of Statutory Auditors and the professional expertise on the Board and the functioning and climate of meetings of the Board of Statutory Auditors. Similarly to the Board Evaluation, this self-assessment was carried out through a process based on interviews, conducted with

the support of the consultancy firm Willis Towers Watson. With regards to the results, **the Statutory Auditors expressed assessed as adequate the composition of the Board of Statutory Auditors with regards to the professional background of its members.** The gender diversity rules for the Statutory Auditors were met.

The results of the annual self-assessment of the Board of Statutory Auditors were sent to the Board of Directors. This latter, taking into consideration these results and having consulted the Board of Statutory Auditors, set out guidelines for shareholders, also with regards to diversity, for the appointment of the new Board of Statutory Auditors for the 2019-2021 three-year period.

The Chairman of Maire Tecnimont, with the support of Group Corporate Affairs, Governance &



**Additional information on the Board Evaluation and on the annual self-assessment of the Board of Statutory Auditors, in addition to the guidelines drawn up by the Board of Directors for the Shareholders, also concerning diversity, for the appointment of the new Board of Directors and of the new Board of Statutory Auditors, are presented in the Corporate Governance and Ownership Structure Report for 2018.**

Compliance Department, has set up **several induction sessions** in order to improve the knowledge of the members of the Board of Directors and the Board of Statutory Auditors on Maire Tecnimont Group activities and its business, as well as the principles of risk management and the regulatory framework applicable to the Group.

More precisely, in 2018 sessions have been organized regarding ■ the approach to Risk Management, the methodologies adopted and the results of the monitoring activities of the risks related to the projects, taking into account the centrality of the internal control and risk management system at the Maire Tecnimont Group;

■ the legal framework and, in particular, the updates made by the Corporate Governance Committee of Borsa Italiana S.p.A. to the Corporate Governance Code on July 2018;

■ the “Green Acceleration Project” launched by Maire Tecnimont and dedicated to the creation of a new business unit for the management of 19 technological initiatives for the so called “energy transition”, with particular focus on new market dynamics and the technology portfolio in the field of the so called “Green Technologies” of the Maire Tecnimont Group.

The Board of Directors and the Board of Statutory Auditors are periodically briefed on all activities conducted involving Maire Tecnimont and the Group: the outlook, the Group’s general operating performance and the most significant transactions, the capital structure, the financial position and any

other atypical or unusual transactions, together with all related information. Reporting to the Board of Directors and Board of Statutory Auditors **is coordinated by**

**the Chairman**, in agreement with the CEO of Maire Tecnimont and with the support of the Group Corporate Affairs, Governance & Compliance Department.

## GOVERNANCE OF SUSTAINABILITY

**1** In 2018, Maire Tecnimont further improved its corporate governance in aligning it to international sustainability best practices. From January 2018, the “Control, Risks and Sustainability Committee”, previously also the “Control and Risk Committee”, has the duty to support - among other matters - the Maire Tecnimont Board of Directors in evaluating all relevant risks for the sustainability of the long-term activities of the Company and the Group. Specifically, this Committee is in charge of:

- examination of sustainability matters related to business and relations with stakeholders;
- examination of the reporting and consolidation system for drafting the Group Sustainability Report (“Sustainability Report”) that includes the Non-Financial Statement as per Legislative Decree No. 254/16 (“NFS”);
- preliminary examination of Sustainability Report that includes NFS;
- monitoring the position of the Company on sustainability topics and in particular on the ethics indicators of sustainability;
- giving opinions on sustainability topics if they are required by Board of Directors.

**2** The “Internal Sustainability Committee”, a strategic advisory body for the Chief Executive Officer of Maire Tecnimont S.p.A. set up in 2018, is in charge of providing support in the definition of the policies for the sustainable management of the business, of the related development programs, guidelines and objectives, also related to Corporate Giving, monitoring their achievement, and for the analysis of interactions with stakeholders.

**3** In addition, the “Sustainability Reporting Function”, directly reporting to the Chief Financial Officer, has the responsibility of drafting the Group Sustainability Report (“Sustainability Report”), containing the Non-Financial Statement as per the Legislative Decree No. 254/16 (“NFS”). Furthermore, the Function will be in charge of planning and monitoring the Sustainability-related activities, in coordination with the company’s relevant Functions.

## GREEN ACCELERATION ADVISORY BOARD

Finally, the setting up of the “Green Acceleration Advisory Board” of Maire Tecnimont is highlighted, a strategic body serving the Chairperson of the Board of Directors and the Chief Executive Officer of Maire Tecnimont, with the duty to further strengthen the knowledge and awareness of the Group in terms of the energy and industrial transition in progress and of the relative impacts. The “Green Acceleration Advisory Board” of Maire Tecnimont also has the duty to contribute to the strengthening of the identity of the Group as a key and innovative actor in the green chemicals sector, with the aim of becoming a leading player for the development of the circular economy. The “Green Acceleration Advisory Board” of Maire Tecnimont, in addition to the Chairperson of the Board of Directors and the Chief Executive Officer, comprises high profile experts, with international experience and varied skills and specific experience.

# ETHICS & COMPLIANCE

**MAIRE TECNIMONT, IN BUILDING THE GROUP'S IDENTITY, HAS ESTABLISHED THE FOLLOWING FUNDAMENTAL PRINCIPLES: BEING BUSINESS-CENTERED AND CUSTOMER-ORIENTED, THE RESPECT AND DEVELOPMENT OF HUMAN RESOURCES AND A COMMITMENT TO ENVIRONMENTAL AND SAFETY ISSUES. MAIRE TECNIMONT REQUIRES ITS EMPLOYEES TO CONSTANTLY BEAR IN MIND AS THEY GO ABOUT THEIR DAILY BUSINESS THE MOST IMPORTANT VALUE OF THE GROUP: ETHICAL CONDUCT.**

## GROUP'S VALUES

- |  |                                     |  |
|--|-------------------------------------|--|
| <b>1</b> LEGALITY, TRANSPARENCY AND FAIRNESS | <b>5</b> KNOWLEDGE MANAGEMENT       | <b>8</b> HEALTH AND SAFETY AT THE WORKPLACE    |
| <b>2</b> CUSTOMER COMMITMENT                 | <b>6</b> RESPECT FOR THE INDIVIDUAL | <b>9</b> SUSTAINABLE DEVELOPMENT               |
| <b>3</b> INNOVATION                          | <b>7</b> EQUAL OPPORTUNITIES        | <b>10</b> RESPONSIBILITY TOWARDS THE COMMUNITY |
| <b>4</b> FLEXIBILITY                         |                                     |  |

The Maire Tecnimont Group considers it essential to conduct business in **full compliance with the law, regulations, statutory provisions and ethical integrity and fairness. Acting in compliance with law** - whether local, national or regional - and with ethical integrity has always been, and always will be, **fundamental to the Maire Tecnimont Group** in protecting and improving its business performance and setting the Group apart in the marketplace.

Maire Tecnimont has set out these values and principles in the Group

Code of Ethics<sup>6</sup> and in its corporate standards and procedures.

The Group Code of Ethics applies to the Board of Directors, Auditors, all employees and outside collaborators (consultants, business partners, etc.), suppliers, sub-contractors, clients and any other parties who at any level come in contact with Maire Tecnimont or act for and on its behalf<sup>7</sup>.

The Board of Directors of Maire Tecnimont S.p.A. **has adopted its own 231 Model**, thus responding to the need to ensure fairness and

transparency in the conduct of business and the management of company operations. The Board of Directors has therefore appointed a 231 Supervisory Body with autonomous powers of initiative and control. Moreover, the Italian companies directly controlled and fully-owned by Maire Tecnimont S.p.A. (i.e. "sister companies") have also their own 231 Model and 231 Supervisory Body.

Aside from the Group Code of Ethics, the 231 Model establishes a **set of rules and principles of control and conduct to be adopted**

<sup>6</sup> The Group Code of Ethics is a single document applicable to the entire Maire Tecnimont Group, available in Italian and English and published in the "Governance" section of the [www.mairetecnimont.it](http://www.mairetecnimont.it) website. All Companies controlled directly or indirectly by MET, in Italy and abroad, must adopt the Group Code of Ethics and comply with its content.

<sup>7</sup> Recipients of the Group Code of Ethics will hereafter be referred to as "Interested Parties".

**ORGANISATION, MANAGEMENT AND CONTROL MODEL: INTEGRATED SYSTEM OF RULES**



**and implemented** in order to mitigate the risk of committing the offences referred to in Italian Legislative Decree 231/2001, including corruption and the violation of environmental protection and workers' health and safety rules.

The rules of the 231 Model integrate with those of the Group Code of Ethics, which must be adopted by all Group subsidiaries, both in Italy and abroad to ensure that the conduct of business and the management of company operations always and everywhere is ethical and meets high standards of integrity.

The Group Internal Audit Department, the Compliance Department and the 231 Supervisory Bodies are, respectively, the representatives for

monitoring the effective implementation of the Group Code of Ethics and the 231 Model.

Maire Tecnimont Group personnel, and those acting on its behalf, are responsible for understanding the applicable rules and must act in compliance with internal regulatory instruments such as the Group Code of Ethics, the 231 Model and corporate standards and procedures. Such instruments, which also include rules and principles concerning anti-corruption policies, are communicated to all Group employees and Interested Parties.

Responsibility for group compliance activities lies with Group Corporate Affairs, Governance & Compliance Department. Specifically,

the Group Corporate Affairs, Governance & Compliance Department of Maire Tecnimont manages all activities for the adoption and implementation of an ethics and compliance program, including the Group Code of Ethics, the 231 Model of the Maire Tecnimont Group companies incorporated under Italian law and supports the 231 Supervisory Body of the companies for monitoring the effective implementation of the Group Code of Ethics and 231 Model and observance of its provisions. Moreover, the Group Corporate Affairs, Governance & Compliance Department together with the relevant Functions also develops and revises Group procedures to reduce the risk of non-compliance.

# ANTI-CORRUPTION

**AS A MULTINATIONAL GROUP CONDUCTING BUSINESS IN OVER 45 COUNTRIES, THE MAIRE TECNIMONT GROUP AND ITS PERSONNEL ARE SUBJECT TO THE LOCAL LAWS, INCLUDING ANY THAT RATIFY INTERNATIONAL CONVENTIONS AND PROHIBIT THE CORRUPTION OF PUBLIC OFFICIALS AND PRIVATE PARTIES.**

<p>As located in Italy, both Maire Tecnimont and its personnel <b>are subject to Italian law</b>, specifically the <b>provisions of Legislative Decree 231/2001</b> and subsequent amendments which regulate the administrative liability of legal entities for offences committed by their directors, employees or associates in Italy or abroad, in the interest or to the advantage of such legal entities. Activities which may give rise to the risk of committing the abovementioned offences, including</p>	<p>corruption, are identified through specific risk assessment activities within the framework of the 231 Model.</p> <p>The Group Corporate Affairs, Governance &amp; Compliance Department, together with the Group Development &amp; Compensation Department, plans and executes the communication and training programs concerning Legislative Decree 231/2001, the 231 Model and the Group Code of Ethics or related issues for all the Maire Tecnimont Group Companies.</p>	<p>Maire Tecnimont personnel should indeed be <b>informed of and trained on the importance of compliance with legislation and the 231 Model</b>, so as to clearly understand the different risks and preventive measures.</p>
--	--	---

## ANTI-CORRUPTION COMMUNICATION AND TRAINING IN MAIRE TECNIMONT

	2016	2017	2018
<b>Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to</b>	15	15	15
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
<b>Total number of governance body members that have received training on anti-corruption</b>	15	15	15
Percentage of governance body members that have received training on anti-corruption	100%	100%	100%

A compliance training program has therefore been put in place. The program is mandatory for all Executives, managers and employees and provides:

- basic e-learning training for all staff: e-learning training support allows for prompt, comprehensive communication of the key issues - reference legislation (Italian Legislative Decree 231/01 and related crimes), the 231 Model and its functioning, the Group Code of Ethics - supported by self-assessment and proficiency tests;

- specific classroom training;

- in-depth modules for legislative or internal procedure updates.

In 2018, e-learning training was launched for all employees of Maire Tecnimont and the Italian subsidiaries. The scope of the training was:

- the provisions of Italian Legislative Decree No. 231/2001 and related crimes;

- the structure of the 231 Model;

- the principles and controls under the 231 Model, including the anti-corruption rules;

- the Group Code of Ethics.

Moreover sessions on the provisions of the Decree no. 231/2001 and the structure of the 231 Model were taken by all directors of Maire Tecnimont and the Italian subsidiaries.

In any case, in order to maximize awareness upon the Group Code of Ethics, the 231 Model and corporate standards and procedures (including those related to anti-corruption), **such instruments are communicated to all Group employees, as well as to all Interested Parties.**

15

GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO

100%

GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO



# GRIEVANCE MECHANISMS

**MAIRE TECNIMONT HAS COMMITTED TO INTEGRATING THE VARIOUS MECHANISMS FOR COLLECTING AND MANAGING COMPLAINTS AND REPORTS. THE GROUP IS AWARE OF THE IMPORTANCE OF THESE CHANNELS TO PREVENT ANY CATEGORY OF ABUSE AND IS HIGHLY ENGAGED IN STRENGTHENING AND ENSURING THEIR EFFECTIVENESS.**

<p>The Grievance mechanism is <b>outlined in the Group Code of Ethics and the Model</b> and is therefore <b>communicated to all employees, suppliers, sub-contractors and business partners</b> in general.</p>	<p>notification of any potential violation of the Group Code of Ethics and the 231 Model.</p>	<p>of the verified violation, providing suggestions on the appropriate corrective measures to be taken.</p>
<p>Violations (or alleged violations) of the 231 Model and/or the Group Code of Ethics <b>must be reported by employees and third parties to Internal Audit and the 231 Supervisory Body</b>. For this purpose, Maire Tecnimont has put in place <b>specific tools</b> to support compliance and the fight against corruption and fraud and in protection of whistleblowers. A <b>dedicated inbox</b> has been established for the</p>	<p>The Internal Audit and 231 Supervisory Body are responsible for assessing the reports collected and their content, consistency and relevance.</p>	<p><b>Potential violations</b> of the Group Code of Ethics and the 231 Model <b>are all immediately addressed</b> upon receiving notice. Over the last three years, <b>all concerns raised have been resolved</b>, and no concerns have been reported at any company of the Group in relation to incidences of corruption, both active and passive, or of discrimination based on race, color, gender, religion, political opinion or national or social origin.</p>
	<p>Maximum confidentiality of the complainants' identity and compliance with the legislation in force is guaranteed throughout.</p>	
	<p>If the violation is confirmed, the Internal Audit Department and the 231 Supervisory Body inform, as soon as possible, top management</p>	

## CONCERNS REPORTED UPON UNETHICAL OR UNLAWFUL BEHAVIOR AND ORGANIZATIONAL INTEGRITY

	2016	2017	2018
<b>Group Code of Ethics violations</b>	<b>7</b>	<b>10</b>	<b>6</b>
Number of concerns: Addressed	7	10	6
Number of concerns: Resolved	4	9	1
Number of concerns: Investigated and found to be unsubstantiated	3	1	3





# PEOPLE AT THE CENTER

# 4

## MATERIAL TOPICS

- EMPLOYMENT
- INDUSTRIAL RELATIONS
- DIVERSITY
- HUMAN CAPITAL DEVELOPMENT

## SDGs



## STAKEHOLDERS



CLIENTS



EMPLOYEES



LOCAL  
AUTHORITIES  
& GOVERNMENTS



PROFESSIONAL  
/CATEGORY  
ASSOCIATION



CONTRACTORS  
& SUB-  
CONTRACTORS



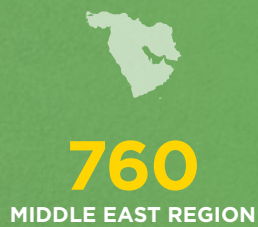
LOCAL  
ORGANIZATIONS  
& NGOs

## OUR FOCUS

### EMPLOYMENT



### BREAKDOWN OF EMPLOYEES BY OPERATING GEOGRAPHIC ZONE



### TRAINING



TOTAL HOURS OF TRAINING

# 4

Human Capital is our Group's key asset. We have always recognized the **strategic importance and centrality of the individual** to deliver upon our objectives and tackle the most innovative challenges.

Our Human Resources policies therefore center on the capacity to attract, retain, engage and develop the professional skills-sets needed to safeguard and improve our competitiveness in a constantly changing labor market. In the current environment featuring major shifts and socio-economic and cultural differences, a timely and concrete response to business demands and social changes **is essential** - in addition to an ability **to re-write and reinterpret consolidated processes and paradigms**.

For this reason, alongside the more traditional hiring methods,

we have opened up **new web and specialized social network channels**, attracting individuals ready to tackle new challenges, motivated and result-focused and available to work overseas in multicultural environments. We also maintain close relationships with the **leading universities** in order to ensure that we are attractive to new young graduates and also to more senior personnel, offering opportunities for development and professional growth, together with competitive financial packages and benefits.

In this regard, the willingness to introduce new retention levers and "widespread" involvement in the value creation led to totally **innovate the Rewarding Policy**, through the launch - as part of the most extensive Group engagement and incentive policy - of the Employees Share Ownership Plan

as well as the Flexible Benefits Plan. Finally, through the "Be Adaptive!" Program, an **innovative approach to Smart Working** has been promoted, based on the engagement and accountability of the employees, not comparable to a simple introduction of remote working but, through a new "working culture" which takes advantage of the digitalisation, allows people to work at the most effective and productive times and places for them.

Our way of doing business and creating sustainable value is driven also by an ongoing commitment to guarantee a working environment in which **personal and cultural differences are seen as a resource** and a source of reciprocal enrichment, with all assured the same opportunities for growth, rewarding merit, skills and expertise development.

# EMPLOYMENT

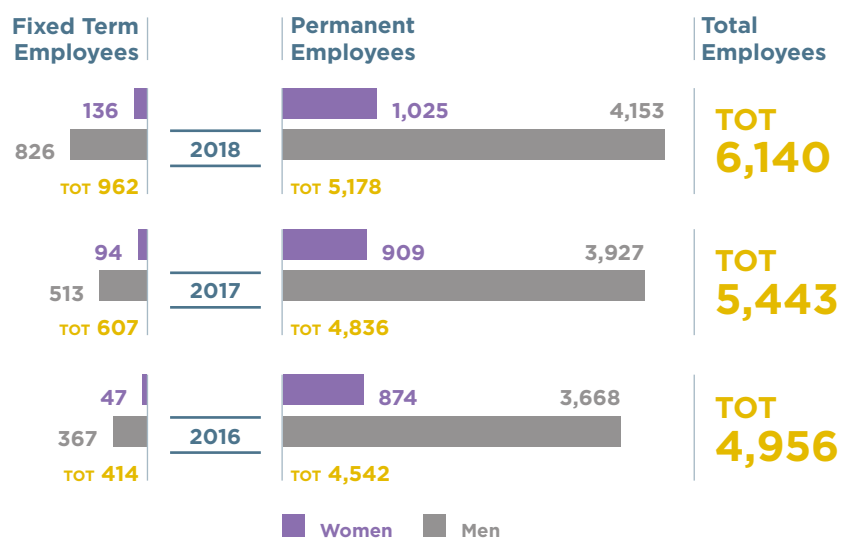
**WITH REFERENCE TO EMPLOYMENT, 2018 SAW AN INCREASE IN THE HEADCOUNT OF 12.8% ON THE PREVIOUS YEAR, OF WHICH 49.1% ON PERMANENT CONTRACTS AND THE REMAINING 50.9% ON FIXED-TERM CONTRACTS - DUE TO THE PECULIARITY OF THE COMPANY'S BUSINESS WHICH FEATURES LARGE PROJECTS WITH VARIABLE DURATION.**

Focus on the permanent contract workforce indicates **a significant increase** in the total number of permanent new hires over the previous year (+103.7%), particularly in the "Russia & Caspian Region" (+37%), in line with the **major development which the Group business has undertaken** in this Region, confirming the close interdependence between the workforce sizing and the demands of the various operating phases of projects. The Group has confirmed its interest in hiring young people and new graduates, using the apprenticeship contractual form – less precarious and more lasting than stage and internship –, which combines the actual work activity with the training approach and the development of skills, proving the Group's attitude on focusing on the growth of its People.

Nevertheless, the **collaboration with Universities, Schools and Research Institutes** has made it possible to activate 24 internships, of which 18 at the various Italian Group companies and 6 at the Dutch Sister Company Stamicarbon.

Furthermore, 4 students took part in the Development Program in Azerbaijan, launched in collaboration with the Baku Higher Oil School.

## BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE



## PERMANENT EMPLOYEES: HIRES AND DEPARTURES

	2016	2017	2018
Hired	570	378	770
Turn-over* ratio	2.4%	2.9%	4.3%

\* Turn over ratio is calculated on permanent termination for voluntary reasons.

The turnover ratio in 2018 stems from the occupational volatility typical of the Indian labour market, the peculiarity of the business as well as the different projects executive phases. Finally, specifically for Italy and the Rest of Europe Region, M.S.T. Manutenzioni S.r.l. workers took the employment opportunity offered by Biolevano on the closure of this order.

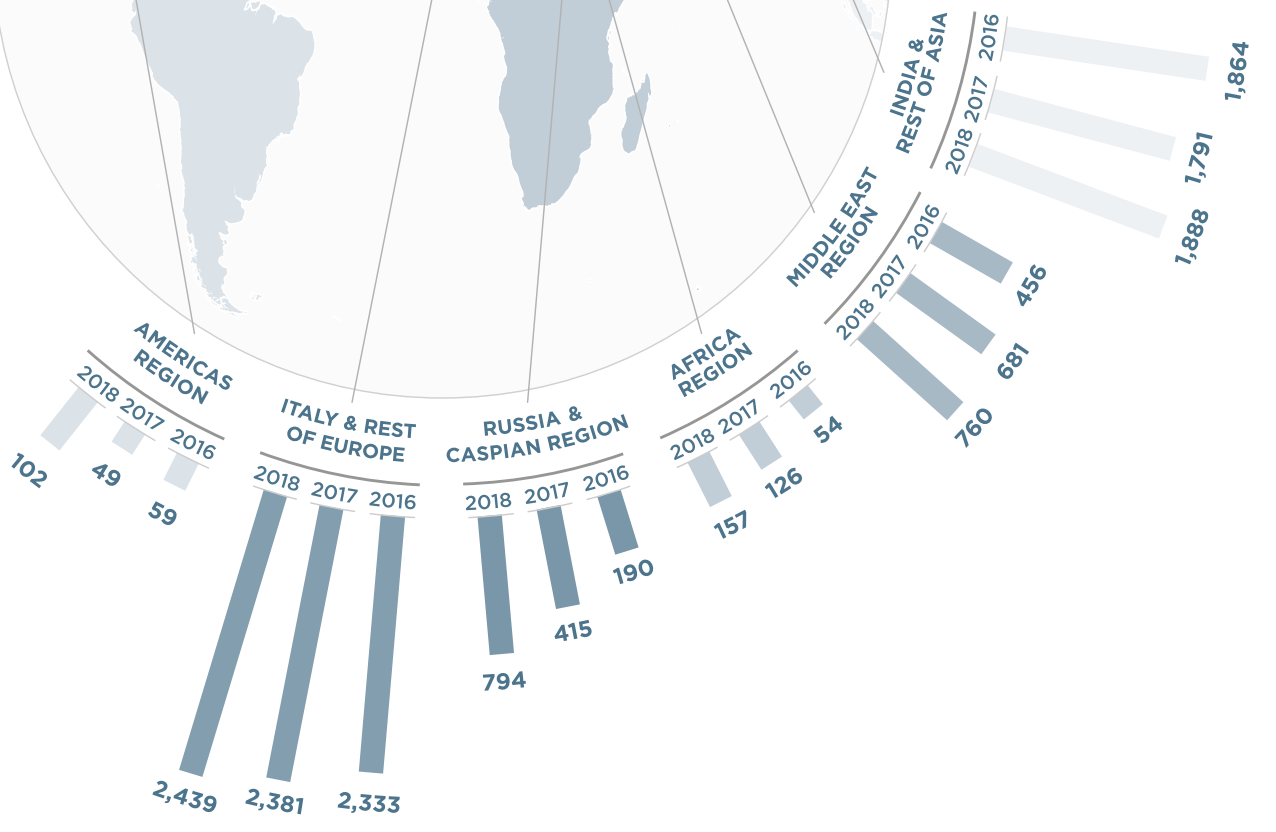
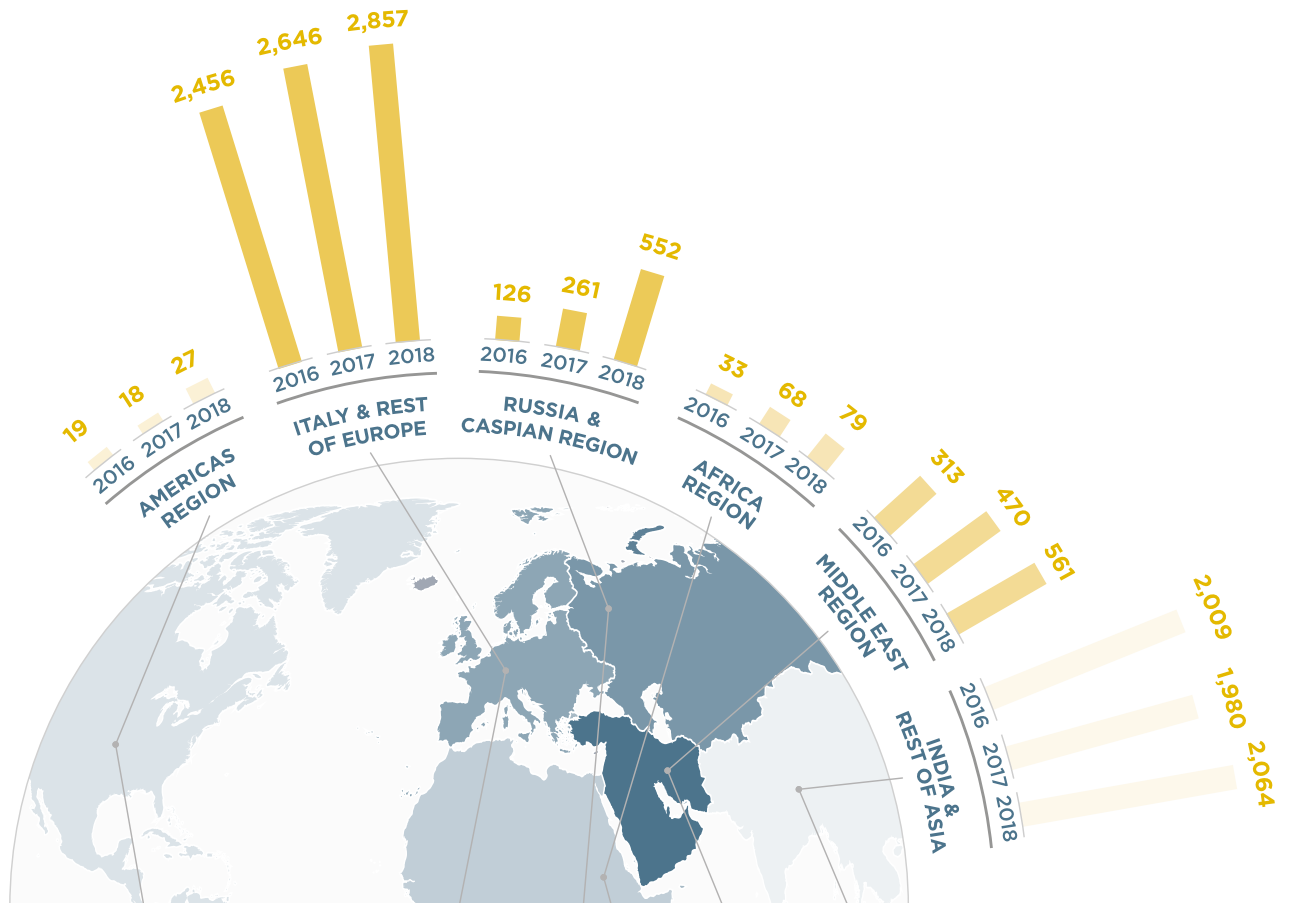
## BREAKDOWN OF EMPLOYEES BY HEADCOUNT GEOGRAPHIC ZONE

2016			2017			2018			
Women	Men	Total	Women	Men	Total	Women	Men	Total	
629	1,827	<b>2,456</b>	662	1,984	<b>2,646</b>	720	2,137	<b>2,857</b>	Italy & Rest of Europe
229	1,780	<b>2,009</b>	239	1,741	<b>1,980</b>	251	1,813	<b>2,064</b>	India & Rest of Asia, out of which:
217	1,762	<b>1,979</b>	206	1,679	<b>1,885</b>	206	1,666	<b>1,872</b>	India Region
0	0	<b>0</b>	0	0	<b>0</b>	0	2	<b>2</b>	South East Asia & Australia Region
12	18	<b>30</b>	33	62	<b>95</b>	45	145	<b>190</b>	Rest of Asia
39	87	<b>126</b>	76	185	<b>261</b>	150	402	<b>552</b>	Russia & Caspian Region
9	10	<b>19</b>	8	10	<b>18</b>	12	15	<b>27</b>	Americas Region
11	302	<b>313</b>	14	456	<b>470</b>	24	537	<b>561</b>	Middle East Region
4	29	<b>33</b>	4	64	<b>68</b>	4	75	<b>79</b>	North Africa Region & Sub-Saharan Africa Region
<b>921</b>	<b>4,035</b>	<b>4,956</b>	<b>1,003</b>	<b>4,440</b>	<b>5,443</b>	<b>1,161</b>	<b>4,979</b>	<b>6,140</b>	<b>Total</b>

## BREAKDOWN OF EMPLOYEES BY OPERATING GEOGRAPHIC ZONE

2016			2017			2018			
Women	Men	Total	Women	Men	Total	Women	Men	Total	
623	1,710	<b>2,333</b>	658	1,723	<b>2,381</b>	711	1,728	<b>2,439</b>	Italy & Rest of Europe
230	1,634	<b>1,864</b>	236	1,555	<b>1,791</b>	249	1,639	<b>1,888</b>	India & Rest of Asia, out of which:
218	1,604	<b>1,822</b>	203	1,456	<b>1,659</b>	201	1,404	<b>1,605</b>	India Region
0	1	<b>1</b>	0	1	<b>1</b>	0	3	<b>3</b>	South East Asia & Australia Region
12	29	<b>41</b>	33	98	<b>131</b>	48	232	<b>280</b>	Rest of Asia
40	150	<b>190</b>	77	338	<b>415</b>	155	639	<b>794</b>	Russia & Caspian Region
10	49	<b>59</b>	10	39	<b>49</b>	15	87	<b>102</b>	Americas Region
14	442	<b>456</b>	18	663	<b>681</b>	27	733	<b>760</b>	Middle East Region
4	50	<b>54</b>	4	122	<b>126</b>	4	153	<b>157</b>	North Africa Region & Sub-Saharan Africa Region
<b>921</b>	<b>4,035</b>	<b>4,956</b>	<b>1,003</b>	<b>4,440</b>	<b>5,443</b>	<b>1,161</b>	<b>4,979</b>	<b>6,140</b>	<b>Total</b>

**Breakdown of Employees by Headcount geographic zone in 2018**



**Breakdown of Employees by Operating geographic zone in 2018**

# INDUSTRIAL RELATIONS

**THE COMPANY HAS ALWAYS FOCUSED CLOSELY ON THE MANAGEMENT OF INDUSTRIAL RELATIONS AS WELL AS ON THE MAINTENANCE OF FRUITFUL AND HARMONIOUS RELATIONS WITH THE TRADE UNIONS, AS SHOWN BY THE HIGH NUMBER OF TRADE UNION AGREEMENTS SIGNED WITH THEM, BOTH REGIONAL AND COMPANY-BASED.**

In particular, on the partial and proportional spin-off of the company Neosia S.p.A. in favour of Tecnimont S.p.A. and of Neosia Renewables S.p.A., **a trade union consultation process was successfully concluded** with the chemical sector and Construction Company Trade Union Representatives and Aldai, followed by the signing of the Collective

Bargaining Harmonisation Agreement for Employees of Construction and Related Companies and for Chemicals and Chemical-Pharmaceuticals Industry Personnel.

Finally, considering the very positive outcome from the introduction in the Milan headquarters of the “Be Adaptive! - Working Smart in

Maire Tecnimont Group” Program, in the second half of the year **“Smart Working” was introduced also at Parent Company Rome offices.**

## NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS<sup>8</sup>

	December 2016			December 2017			December 2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total headcount employed in Italy & rest of Europe	629	1,827	<b>2,456</b>	662	1,984	<b>2,646</b>	720	2,137	<b>2,857</b>
Total headcount covered by collective bargaining agreements	621	1,730	<b>2,351</b>	648	1,793	<b>2,441</b>	702	1,902	<b>2,604</b>
<b>Total</b>	<b>99%</b>	<b>95%</b>	<b>96%</b>	<b>98%</b>	<b>90%</b>	<b>92%</b>	<b>98%</b>	<b>89%</b>	<b>91%</b>

<sup>8</sup> For the calculation of this indicator, only the Italy and Rest of Europe Region was considered.

For the purposes of this report, the Italy and Rest of Europe Region was taken into consideration; it is noted that also in 2018, almost all the employees were covered by collective bargaining agreements. A significant percentage of Maire Tecnimont Group personnel is employed in countries where collective bargaining contracts have a different magnitude or are not widely adopted.



# DIVERSITY

## THE GROUP CONSIDERS THE RESPECT OF DIVERSITY AND INCLUSION AS KEY ELEMENTS OF ITS ETHICAL APPROACH TO MANAGING HUMAN RESOURCES IN THE MORE AND MORE HETEROGENEOUS ACTUAL CONTEXT.

<p>The multiculturalism which characterizes our Group's workforce is considered a value, as it encourages and promotes the exchange and development of differing and inter-disciplinary skills and experience.</p> <p>Integration and respect for diversity in fact <b>contribute significantly to innovation and comprehensive change</b>, making the company even more attractive to external stakeholders, both in terms of enhancing employer branding and</p>	<p>positioning the Group as an Employer of Choice in the countries where it operates.</p> <p>Our employees come from different cultures and regions, therefore <b>our workforce is highly diversified</b>. This is underlined by the <b>increase</b>, also in 2018, <b>in the number of employees nationalities</b>, increasing from 70 in 2017 to 74 in 2018.</p> <p>Moreover, we concentrate our efforts to make all employees feel</p>	<p>- without distinction - they are playing an active part in the growth of our Group.</p> <p>In terms of Gender Diversity, the 2018 headcount highlights that the number of females increased 15,8% overall on 2017. <b>As positive is the parental leave indicator</b>, with nearly all (98%) employees utilizing this option returning to work. The Group guarantees its employees parental leave wherever provided for by laws and/or policies in use.</p>
--	---	--

### PARENTAL LEAVE<sup>9</sup>

	2016			2017			2018		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees that took parental leave	35	3	<b>38</b>	45	0	<b>45</b>	58	1	<b>59</b>
Total number of employees that returned to work after parental leave ended	42	3	<b>45</b>	38	1	<b>39</b>	39	1	<b>40</b>
Total number of employees that did not returned to work after parental leave ended	0	0	<b>0</b>	4	0	<b>4</b>	1	0	<b>1</b>
Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work	23	3	<b>26</b>	40	2	<b>42</b>	33	1	<b>34</b>
<b>Termination Rate</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>10%</b>	<b>0%</b>	<b>9%</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>
<b>Return to work rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>91%</b>	<b>98%</b>	<b>100%</b>	<b>98%</b>

<sup>9</sup> The figures in the table were updated to ensure consistency with the calculation method.

## BREAKDOWN OF EMPLOYEES ACCORDING TO CATEGORIES, GENDER AND AGE

	2016		2017		2018	
	Men	Women	Men	Women	Men	Women
<b>EXECUTIVE LEVEL</b>	<b>93%</b>	<b>7%</b>	<b>92%</b>	<b>8%</b>	<b>91%</b>	<b>9%</b>
> 51 yo	44%	2%	44%	2%	45%	2%
31 - 50 yo	48%	6%	48%	6%	46%	7%
< 30 yo	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>533</b>		<b>587</b>		<b>639</b>	
<b>MIDDLE MANAGEMENT LEVEL</b>	<b>84%</b>	<b>16%</b>	<b>84%</b>	<b>16%</b>	<b>85%</b>	<b>15%</b>
> 51 yo	23%	2%	23%	2%	24%	2%
31 - 50 yo	60%	13%	60%	14%	60%	13%
< 30 yo	0%	0%	1%	0%	1%	0%
<b>Total</b>	<b>1,744</b>		<b>1,879</b>		<b>2,132</b>	
<b>WHITE COLLAR LEVEL</b>	<b>77%</b>	<b>23%</b>	<b>77%</b>	<b>23%</b>	<b>76%</b>	<b>24%</b>
> 51 yo	6%	2%	7%	3%	9%	3%
31 - 50 yo	49%	16%	52%	15%	52%	16%
< 30 yo	21%	5%	18%	5%	15%	6%
<b>Total</b>	<b>2,580</b>		<b>2,857</b>		<b>3,151</b>	
<b>BLUE COLLAR LEVEL</b>	<b>95%</b>	<b>5%</b>	<b>96%</b>	<b>4%</b>	<b>97%</b>	<b>3%</b>
> 51 yo	30%	1%	29%	0%	15%	0%
31 - 50 yo	57%	4%	57%	4%	53%	2%
< 30 yo	8%	0%	10%	0%	29%	1%
<b>Total</b>	<b>99</b>		<b>120</b>		<b>218</b>	
<b>TOTAL EMPLOYEES</b>	<b>4,956</b>		<b>5,443</b>		<b>6,140</b>	

SALARY RATIO<sup>10</sup> of women to men

	2016	2017	2018
<b>EXECUTIVE LEVEL</b>			
> 51 yo	82%	80%	77%
31 - 50 yo	92%	96%	94%
< 30 yo	n.a.	n.a.	n.a.
<b>MIDDLE MANAGEMENT LEVEL</b>			
> 51 yo	92%	91%	91%
31 - 50 yo	92%	93%	94%
< 30 yo	n.a.	0%	n.a.
<b>WHITE COLLAR LEVEL</b>			
> 51 yo	94%	92%	91%
31 - 50 yo	97%	97%	94%
< 30 yo	99%	99%	99%
<b>BLUE COLLAR LEVEL</b>			
> 51 yo	n.a.	n.a.	n.a.
31 - 50 yo	76%	77%	83%
< 30 yo	n.a.	n.a.	n.a.

INCIDENCE OF WOMEN<sup>11</sup>

	2016	2017	2018
<b>EXECUTIVE LEVEL</b>			
> 51 yo	6%	6%	8%
31 - 50 yo	16%	16%	18%
< 30 yo	n.a.	n.a.	n.a.
<b>MIDDLE MANAGEMENT LEVEL</b>			
> 51 yo	13%	13%	16%
31 - 50 yo	27%	27%	28%
< 30 yo	0%	0%	0%
<b>WHITE COLLAR LEVEL</b>			
> 51 yo	52%	54%	56%
31 - 50 yo	53%	49%	50%
< 30 yo	27%	24%	33%
<b>BLUE COLLAR LEVEL</b>			
> 51 yo	0%	0%	0%
31 - 50 yo	10%	13%	18%
< 30 yo	0%	0%	0%

<sup>10</sup> Average annual salary received by women compared to men. The figures refer to the personnel of the Italian Group companies, with registered office in Italy.

<sup>11</sup> The figures refer to the personnel of the Italian Group companies, with registered office in Italy.

In the global context in which the Maire Tecnimont Group operates, the salary ratio is influenced by the dynamics and specific features of the business, with operations located, often, in very remote areas. For this reason, it was decided to focus the analysis on the population of the Group Italian companies. The indicators presented, compared with the Global Gender Gap Report 2018, are significantly below national averages; in Italy, in fact, annual female salaries are 57% of men's.

# HUMAN CAPITAL DEVELOPMENT

**IN ORDER TO MAINTAIN A HIGH LEVEL OF EXPERTISE IN THE GROUP, AND TO DEVELOP HUMAN CAPITAL SKILLS IN ORDER TO KEEP THEM IN LINE WITH BUSINESS NEEDS, ALSO IN 2018 DEDICATED TRAINING AND DEVELOPMENT PLANS HAVE BEEN OFFERED TO THE EMPLOYEES.**

Moreover, the commitment of the Group has been dedicated to promote and offer training initiatives, as well as define and design the “MET Academy” launch, a key initiative which - leveraging on and benefitting from the possibilities presented by the current digital transformation - **seeks to extend to all employees access to knowledge and information**, encouraging and transferring Group know-how and actively involving its employees, making them protagonist of the creation and sharing of content.

In support of those joining the company and, more generally, individual professional growth, also valuing inter-departmental collaboration, **training initiatives for new hires were designed**, making available a highly useful company database which, as part of a structured process in terms of timing and addressees, will collate a range of training content. Also as part of the Group’s digital transformation, some content has been digitalized as **e-learning pills** to support and improve usability and promote circulation, while at the same time harmonizing the **common language** shared by the Maire Tecnimont Group

employees. The first content created in this way, shortly to be circulated within the Group, features the **Group’s history, the various businesses and its distinctive sustainability strategy**, while also providing basic knowledge upon petrochemistry - core business since its foundation. The MET Academy project shall support not only the onboarding of new personnel but - through digitalization - sets the ambitious objective of becoming a common and shared platform to access the knowledge and expertise characterizing Maire Tecnimont.

The company is focused on **developing distinctive competences** with reference to the related competitive context, as confirmed by the Project Management and technical-specialist upskilling training investment made. The willingness to consolidate shared and harmonized behaviours and communication styles towards clients and other stakeholders - both internal and external - has been confirmed, also in 2018, by the training initiatives dedicated to soft skills, as supporting element to business activities, and by the growing

## PROMOTING A SUSTAINABILITY CULTURE

In order to promote and consolidate the culture of Sustainability within the Maire Tecnimont Group and to improve awareness of the relevance of the related topics, an e-learning course for all the employees was designed and developed.

The initiative describes the Sustainability strategy adopted by Maire Tecnimont and the support for the sustainable development goals of the United Nations, also through identifying the relevant topics, regarding which Maire Tecnimont is focused on delivering excellence. In order to ensure the broadest possible dissemination of the corporate culture and the effective communication of key Group messages, e-learning activities involve users in an interactive way and permit, at the same time, to collect their feedback as a means of stakeholder engagement.

awareness with regard to the cultural peculiarities of the countries where the Group is present.

As part of the wider digital transformation path **an increasingly blended-type approach has been adopted**, empowering classroom experience with digital content and e-learning training pills which can also be accessed remotely.

Confirming our attention and sensitivity regarding Quality, Health, Safety, Environment and Social Responsibility, also in 2018 we launched numerous training initiatives, in addition to courses dedicated to Human Rights, which encourage and promote socially-acceptable practices in the workplace.

**Activities centered on obtaining**

**and keeping the SA8000 certification also continued, as well as specific QHSE training considered as fundamental asset for high quality performance development on-site** (as described in paragraph 7.2).

In addition, the company has confirmed its high commitment to consolidate knowledge on the 231 Model, as well as on the Code of Ethics and Legislative Decree 231/2001 and, in general, on the anti-corruption topics, with the goal of enhancing full awareness of the principles of the Model and of the operating procedures.

The **total number of employees receiving training** and the training

hours provided, compared to previous years, **is consistently on the rise, confirming the Group's ongoing and unwavering commitment** to ensure the development of its Human Capital. Significant "Be Adaptive" program training investment - as outlined in the following paragraph - has continued throughout 2018, having a significant impact on the above increase, due to the magnitude of the population involved.

#### AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY

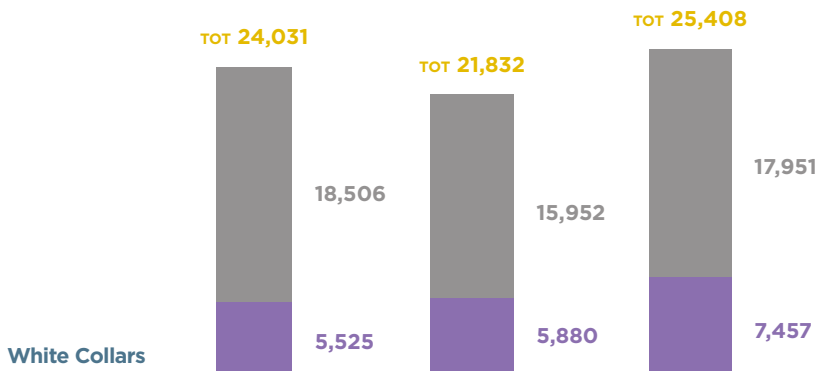
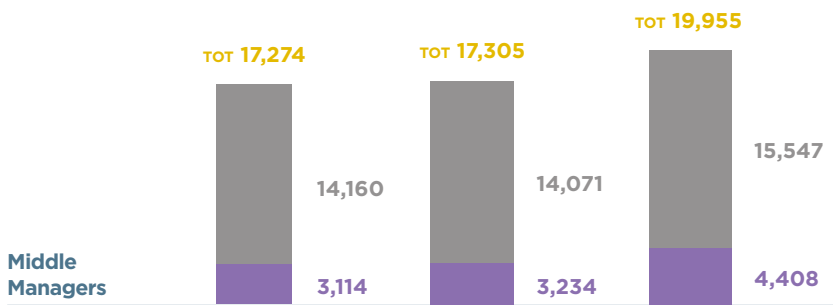
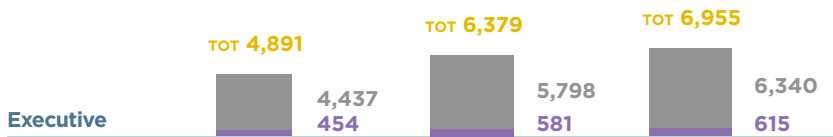
	2016			2017			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive	11.64	8.98	<b>9.18</b>	12.91	10.70	<b>10.87</b>	11.18	10.86	<b>10.88</b>
Middle Managers	11.32	9.64	<b>9.90</b>	10.89	8.89	<b>9.21</b>	13.40	8.62	<b>9.36</b>
White Collars	9.18	9.36	<b>9.31</b>	8.96	7.25	<b>7.64</b>	9.67	7.54	<b>8.06</b>
Blue Collars	-	1.28	<b>1.21</b>	-	-	<b>-</b>	-	3.47	<b>3.38</b>

#### TOTAL NUMBER OF EMPLOYEES WHO HAVE RECEIVED TRAINING DURING THE REPORTING YEAR

	2016			2017			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive	20	234	<b>254</b>	35	343	<b>378</b>	38	389	<b>427</b>
Middle Managers	135	658	<b>793</b>	189	773	<b>962</b>	252	976	<b>1,228</b>
White Collars	232	866	<b>1,098</b>	366	974	<b>1,340</b>	449	761	<b>1,210</b>
Blue Collars	-	7	<b>7</b>	-	-	<b>-</b>	-	10	<b>10</b>
<b>Total</b>	<b>387</b>	<b>1,765</b>	<b>2,152</b>	<b>590</b>	<b>2,090</b>	<b>2,680</b>	<b>739</b>	<b>2,136</b>	<b>2,875</b>

## TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY

	2016	2017	2018
<b>Total hours</b>	<b>46,316</b>	<b>45,516</b>	<b>53,054</b>
Men Total hours	37,223	35,821	40,574
Women Total hours	9,093	9,695	12,480



2016

2017

2018

Women Men





---

## BE ADAPTIVE! WORKING SMART IN THE MAIRE TECNIMONT GROUP

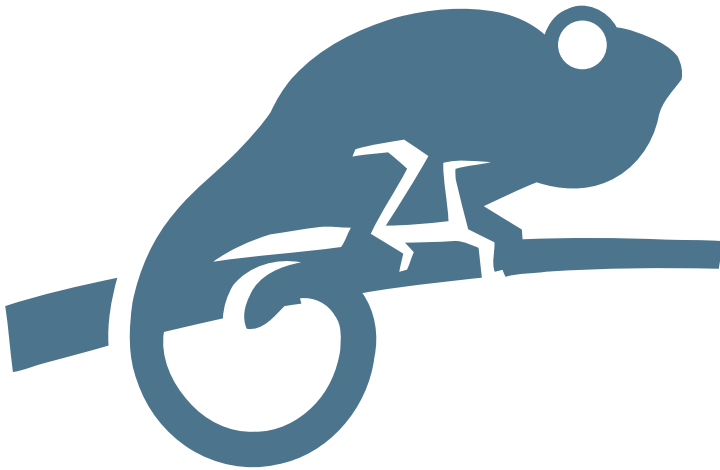
---

The introduction of Smart Working has featured an approach which - going beyond the mere concept of remote working - wanted to **establish a new working culture based on the involvement and the accountability of our People, confirming our flexible attitude** towards market changes.

During the year, the “BE ADAPTIVE! Working Smart in Maire Tecnimont Group” Program **concluded successfully the pilot phases**, launching the deployment phase that has involved the population meeting the requirements for program access. By year-end, **more than 700 employees** of the Milan offices have been enabled to work “adaptively” and - confirming the importance assigned by the company to the program implementation - even 8,152 hours of training have been provided to personnel coordinators and their collaborators. Smart Workers have been in fact involved in a dedicated training path centered on IT skills and on the most effective behaviours to support the affirmation of this new working culture. This culture seeks to maximize the individual operational autonomy and their ability to achieve results, enhancing more and more accountability, spirit of initiative and sense of belonging to the Group mission. The investment in this Program - whose guiding principles are the **increase of productivity, motivation, sustainability and People engagement** - in addition to its innovative nature, allowed the Group to receive the “Smart Working Award 2018” from the Osservatorio Smart Working of the Milan Polytechnic, as well as the special recognitions from the Advisory Board and from the public during the dedicated ceremony.

In order to further empower the results-driven work culture, as additional support to the rolling out of the Smart Working Program, the project pilot “Results-Driven-Organization” has been launched to

---



# BE ADAPTIVE!

introduce **new tools aimed at facilitating the interaction between manager and collaborator during the assignment and monitoring of tasks**, introducing the rolling approach in the assignment of objectives.

## DIGITAL TRANSFORMATION

The implementation of the review project regarding company technological processes and supports, related to the Group's ongoing digitalization, has resulted in - as on previous occasions and for change processes of a similar extent - **dedicated training and development initiatives to promote engagement in the ongoing change**. For this purpose, selected employees from various departments of the main Italian Group companies, after an initial training event dedicated to state of the art of the digital innovation processes in the market, have taken part in dedicated workshops. These working groups, utilizing the **design thinking methodology**, have sought to stimulate - through a bottom-up approach

- the identification of digital transformation initiatives able to satisfy daily business demands in terms of **increasing productivity and competitiveness**. Various meetings, centering on possible solutions allowing for the tapping into opportunities for change and into the potential of digitalization as enabling factor, have been also organised.

The centrality of the digital transformation under way has required, alongside the **review of technical skills**, an updating of managerial competences to support, also from the behaviours point of view, way of remote collaboration and management of relationships.

The ongoing digitalization as well as the commitment to continue guaranteeing the security of data and of company information heritage have sped up the project of further strengthening the IT systems security, in terms of **infra-structural development** and delivery of **technological solutions** able to manage at risks situations, while at the same time improving the awareness of users with

regards to potential IT risks and the need for a responsible use of tools. This resulted in the design of an online training path dedicated to cyber security which, by the initial months of 2019, will involve all Group employees.

## "YOUR VOICE"



In order to constantly monitor the organisational climate and to always maintain an open communication channel with our People - ensuring that all Group employees can give voice to their thoughts and express their opinions - **the "Your Voice" engagement survey was launched** in the second half of 2018, in continuity with the previous initiative held in 2013.

Continuing with the consolidated approach of **involving all employees in key initiatives from the initial phases**, the design of the topics to be included in the survey was shared with the employees of the main Group companies, allowing them to participate in innovative digital focus groups aimed at collating suggestions and expectations in order to effectively define the questions to be submitted to the entire population.

The three weeks duration of the survey were supported by a communication campaign dedicated to the employees to enhance their involvement and participation in the initiative. The results of the survey will be shared in the initial months of 2019, and will lead to the **identification and implementation of numerous initiatives** designed to respond to the needs expressed by employees with regards to their working experience.

### EVALUATING OUR COMPETENCES TO INVEST IN OUR GROWTH

The Group has continued to invest in Human Capital growth also through the performance management process (Employee Performance Commitment), confirming a development model based on the **evaluation of behaviours, technical skills and results achieved**, as well as on the promotion of manager - employee dialogue and on the feedback culture.

The continuation, in 2018, of the extensive roll out project of this model across various Group entities has further enhanced the homogeneity and harmonization of

the assessment parameters and the progressive consolidation of shared values and behaviours.

As showed in the following table, **the number of employees involved in this process has further increased**, involving all the population with the necessary requirements of major overseas entities such as Tecnimont Private Limited, Tecnimont Russia, Tecnimont Egypt and Vinxia Engineering.

The table confirms the constant positive trend in the absolute number of employees receiving regular performance and career development reviews (e.g. MBO schemes, incentive plans, performance evaluation) as **the Group, broadening these processes to more and more employees every year, is**

**strongly committed to ensuring this approach for all its People.**

Focusing on the Employee Performance Commitment, in order to ensure the effectiveness of such evaluations, the employees become eligible for this process after one year of seniority. It is only for this reason that - due to the increase of hirings in the current year - the percentage of employees involved is slightly reduced for certain contractual categories. In addition, the Employee Performance Commitment aims at promoting People development and the design of dedicated training paths, as a part of a constant dialogue between managers and collaborators. This initiative, characterised by a long-term outlook, is therefore dedicated to permanent contract employees.

### NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2016			2017			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive	30	420	<b>450</b>	40	482	<b>522</b>	46	509	<b>555</b>
Middle Managers	195	1,009	<b>1,204</b>	228	1,176	<b>1,404</b>	264	1,426	<b>1,690</b>
White Collars	428	1,264	<b>1,692</b>	453	1,375	<b>1,828</b>	432	1,353	<b>1,785</b>
Blue Collars	-	1	<b>1</b>	-	-	<b>-</b>	-	7	<b>7</b>
<b>Total</b>	<b>653</b>	<b>2,694</b>	<b>3,347</b>	<b>721</b>	<b>3,033</b>	<b>3,754</b>	<b>742</b>	<b>3,295</b>	<b>4,037</b>

### PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2016			2017			2018		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive	77%	85%	<b>84%</b>	89%	89%	<b>89%</b>	84%	87%	<b>87%</b>
Middle Managers	71%	69%	<b>69%</b>	77%	74%	<b>75%</b>	80%	79%	<b>79%</b>
White Collars	71%	64%	<b>66%</b>	69%	62%	<b>64%</b>	56%	57%	<b>57%</b>
Blue Collars	0%	1%	<b>1%</b>	0%	0%	<b>0%</b>	0%	3%	<b>3%</b>



**PEOPLE ENGAGEMENT AND REWARD**

People continue to represent, for our Group, the principal asset, essential for the achievement of Group objectives. Our policies are based on the **capacity to attract, retain and incentive the best resources**, defining a compensation system which - on the basis of competitive compensation and benefits linked to local peculiarities of the countries in which we operate - enhances the individual engagement in the achievement of shared goals. In order to activate new levers for retention and to extend participation in the creation of value, the 2016-2018 cycle of the Engagement and Incentive Policy of the Maire Tecnimont Group has been promoted, which includes the innovative elements of the Employees Share Ownership Plan and the MAIRE4YOU Flexible Benefits Plan.

The Remuneration Policy, in all the systems designed for its implementation, has therefore supported management action through dedicated incentive plans, offering

compensation mechanisms to a broader number of employees and continuing - also in 2018 - in the implementation of systems aimed at strengthening and extending, in the various Group entities, the sense of belonging and engagement in order to create long-term value. In continuity with 2017, the main objective of the Group Remuneration Policy has been to **address the management and all the employees towards the achievement of business results**, always referring to the principles of the Code of Ethics, the Self-Governance Code for Listed companies and to market best practices. The recognition of the bonuses, the accrual of the Rights linked to the short-term incentive system (MBO), as well as to the 2016-2018 Employees Share Ownership Plan have been confirmed in consideration of the achievement of the company productivity results, and of pre-determined performance objectives. Furthermore, on the same basis, shares related to the Second Cycle (2017) of this Plan have been granted to over 4,000 beneficiaries. The participation or result bonuses related to 2017 were also awarded, as well as the



**THE REIMBURSEMENT OF MEDICAL AND EDUCATIONAL EXPENSES**



**INTEREST ON MORTGAGES**



**ACCESS TO GOODS AND SERVICES**



**FUNDING OF A SUPPLEMENTARY PENSION SCHEME**



**VOUCHERS**

fund of flexible benefits related to the MAIRE4YOU Plan for the same year, both for the variable and fixed part, where applicable, not subject to performance conditions.

With regard to the above mentioned Flexible benefits Plan, **Maire Tecnimont was recognized by Easy Welfare** and awarded the “**Best On Top Plan**” in the Big Company category at the Welfare Awards 2018 - assigned thanks to its **high level of innovation and flexibility**, attested by the willingness of guaranteeing the maximum employee participation in the company’s results, and allowing them to have access to a very wide range of products and services.

Finally, in July, employees were offered the opportunity to join the Third Cycle (2018) of the Employees Share Ownership Plan. This Plan, accessible for employees with a permanent contract, is considered, as already mentioned, a further lever for strengthening the engagement and the sense of belonging to the Group in the long-term. Also **this third campaign has been appreciated by the employees** - as the high participation rate of over 95% globally demonstrates -, **confirming the Plan as a effective lever to strengthening their sense of belonging to the Group.**



# 95%

**EMPLOYEES SHARE OWNERSHIP PLAN**

**PARTICIPANTS IN 2018  
THIRD CYCLE**



## EMPLOYER BRANDING

Also in 2018, several opportunities for contact and interaction with the academic world have been renewed and, in particular, with the leading universities with which the Group maintains close relationships in order to attract new graduates.

In fact, the partnership with the “Polytechnic of Milan” has continued, involving the Group in the annual Career Day and in other initiatives which, together with the sponsorship of a university teaching chair in the area of “Plants and industrial chemical processes”, **represent opportunities to consolidate employer brand visibility amongst a wide range of stakeholders** and substantial support to the academic and engineering world.

The partnerships with the universities - in certain cases to support research projects -, the lessons held by department managers and the participation of the company in events for students and university teachers (among the most recent the presence - in addition to Milan - also at the Faculty of Engineering of the University of Rome La Sapienza at events such as the “Chemical engineering profes-

sional roundtable” and “The state of training in Chemical Engineering in Italy”) are the basis of the **growing number of requests for collaboration received by the company**, confirming the recognized **engineering excellence** in the academic world of the Maire Tecnimont Group.

The Group has continued to provide opportunities and professional development and growth paths within the company to various young people from Italian and overseas universities, **offering them high-valued training and the possibility to pursue a professional career in a multi-cultural and cutting-edge engineering and research environment.**

The Group had confirmed its international and multi-cultural identity, as well as its aptitude to collaborate with the academic world, by continuing the development program in collaboration with the Baku Higher Oil School in Azerbaijan, which offers to top students a training path at the Group, which led to the hiring of one of the participating newly-graduated student, in the period under review.

---

## LOCAL CONTENT

---

As part of Corporate Social Responsibility, as well as of local content development initiatives, with a view to sustainability vision, in implementation of the Memorandum of Understanding signed on the 5th of February 2018 together with the trade unions and local institutions, the subsidiary Technimont **set the objective to transfer value to the local communities and value the employment and production system** of the interested region - Basilicata -, enhancing competences of professionals for the Oil & Gas industry by organizing professional upskilling courses dedicated to subcontractor personnel resident in Basilicata who have been working at the Tempa Rossa Project site. The initiative, conducted in collaboration with qualified partners, led to 7 training programs with the involvement of 89 workers, in addition to the rolling out of a further 4 courses, with the participation of 54 personnel. On the basis of the demobilization timeframe of the project, during the year the manifestation of interest of further 260 workers have been managed and coordinated with the aim of the further involvement in the training, starting from the initial months of 2019.

More information on local content can be found in paragraph 6.2.

---



# TECHNOLOGY, DEVELOPEMENT, INNOVATION AND R&D

# 5



## MATERIAL TOPICS

- R&D AND INNOVATION

## SDGs



2 ZERO HUNGER



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



## STAKEHOLDERS



BUSINESS PARTNERS



TECHNOLOGICAL PARTNERS



CLIENTS



EMPLOYEES



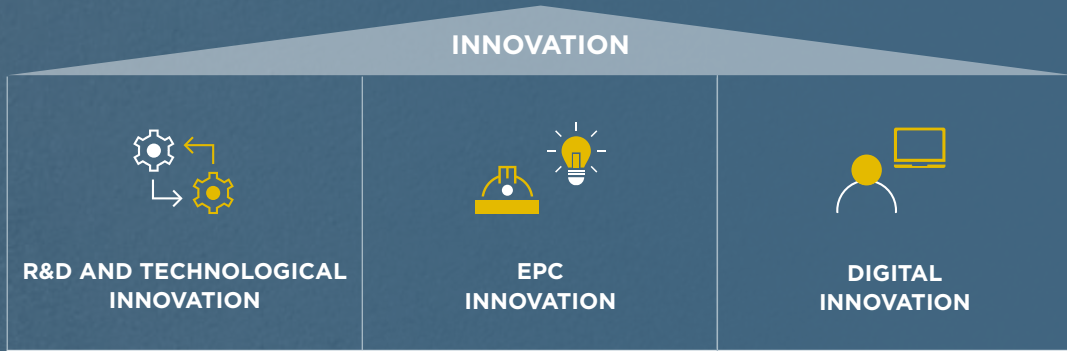
PROFESSIONAL /CATEGORY ASSOCIATION









CONTRACTORS & SUB-CONTRACTORS

# OUR FOCUS

## OUR THREE PILLARS



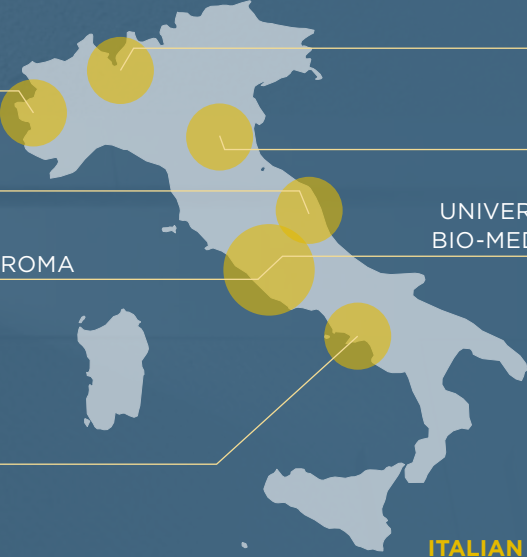
PATENTS OF THE GROUP	INNOVATION AND R&D	
 <b>106</b> FAMILY BASED	 <b>5</b> INNOVATION CENTERS	 <b>79</b> INNOVATION PROJECTS
 <b>1,297</b> EQUIVALENTS	 <b>~39</b> PEOPLE INVOLVED IN R&D AS FULL TIME EQUIVALENT	 <b>17</b> PARTNERSHIPS FOR TECHNOLOGICAL DEVELOPMENT

### COLLABORATIONS

UNIVERSITY OF LEUVEN  
 TECHNICAL UNIVERSITY OF EINDHOVEN  
 ECOLE DES MINES IN PARIS  
**EUROPEAN UNIVERSITY**

PROTOMATION  
 HOLLAND NOVOCHEM  
 ENVIROCARE  
**BUSINESS PARTNERSHIP**

TECNALIA  
 INTERTEK LABORATORIES  
**INTERNATIONAL RESEARCH INSTITUTIONS**



**ITALIAN UNIVERSITIES**

- POLITECNICO DI TORINO
- POLITECNICO DI MILANO
- UNIVERSITÀ DELL'AQUILA
- UNIVERSITÀ DI BOLOGNA
- UNIVERSITÀ LA SAPIENZA DI ROMA
- UNIVERSITÀ CAMPUS BIO-MEDICO DI ROMA
- UNIVERSITÀ DI SALERNO

---

# 5

---



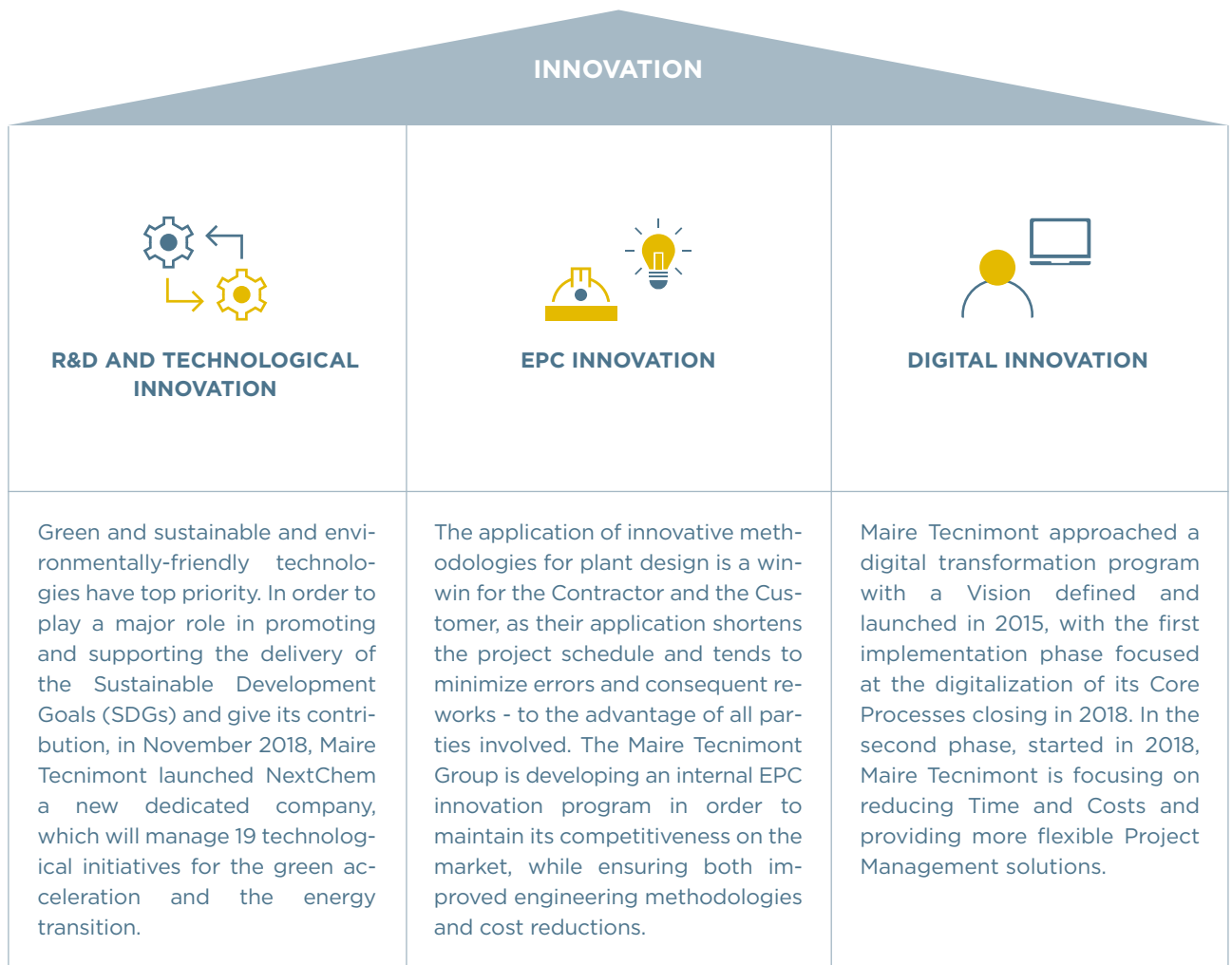
In the current highly competitive O&G sector, **innovation** and **sustainable development** are crucial for the **creation of value** for our organization, for our clients and for our communities. Combining diverse talents and investing in human capital and R&D have been part of our DNA for more than 50 years. **Innovation** is the conversion of new concepts and insights into

**successful market applications**. It can only be achieved by closely linking the identification of market opportunities with technical expertise development. As innovation is also one of the Group's main **competitive advantages**, we continuously focus on R&D and our portfolio of proprietary innovative technologies in order to strengthen our position as a technology provider

to the refining, power, oil & gas and petrochemical industries. The Focus of the Group is to have an **efficient R&D structure** that can help the individual companies to deliver **innovative products, new technologies** and support **operational improvements** that boost productivity.

# OUR THREE PILLARS

**OVER THE NEXT FIVE YEARS, THE MAIN FOCUS OF INNOVATION AT THE MAIRE TECNIMONT GROUP WILL CENTER ON THREE “PILLARS”, WHICH WILL DEMONSTRATE THE STRONG COMMITMENT OF THE MAIRE TECNIMONT GROUP TOWARDS INNOVATION. THESE PILLARS ARE SHOWN BELOW.**



# R&D AND TECHNOLOGICAL INNOVATION

**OVER RECENT DECADES THE GLOBAL POPULATION HAS EXPLODED, AFFECTING THE STATUS AND THE HEALTH OF OUR PLANET DUE TO AN EXTENSIVE AND UNSUSTAINABLE USE OF NATURAL RESOURCES.**

Exponential growth of Green House Gas (GHG) emissions and waste production have put our ecosystem under pressure. We are now living in a new geological era: Anthropocene. The present way of producing and consuming goods and energy is no longer sustainable. Recognizing this means that we must be at the forefront of finding and promoting new ways deliver sustainable development. It is only a matter of when this green revolution will happen.

In order to play a significant role in promoting and supporting the delivery of the Sustainable Development Goals (SDGs) and give its contribution, in November 2018, Maire Tecnimont presented its **Green Acceleration project** and launched a new company, NextChem, which will manage **19 technological initiatives for the energy transition**. Carbon Footprint reduction, Circular Economy, new bio-based products and feedstocks: all industry main players, both producers and buyers of plastics, are shifting towards recycling and bioplastics, while big oil companies are reviewing their investment plans in view of decarbonization.

In order to best address the new market dynamics, Maire Tecnimont

will manage several technological initiatives for the energy transition, providing its contribution thanks to the **technology** and **execution expertise** by scouting, pivoting, industrializing and finally commercializing a **portfolio of sustainable technologies**.

Such a portfolio comprises a series of initiatives aimed at:

- 1 GREENING THE BROWN:** Energy Efficient and Carbon footprint reduction technologies.
- 2 CIRCULAR ECONOMY:** Recycling of Plastic and conversion of MSW in Fuels or Chemicals.
- 3 GREEN - GREEN:** Fermentation technologies to produce high valuable products (bio-chemicals, bio-plastics and green fuels).

Thanks to its extensive know-how in the construction of plants, Maire Tecnimont already has the ability to boost the process of industrialization of bioplastics, moving from laboratory innovations, to pilot plants, up to industrial scale plants.

A rigorous assessment has been carried out to **identify** the **most attractive green markets**, with several technological initiatives selected and prioritized and specific business models created.

The assessment process has identified and prioritized several initiatives to be started now (or already started) and others which requires a longer time to be developed to an industrial scale:

RENEWABLE ENERGIES: SOLAR / WIND / OTHER RENEWABLE SOURCES



R&D EXPENDITURE

€50 MLN



Maire Tecnimont has invested approximately €50 million in the last 5 years in more than 70 innovation projects, also through investments focused on start-ups and partnerships, in order to build a technology portfolio to best address the new requirements of the on-going revolution in the energy and chemical industries.

PARTNERSHIPS FOR GOALS

ENE A



Maire Tecnimont has signed an agreement with ENEA, the National Agency for New Technologies, Energy and Sustainable Economic Development, with the aim of delivering projects in the field of green chemistry and the circular economy.

GREEN-GREEN

BIO-FUELS

2G BIO-ETHANOL

Second generation Bio-ethanol produced from non-food competition biomass

BIO CHEMICALS / POLYMERS

2G OLEOCHEMICALS

Oleochemicals production from non-food competition biomass

2G SUGARS

Non-eatable second generation sugars as bio-chemical feedstock

ALGAE TO CHEMICALS

Omega3 production from algae

FERTILIZER BIO-COATING

RES TO NITROGEN FERTILIZER

Green energy as unique raw material for fertilizer production

BIO-COATING UREA (PHA)

Controlled release fertilizer with bio degradable coatings

CIRCULAR ECONOMY

WASTE TO CHEMICAL

WASTE TO HYDROGEN

Production of hydrogen via gasification of municipal waste

WASTE TO CHEMICALS AND RENEWABLE FUELS

Production of chemical and fuels via gasification of municipal waste

MECHANICAL RECYCLING

MYREPLAST

Advanced Mechanical plastic recycling

CHEMICAL RECYCLING

DEMETO

Chemical Recycling of PET

OCM CHEM RECYCLING

Innovative Process architecture to produce virgin olefins from plastic waste

GREENING THE BROWN

TREATMENT

ACID GAS REMOVAL DCCD™

Enhance the exploitation of severe gas fields

H2S CRACKING

Production of hydrogen and sulphur via high efficiency process

CARBON FOOTPRINT REDUCTION & ENERGY EFFICIENCY

OCM SILURIA ORION

Production of Propylene from any kind of gas with high energy efficiency process

COATED FOSSIL FERTILIZER

COATING UREA PURSELL AGRI TECH

Development of the controlled release fertilizer through polyurethane-based fertilizer coatings: reduction of UREA consumption and CO<sub>2</sub> emissions

## DEMETO



DEMETO (DEpolymerization by MicrowavE TechnOLogy), a patented technology, exploits the microwaves effects (rotational excitement of certain molecular groups) on plastics. It only needs water and energy in order to de-polymerize plastic, thus reducing it in its building blocks (monomers), ready to be re-introduced as virgin-grade material in plastics production. DEMETO is a Project Co-Funded by the European Commission in the EC HORIZON2020 program.

**TECHNICAL OBJECTIVE:** build a full industrial-grade pilot plant of the de-polymerization process, having a gr3n Reactive Unite at its core, while optimizing the purification steps.

**STRATEGIC OBJECTIVE:** exploit immediately the mature market of the packaging waste, while preparing the technology transfer to the huge and unexplored red polyester/textile value chain.

The Group is participating in the project with the scope of Engineering, Procurement and Construction of the pilot plant with Micro Waves reactors able to treat about 100 kg/h of PET material (6 reactive units) Maire Tecnimont will have the worldwide exclusivity for licensing DEMETO Technology.

## PURSELL AGRI TECH



The Maire Tecnimont Group, through its subsidiary Stamicarbon, is focused on sustainable innovation.

In 2017, Stamicarbon invested in PAT, a company which has developed a controlled released coating and a process to apply it to fertilizers. This company is also working on a process to add seedcores of micro nutrients to urea. In June 2018 the first commercial plant was commissioned in Alabama US. Given the fast-commercial success of the products sold from this plant, plans are being prepared to construct a second plant in 2019. Building on the US success the international market is actively being approached through the Technology Licensing model. Focus on the R&D front is to develop a biodegradable coating.

In the field of UREA, Stamicarbon is working on innovations for dust emission reduction from urea plants, small scale ammonia/urea plants and product improvement (formaldehyde-free product). A low energy process for urea was developed, with a first project sold in 2017. In 2018 two more projects based on this Technology were licensed.

The development of specialty fertilizers, e.g. slow and/or controlled release and adding special nutrients to urea, is another challenge for the future. This addresses the challenge to reduce excessive fertilization and the environmental burden of fertilizers.



DCCD™



The Dual Column Cryogenic Distillation (DCCD™) is a proprietary cryogenic distillation process, which allows to obtain natural gas at commercial-grade purity while separating a high-pressure liquid CO<sub>2</sub> stream suitable for direct re-injection.

In 2015 Tecnimont started the construction of a laboratory scale pilot plant in Piacenza, Italy. The Plant was designed to process feed gas flow-rates in the range of few litres/h, with an inlet CO<sub>2</sub> content up to 50 mol%.

In early 2016 the laboratory plant was commissioned, and two experimental campaigns were executed. The last campaign ended in October 2018. The experimental results confirm the validity of the thermodynamic model and the “dual column” process configuration.

DCCD™ technology advantage vs. competitive technologies for natural gas sweetening are:

- 1 single step purification from any CO<sub>2</sub> and/or H<sub>2</sub>S content down to sales gas or LNG specifications;
- 2 lower overall OPEX & CAPEX with respect to competitive technologies;
- 3 pumping and re-injection of 100% of the recovered CO<sub>2</sub>;
- 4 higher methane recovery, compared to physical solvents and membranes;
- 5 no proprietary solvents required (e.g. formulated amines or physical solvents).

In November 2018, a major international Oil & Gas company signed a contract for the completion of a feasibility study for the introduction of the DCCD™ Technology as part of the development of an offshore gas field, extracting a CO<sub>2</sub>-rich raw gas that needs to be treated in order to meet the sales gas specification. The feasibility study will be completed in Q1 2019.

In consideration of the strong synergies existing between the DCCD™ technology and the liquefaction processes for LNG production, a review of the DCCD™ technology and of the purity requirements of commercial LNG has been undertaken. This analysis showed the necessity to further study the properties and the behaviour of the natural gas in the specific operating conditions of the DCCD™ technology, aimed at demonstrating the suitability and the convenience of this technology for LNG production. For this purpose, Tecnimont will cooperate with the Centre of Process Thermodynamics (CTP) of the École des Mines of Paris- a research group with recognized expertise in the determination and modeling of the thermodynamic properties of natural gas.

# EPC INNOVATION

**THE GROUP CONSTANTLY FOCUSES ON STIMULATING THE GENERATION OF INNOVATIVE IDEAS, NOT ONLY IN THE TECHNOLOGY DEVELOPMENT AREA. AS HAS BEEN OUR TRADITION, BUT SYSTEMATICALLY SINCE 2014, AN INTERNAL EPC INNOVATION PROGRAM IS IN PLACE, DRIVEN BY COMPETITION WITHIN THE MARKET TO ESTABLISH BETTER ENGINEERING PRACTICES AS AN ADDED VALUE.**

The EPC innovation program is a bottom-up methodology, collecting innovative ideas from theoretically all the employees and evaluating each idea through a “**Innovation Pipe Line**” mechanism, i.e. a gate mechanism which is aimed at selecting the **most promising ideas** from the point of view of **innovation, feasibility** and **practicality** and **cost effectiveness**.

This has generated a large number of ideas, many of which have been developed and are being applied to EPC projects. Several Lessons Learnt have also emerged and new Company Standards and codes, while new Work Instructions have been issued. The idea generation process has involved all the Group, with particular emphasis in EPC oriented companies.

A typical list of EPC improvement projects under development is shown in the picture.

As in recent years, BIM implementation is having a major role in EPC innovation design tools, extended not only to engineering but also to the construction.

The application of innovative methodologies for plant design is a win-win for the Contractor and the Customer, as their application

shortens the project schedule and tends to minimize errors and consequent reworks - to the advantage of all parties involved.

## DEVELOPMENT PROJECTS LIST



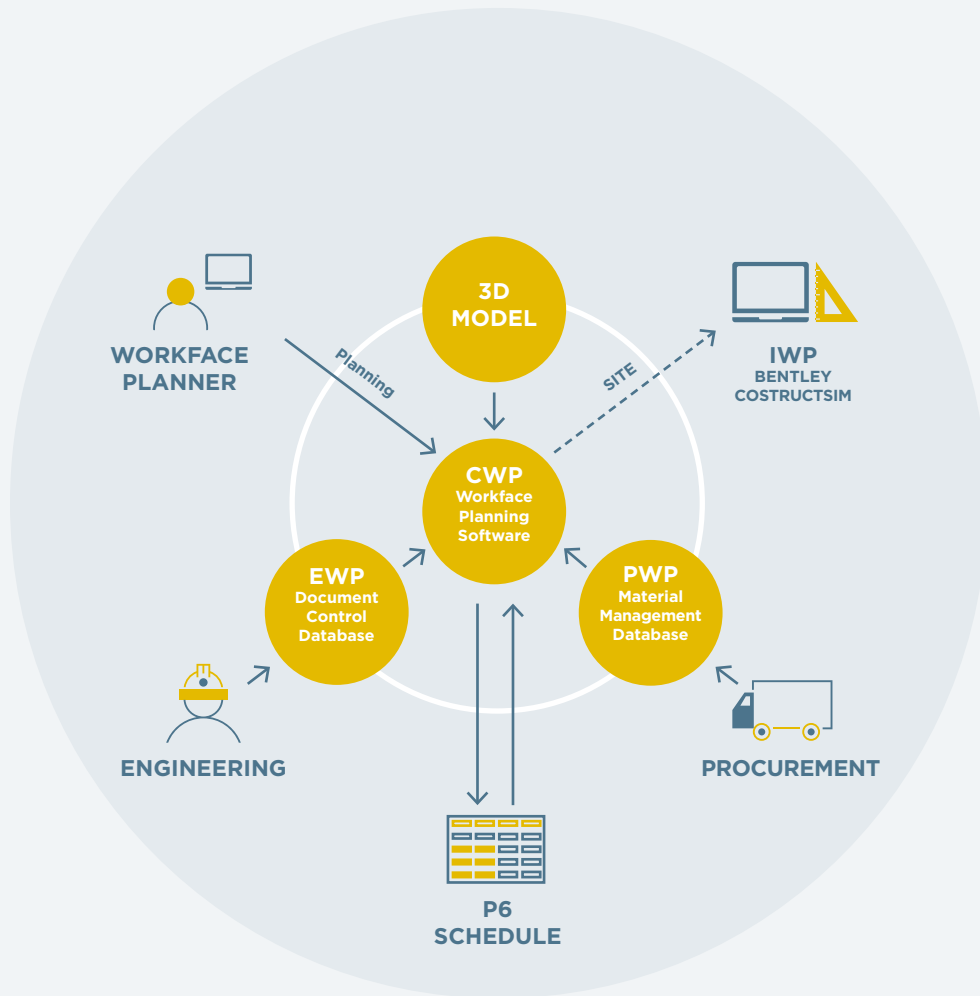
**ADVANCED WORK PACKAGING**

Advanced Work Packaging (AWP) is an innovative methodology that, even if in the early stages, has already become an industry best practice. AWP, according to the CII (Construction Industry Institute), promises to boost construction productivity by closing the gaps between engineering and procurement processes and construction priorities with the goal of making the EPC Projects truly construction driven.

The Advanced Work Packaging is therefore an innovative integrated information management system able to set common priorities for all the project stakeholders. This process is based on the dissection of the project into single construction activities which are identified in the 3D model as physical Construction Work Packages (CWP) enriched with

technical attributes and linked to the coincident schedule activity. Each CWP is then linked to relevant engineering drawings in the Document Management System called Engineering Work Packages (EWP) and to single groups of materials in the Material Management System called Procurement Work Packages (PWP). This concept is graphically described in picture 5.1.

All the above data is made available to Construction management through a unique platform called “Workface Planning Software” in user friendly and portable devices by means of 3D model views showing the status of drawing and materials using meaningful color codes.



Picture 5.1: EPC tools integration

# DIGITAL INNOVATION

**MAIRE TECNIMONT APPROACHED A DIGITAL TRANSFORMATION PROGRAM WITH A VISION DEFINED AND LAUNCHED IN 2015, WITH THE FIRST IMPLEMENTATION PHASE FOCUSED ON THE DIGITALIZATION OF ITS CORE PROCESSES CLOSING IN 2018. MAIRE TECNIMONT APPLIED A HOLISTIC APPROACH TO DIGITAL TRANSFORMATION, INTEGRATING THE TECHNOLOGICAL PERSPECTIVE WITH THE EVOLUTION OF PROCESSES AND ORGANIZATION, WITH THE OBJECTIVE TO INCREASE THE EFFECTIVENESS, SAFETY AND PRODUCTIVITY OF ITS OPERATIONS.**

## DIGITALIZING THE CORE

In this first phase of Digital Transformation, launched in 2015, **Maire Tecnimont has been working on a set of different synergic areas to digitalize its core processes including Engineering, Procurement and Construction**, while strengthening its transactional and collaboration platforms. Maire Tecnimont has now reached a superior maturity in Modeling systems, BIM design, enabling the application of the 4D modeling. This enhanced approach to contracting along the EPC core processes allows integration of the modeling with the schedule and opens the opportunity to AWP implementation with the objective to redefine priorities with a true construction-driven approach and enable the paradigm shift that will allow the Projects to manage the typical sequences of the engineering-design sector in an optimized way.

## DIGITAL ADVANTAGE

In the second phase of Digital Transformation, started in 2018, Maire Tecnimont is focusing on reducing Time and Costs and on providing more flexible Project Management solutions, while creating new opportunities for serving our market. The Program is working on two different streams:

### 1 OPERATIONAL MODEL IMPROVEMENT APPLYING DIGITAL ENABLERS, WITH THE AIM TO:

- INCREASE COMPETITIVENESS WITH THE REDUCTION OF CAPITAL AND OPERATING COSTS BOTH FOR MAIRE TECNIMONT GROUP'S COMPANIES AND FOR THEIR CLIENTS.
- REDEFINE SEQUENCES AND/OR OPTIMIZE SCHEDULES, TO COMPRESS BOTH THE PROJECT EXECUTION AND/OR THE PROJECT PROPOSAL PHASE.
- IMPROVE PRODUCTIVITY AND HSSE KEY PERFORMANCES.

### 2 COMPLEMENT MAIRE TECNIMONT GROUP'S VALUE PROPOSITION WITH NEW DIGITALLY-ENABLED SERVICES FOR CURRENT OR NEW CLIENTS, WITH THE AIM TO:

- IDENTIFY NEW VALUE STREAMS ENABLED BY TECHNOLOGY.
- IMPROVE CLIENT'S EXPERIENCE AND MAIRE TECNIMONT PROPOSITION.
- EVALUATE NEW OPPORTUNITIES TO ENHANCE THE GENERATION OF IN-COUNTRY-VALUE (ICV).

**CREATING DIGITAL ADVANTAGE FOR MAIRE TECNIMONT GROUP**

To support the second phase of the Digital Transformation, Maire Tecnimont with the help of a referenced Partner, launched a new program to find new digital solutions.

This program is focusing on two main areas:

- Enhance value proposition towards owners and operators.
- Increase efficiency and effectiveness of own internal processes.

The preliminary planning elaborated by Maire Tecnimont foresee an initial period of the Phase 2 digital transformation, with the expected duration of 4-6 months, aimed at focusing the Digital Advantage Vision, defining the details of the Digital Roadmap ahead, managing in an integrated plan the ongoing activities portfolio and performing other selected pilot initiatives.

**4 KEY PILLARS TO CREATE THE DIGITAL IDEAS PORTFOLIO**



**TRAINING & ENGAGEMENT SESSION**



**KEY ROLES INTERVIEW**



**DESIGN THINKING WORKSHOPS**



**SITE VISIT**

This project directly involves Maire Tecnimont employees in developing a bottom up approach based on specific pain points for digital implementation and digital ideas to be validated and eventually consolidated.

**40+**

**PERSONNEL FROM ENGINEERING**

**20+**

**PERSONNEL FROM PROCUREMENT**

**20+**

**PERSONNEL FROM CONSTRUCTION**

**40+**

**PERSONNEL FROM OTHER FUNCTIONS**



**200+**

**BUSINESS SPECIFIC PAIN POINTS**

**50+**

**DIGITAL IDEAS TO BE CONSOLIDATED**

**THE ROAD AHEAD FOR THE DIGITAL TRANSFORMATION OF MAIRE TECNIMONT IS THE CONTINUATION OF THE ROAD TRAVELLED SO FAR, FULLY IN LINE WITH THE MAIRE TECNIMONT INNOVATION DNA THAT IS ALWAYS AIMED AT GENERATING A TECHNOLOGICAL AND DIGITAL ADVANTAGE FOR ITS CUSTOMERS.**

# KNOW-HOW MANAGEMENT

**TECHNOLOGICAL ADVANTAGE IS A KEY STRATEGIC ASSET FOR THE GROUP, WHICH DEVELOPS ITS INNOVATION STRATEGY PRIMARILY TO PROTECT THE PORTFOLIO OF PATENTS AND DEVELOPED TECHNOLOGIES.**

In addition, the Maire Tecnimont Group leverages on its **IP assets** and **technological expertise** to develop **new commercial projects, technology alliances and licensing.**

The Maire Tecnimont Group owns **more than 1,200 patents**, most of which in the area of urea and fertilizers, in addition to other areas. The table below presents the number of Group patents in 2018. The table lists the amount of families. A family has different equivalents (same invention but filed in a different country).

The Group's patents and other intellectual property rights covering its products and services it offers,

including trademarks, are key assets that are fundamental to the Group's success and position.

As innovation is also one of the prime areas of competitive advantage for the Group, we continuously strengthen R&D and our portfolio of proprietary innovative technologies in order to boost our position as a technology provider to the refining, power, oil & gas and petrochemical industries. We deliver a **number of innovation projects every year and actively cooperate with leading research centres and industrial partners** to continuously **improve** the overall **performance of our technologies.**

## INNOVATION AND R&D



**5**

INNOVATION CENTERS



**79**

INNOVATION PROJECTS



**~39**

PEOPLE INVOLVED IN R&D AS FULL TIME EQUIVALENT



**17**

PARTNERSHIPS FOR TECHNOLOGICAL DEVELOPMENT

## NRS. OF PATENTS OF THE GROUP<sup>12</sup>



**106**

FAMILY BASED



**1,297**

EQUIVALENTS

<sup>12</sup> Including patent applications.



---

## COLLABORATION WITH UNIVERSITIES AND RESEARCH CENTERS

Maire Tecnimont Group has a **long history of collaboration** with major universities, technology suppliers, research centers and commercial partners. Over recent years, the Maire Tecnimont Group has stepped up its collaboration with top Italian and foreign universities, developing research projects and exchanging views and ideas and thus creating a **strong bridge** between the **academic** and **industrial world**. Maire Tecnimont long-standing collaboration with Politecnico di Milano has been further strengthened through research project partnerships, and through the funding of a Chair of “Chemical Projects Engineering and Management”, launched in 2018 and for the next 15 years.

The collaboration with the Università Campus Bio-Medico di Roma is in force since 2011 as part of the concrete support for the University Master’s Degree course in Chemical Engineering for Sustainable Development.

In 2018, the Maire Tecnimont Group began cooperating with BHOS (Baku Higher Oil School), as a concrete support for the University Master’s Degree course and for the supply of research facilities. Other historic academic partners are Università “La Sapienza” di Roma, the Università di Salerno, Università dell’Aquila, Università di Bologna and Politecnico di Torino. Abroad, Maire Tecnimont companies cooperate with the University of Leuven, the Technical University of Eindhoven and with Ecole des Mines in Paris. Collaborations and agreements have been established with international research institutions, e.g. with Tecnalía, a research Centre in Spain for the development of membrane reactors for hydrogen production, in addition to Intertek Laboratories. Some of these collaborations have developed into business partnerships, such as those with Protomation, Holland Novochem and Envirocare.

---



# CREATING SUSTAINABLE VALUE

# 6

## MATERIAL TOPICS

- ECONOMIC DEVELOPMENT
- LOCAL COMMUNITIES
- LOCAL ECONOMIC DEVELOPMENT
- CUSTOMER RELATIONS
- RESPONSIBLE SUPPLY CHAIN

## SDGs



## STAKEHOLDERS



BUSINESS  
PARTNERS



CLIENTS



PROFESSIONAL  
/CATEGORY  
ASSOCIATION



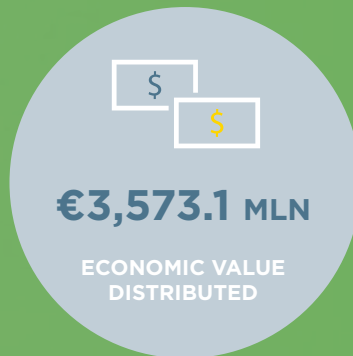
CONTRACTORS  
& SUB-CONTRACTORS



LOCAL ORGANIZATIONS  
& NGOs

# OUR FOCUS

## ECONOMIC DEVELOPMENT



## SUPPLY CHAIN



27

QUALIFICATION AUDITS PERFORMED



4,300 +

ACTIVE SUPPLIERS (AT LEAST ONE ORDER PLACED IN 2018)



22,000+

SUPPLIERS



606

NEW POSITIVE QUALIFICATIONS WITH SOCIAL AND ENVIRONMENTAL REQUIREMENTS



47

COUNTRIES



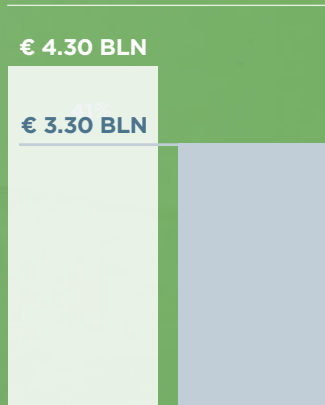
680+

MATERIAL GROUPS



4

IPO'S/PROCUREMENT HUBS



- TOTAL PURCHASING VALUE
- PURCHASING VALUE ON LOCAL SUPPLIERS



59%

LOCAL EXPENDITURE\*

\* Referred to 16 projects that best represent the business of the Group both in terms of progress and as a type of product and technology.

---

# 6

---



---

Maire Tecnimont is mindful of the social dimension of its activities throughout the value chain. **The Group promotes dialogue with stakeholders and plans operations responsibly** in order to manage the impacts generated and reinforce the **positive contribution** to local environments.

Interacting with local communities and institutions, reinforcing the supply system and creating value for clients are fundamental aspects of Maire Tecnimont's strategy to deliver **sustainable value**.

Maire Tecnimont maintains regular dialogue with its stakeholders to understand their priorities and expectations with regard to the Group's activities and to identify issues, so as to improve performance across its range of projects. Ongoing dialogue is a multi-dimensional opportunity - simultaneously bringing **economic, social, and environmental benefits** to stakeholders.

This approach has been found to have a direct and positive impact on the Company, leading to a reduction in quality nonconformities

and an improvement in performance, not only by enhancing synergies with relevant stakeholders but also by better optimizing implementation deadlines, anticipating and managing changes and improving delivery deadlines.

The Group oversees a healthy and robust competitive business relationship, which is vital in supporting the sustainability goals of both Maire Tecnimont and its clients in more than 45 countries worldwide.

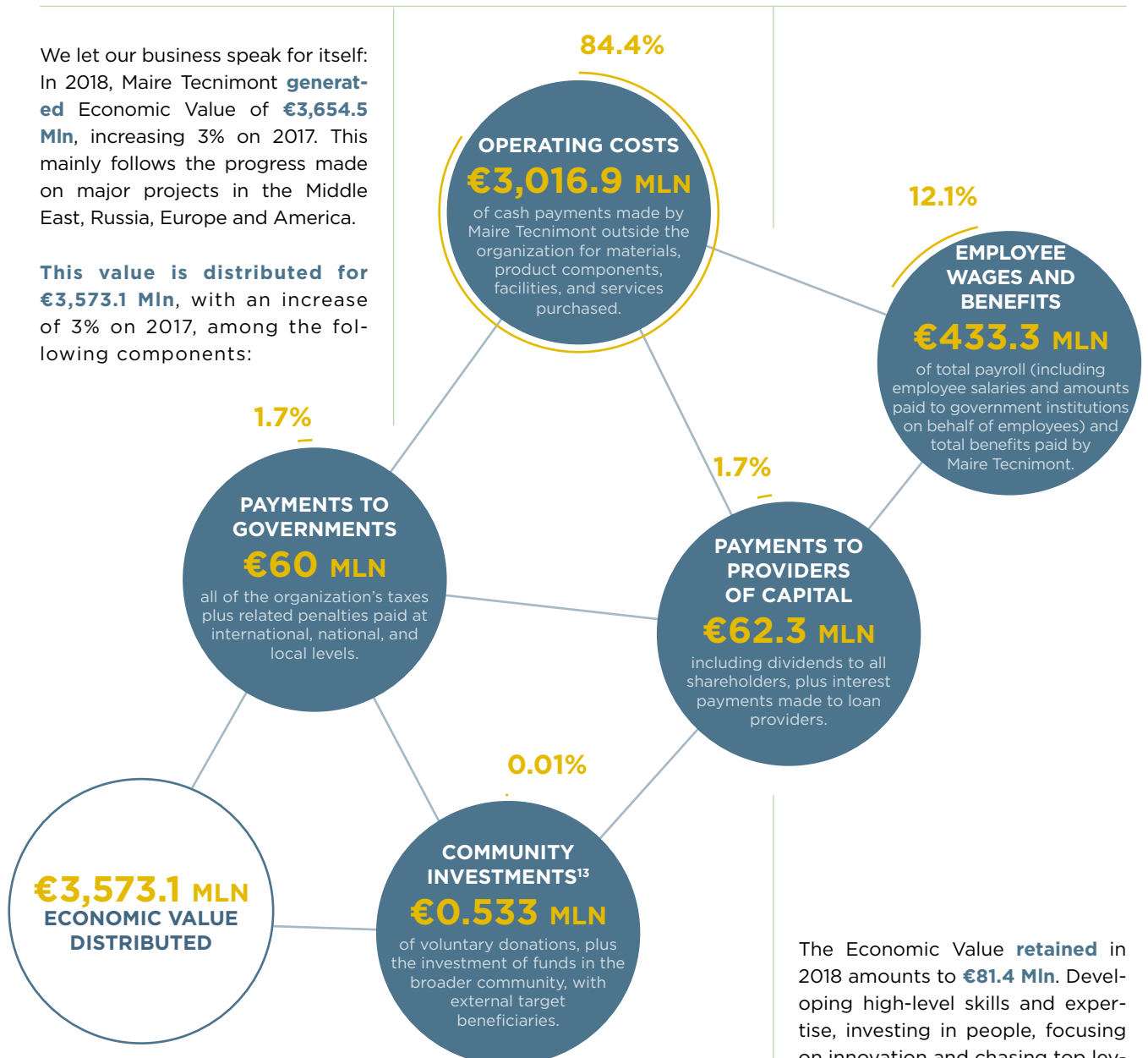
---

# ECONOMIC DEVELOPMENT

**WE ARE CONVINCED THAT THE BEST WAY TO ADD VALUE LOCALLY AND IMPROVE OUR CONTRIBUTION AS A CORPORATE CITIZEN IS THROUGH OUR PROJECTS AROUND THE WORLD.**

We let our business speak for itself: In 2018, Maire Tecnimont **generated** Economic Value of **€3,654.5 Mln**, increasing 3% on 2017. This mainly follows the progress made on major projects in the Middle East, Russia, Europe and America.

**This value is distributed for €3,573.1 Mln**, with an increase of 3% on 2017, among the following components:



The Economic Value **retained** in 2018 amounts to **€81.4 Mln**. Developing high-level skills and expertise, investing in people, focusing on innovation and chasing top level results are the keys to sound long-term development.

<sup>13</sup> It does not include direct and indirect investments related to project ("Local content").

**OUR CORPORATE GIVING: PHILANTHROPY WITH A VISION**

The focus of our Group on local content and CSR initiatives is entirely in step with our corporate giving choices. Framed by the topics identified by materiality analysis and the Sustainable Development Goals of the United Nations (SDGs), the Group’s Philanthropy plan bases its actions on 5 flows:

- 1 PROMOTION OF HEALTH AND SAFETY
- 2 TRAINING, HUMAN CAPITAL DEVELOPMENT, INNOVATION AND START-UP
- 3 MITIGATION OF GLOBAL WARMING, PROTECTION OF THE ENVIRONMENT AND CIRCULAR ECONOMY
- 4 SOCIO-ECONOMIC DEVELOPMENT OF PROJECT AREAS
- 5 CULTURAL SUPPORT

In order to be active on every flow, ongoing contact with the NGO’s, the tertiary sector organisations, the universities and the research centers is essential as they are the initial detectors of the needs emerging from the regions in which we operate. This does not only involve monetary donations, but also making available the time and expertise of our leading personnel to share our knowledge with a broader range of stakeholders.

In addition, we adopt cause-related philanthropic initiatives, involving our personnel in certain periods of the year or encouraging their involvement in internal activities.

Where necessary, our support responds to specific needs in the field with the donation of materials, ensuring that our support arrives promptly to those benefitting the most.

**MAIRE TECNIMONT SUPPORTS “THE OCEAN CLEANUP”**

Our role in creating advanced multiuse materials for everyday life does not end in the scope of production but involves also our support in encouraging a culture of responsible consumption and the correct recovery of plastics, in order to protect the ecosystem.

Demonstrating our Group’s commitment in this area, in December 2018 we supported “The Ocean Cleanup”, a non-profit organisation involved since 2013 in developing advanced technologies to collect plastics from the oceans, utilising alternative methods to reduce both economic and time demands. This type of pollution is becoming a global environmental emergency which involves the oceans to an incredible extent. Thanks to the idea developed by The Ocean Cleanup, with the placement of floating barriers working with the ocean currents, plastics are first pushed in the direction of the barrier, treated and thereafter removed.



# LOCAL COMMUNITIES AND LOCAL ECONOMIC DEVELOPMENT

Maire Tecnimont plays a significant role in its sector and contributes substantially to the **economic development** of the countries in which it operates. The Group considers **business sustainability** to be an integral part of its strategy. Our commitment is to create long-term value for all our stakeholders, especially locally, by identifying common goals and agreeing on specific initiatives.

Given our activities, engagement with local stakeholders requires a comprehensive approach to sustainability. Furthermore, the variety of projects undertaken and the differences between countries in which they are executed demands that a distinctive local approach be developed. Maire Tecnimont is present in a large number of locations around the globe, operating through a decentralized organizational structure that allows for an effective response to **local needs** and **sustainability issues**.

Maire Tecnimont contributes to the social and economic well-being of a territory by creating **local employment, strengthening local suppliers, developing local skills and capacity, enhancing local entrepreneurship, transferring know-how** and technologies and prioritizing the employment and training of local citizens. Maire Tecnimont's sustainability commitment focuses on local content as a pillar of the long-term strategy for the Group's presence in the host Countries, based on the close engagement of local stakeholders. Closer integration with local communities means we can make a lasting and sustainable contribution to economic and social development. **Local Content Dynamization** represents our

economic development policy focused on the main areas of training and hiring local staff and purchasing local goods and services.

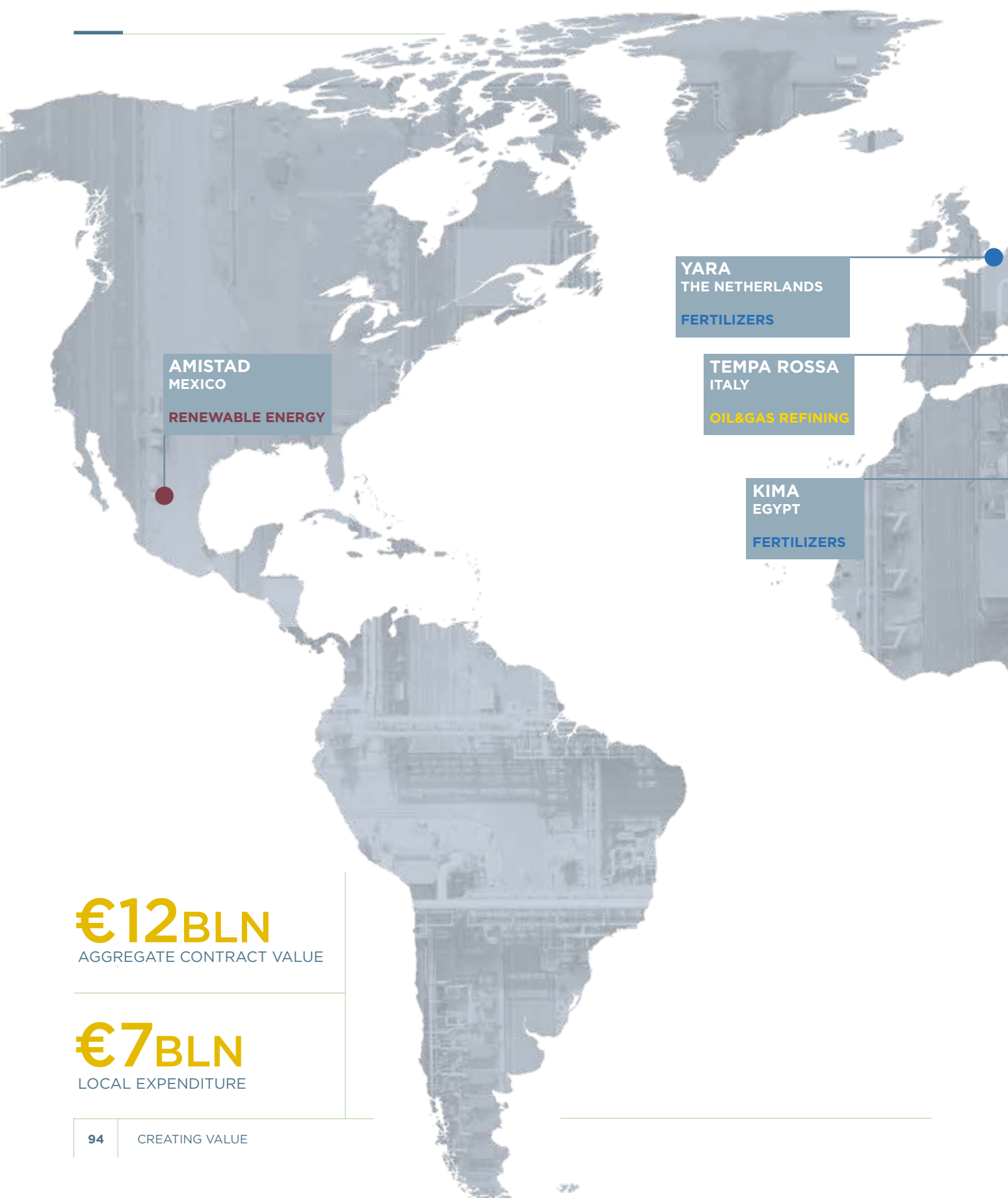
Education and training are key in developing the human capital of our host Countries and creating shared value. The Group contributes to employment creation directly and indirectly: directly through the employment of the company staff and the purchase of goods and services; indirectly through the employment, subcontracting and procurement activities of our contractor and suppliers, and through wider economic effects.

Maire Tecnimont is aware that during construction operations the local communities may suffer minor environmental or social impacts, such as a higher waste production or greater CO<sub>2</sub> and noise emissions, both localized at construction areas and on public roads where the traffic is heavy. However, any real or potential impact is temporary and is proactively managed in order to reduce the exposure of the population and to comply with local regulations and Client expectations.

The Group's competitiveness starts with local suppliers. A shorter and closer supply chain not only helps improve **procurement effectiveness** and margins, it also **generates local value** and contributes to local market development. The Group works proactively with local subcontractors to ensure excellent quality, while enhancing its roots and value generation in the country. Moreover, it makes sure local contractors are appropriately qualified and capable of responding to business needs. This approach has been shown to have several advantages:

- 1 Helps develop a sustainable and trusting relationship with the local market, reducing the costs and risks associated with projects.
- 2 Maximizes opportunities for achieving higher levels of reliability and quality through local supplier proximity, optimizing opportunities for lower costs on some locally-procured goods and services.
- 3 Improves the perception of the Company in the eyes of the local communities. A better knowledge of what Maire Tecnimont does and how it accounts for and contributes to the well-being of local people creates the conditions for mutual understanding.
- 4 Contributes to the stability of the business environment, meeting expectations of host governments - driven in many instances by the expectations of local communities and business - for local economic and social benefits and meeting legislative requirements.
- 5 Increases the access to and development of new staff, overcoming the issue of a lack of technically capable and skilled personnel in the host countries.
- 6 Tackles new commercial opportunities in light of the increasingly stringent Local Content policies imposed by Governments and major National oil Companies that require firms to use domestically manufactured goods or domestically supplied services in order to operate in an economy.

# REPRESENTATIVE PROJECTS AROUND THE WORLD



**AMISTAD**  
MEXICO  
**RENEWABLE ENERGY**

**YARA**  
THE NETHERLANDS  
**FERTILIZERS**

**TEMPA ROSSA**  
ITALY  
**OIL&GAS REFINING**

**KIMA**  
EGYPT  
**FERTILIZERS**

**€12BLN**  
AGGREGATE CONTRACT VALUE

**€7BLN**  
LOCAL EXPENDITURE

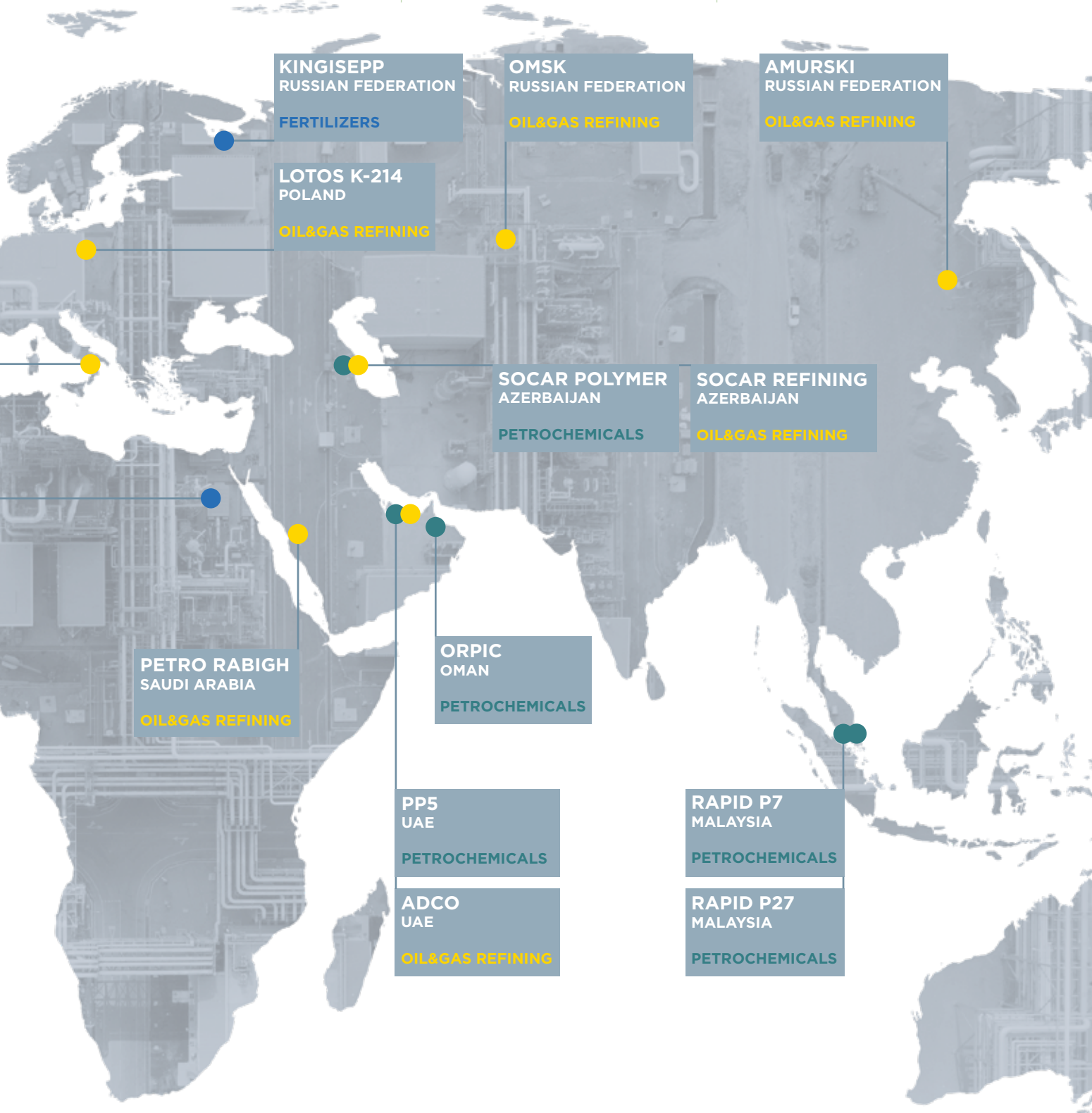


Evaluation of local content in quantitative terms helps Maire Tecnimont to quantify the positive effects of its activities on local economies and societies.

For this reason, the Group has internally developed a model to quantify its footprint from operating in a

territory in terms of **economic development, local employment and human capital growth**. In particular, the 16 Group's most representative projects around the world have been identified and with reference to these projects, the **total spend on goods and services**, together with the economic exploitation

of local **labor and training**, in the local environment amounts to about **€7 billion**, corresponding to 59% of the aggregate contract value (approx. €12 billion). The figure reflects the inclusion of the major Amurski<sup>14</sup> project.



<sup>14</sup> For more details see paragraph 6.4

# ORPIC PETROCHEMICALS

In the Sultanate of Oman – as part of the project concerning the development of a Polyethylene and Polypropylene plant in the Sohar Industrial Port Area, Sultanate of Oman for the Oman Oil Refineries and Petroleum Industries Company SAOC (Orpic), Maire Tecnimont is actively contributing to the development of the local community, according to the specificity and the local needs.

### OMANIZATION<sup>15</sup>

Strong promoter of value creation within Oman, Maire Tecnimont is successfully implementing an Omanization program, as well as providing training programs and initiatives dedicated to enhancing the skills of the locals

**4 MLN**  
MAN-HOURS

**225 MLN**  
GOODS & SERVICES<sup>16</sup>

**527,097**  
HOURS OF  
PROFESSIONAL  
TRAINING TO OMANIS

<sup>15</sup> Refers to the enhancement of the Omani content by Maire Tecnimont and its sub-contractors in the execution of the Contracts and in terms of training provided to Omani citizens.

<sup>16</sup> Total goods & services purchased locally by Maire Tecnimont in the execution of contract.



### IN-COUNTRY-VALUE IN ORPIC

Throughout the execution of the contract, Maire Tecnimont committed itself to boosting the In-Country-Value in Oman within the context of technical excellence and commercial attractiveness in the Omani Oil&Gas industry, and required Contractors, sub-contractors and suppliers to contribute to this objective.

Through spending on personnel, goods and services, Maire Tecnimont and its sub-contractors and suppliers sought to generate In-Country Value in the Oman oil and gas sector so as to:

- Maximize and develop employment opportunities for Omanis and their placements on professional training courses.
- Maximize expenditure on goods and services produced or provided by Omanis.
- Maximize locally-produced Made-In-Oman materials, products and equipment.
- Develop the capabilities of the local SME, both during contract delivery and in the longer-term.
- Develop world-class capability in vocational and professional education, training and research institutions in Oman.



### A BRIDGE AT WADI HALAHEL BIN GHAITH

The good commercial relationship with the customer ORPIC has produced results both in terms of project performance and in the value creation for the local communities. After the environmentally redevelopment of a part of the Carawan beach in 2017 that allowed residents to once again enjoy the Carawan sea shore, on April 2018 our Group has decided to erect a bridge at Wadi Hala'El Bani Ghaith (“Wadi” in Arabic means “river”) was conceived by listening to the needs of the local population that, during the rainy season, was isolated from the other side of the village.

After a technical investigation carried out by the Site Engineering Team to proceed with the preliminary design of the bridge, numerous revisions and meetings with the heads of the local community and the In Country Value representative of ORPIC, and thanks to the support and contribution of Maire Tecnimont subcontractors involved in the project Liwa Plastics (package EPC-2), on September 2018 the bridge was presented to the local population at an inauguration ceremony at the presence of Maire Tecnimont representatives, local authorities and Orpic representatives. Once again, the productive commitment and the teamwork with our customers and partners have generated advantages for the local communities.

# SOCAR PETROCHEMICALS



Maire Tecnimont has implemented a Local Content strategy to develop its business in Azerbaijan with a long-term vision and a responsible and sustainable approach. The Group invests in developing local skills through:

- Development and training programs aimed at improving the quality of the workforce, sharing know-how and developing specific skills.
- Creating relationships and cooperation with local educational institutions in order to increase the recognition of the Group at universities and attract the best students for a potential recruitment.

In order to enhance local content in the host country, Maire Tecnimont has developed specific training programs (Development Program) and talent identification (Talent Acquisition).

## DEVELOPMENT PROGRAMME

Since the very beginning of the Group’s activities in Azerbaijan, Maire Tecnimont has contributed to socio-economic and sustainable development within the Country through a strong focus on local content and a commitment to knowledge transfer and training. An important part of this strategy is the Development Program, in collaboration with Baku Higher Oil School (BHOS), which aims to allow students to form an integral part of a team spanning the KT-Kinetics Technology Azerbaijan Branch and TCM-KT JV Azerbaijan LLC, both subsidiaries of Maire Tecnimont Group. In 2017-2018, the program participants, 75% of which were women, joined the team as Junior Project Engineers at both the offices and on site.

## TALENT ACQUISITION

Employing local workers in Maire Tecnimont projects enriches the diversity of the Group’s workforce and offers young talents from around the world the opportunity to grow professionally in their own country. In this way, Maire Tecnimont is able to guarantee a rich, diversified and multicultural work environment. Recruiting local staff brings important competitive

advantages for the company, such as knowledge of local legislation, market and suppliers, and better communications with authorities. At the end of the financial year, the Group branch in Azerbaijan **employed locally the 37% of the staff**. With reference to the TCM-KT JV Azerbaijan project, as at 31 December 2018, local staff amounted to around 60% of the total. Furthermore, in relation to gender composition, the females working at the offices of the Branch represented the 85% of the total staff.

## PROCUREMENT SCENARIO

Maire Tecnimont works proactively with local suppliers and subcontractors to ensure excellent quality and competitiveness, while establishing its local footing and generating value for Azerbaijan.

In 2018, Maire Tecnimont organized an event to present the recently acquired project for the Modernization of Heydar Aliyev Refinery in Baku. Over 120 Azerbaijani oil and gas sector companies and over 200 people took part in the event, also attended by the client SOCAR, aimed at promoting the Group’s commitment to interfacing and coordinating closely with the local market, offering companies and other third parties the opportunity to bring added value to the project.

Furthermore, Maire Tecnimont started a fruitful cooperation with the Design Institute and the Ministry of Emergency Situations to ensure that all the engineering activities are in line with local design standards.

With the aim of establishing a robust supply chain, since 2016, Maire Tecnimont Group has had a Procurement Team entirely dedicated to the Azerbaijani branch and in charge of all local market procurement, thus reducing delivery lead times and creating added value for clients.

## BANKING SYSTEM

In Azerbaijan, Maire Tecnimont Group has developed strong cooperation with the national banking system that has led to the creation of financial instruments never used before in the country. Thus, the Group is supporting the sustainable development of new financial instruments for the country which have been introduced to the national market, first for use by the Group, and then also now available for other local and international companies.



*\*(global value of expenditure in Azerbaijan from 2016 to date)*

**NEOSIA RENEWABLES - TOWARDS RENEWABLE ENERGY SOLUTIONS**



Neosia Renewables provides specific expertise to deliver high quality utility scale plants to generate power from:

- wind;
- solar (Photovoltaic);
- biomass;
- advanced sources;

Neosia Renewables has access to the extensive experience of the Group in managing large and complex integrated projects. Group’s policies and procedures have been tailored to the specific demands of the renewable energy market and allow technicians to design and deliver high quality projects. Neosia Renewables benefits from a global network of highly specialized operating companies. Skilled subcontractors and reliable vendors have been selected in several countries such as South America, Africa and the Far East through the local subsidiary companies. Neosia Renewables can offer strong synergies to Clients through a presence throughout the value chain of projects. Neosia Renewables is a member of RES4MED and RES4Africa, the Renewable Energy Solutions associations for the Mediterranean & Africa. RES4MED promotes the deployment of large-scale and decentralized renewable energy (RE) and energy efficiency (EE) solutions in Southern-Mediterranean markets to meet local energy needs for growth. RES4Africa promotes the deployment of large-scale and decentralized renewable energy solutions in Sub-Saharan African markets to meet local energy needs for growth.

**AMISTAD (MEXICO)**

Amistad is a wind power plant located in the municipality of Acuna, Coahuila state, Mexico, very close to the US border, in a desert area between the Madera del Carmen national park and the Canyon of Amistad lake. The area comprises various ranches devoted to livestock breeding in the semi-wild state. It is also populated with wild animals such as bears, pumas, deer, rattlesnakes and black widows. Designing and building a wind plant in such an environment is therefore a challenge for the players involved in terms of operational safety and environmental protection. The plant is located 95 Km from the nearest town and therefore a site camp has been set up to host workers, supervisors and clients.



**LOCAL COMMUNITY ACTIVITIES**

From the beginning, the involvement of the local community was essential in order to access all basic services such as water, food, security, manpower and medical aid. In addition, many local contractors coming from Acuna and the nearby Piedras Negras have been involved in project construction.

**PROCUREMENT**

Leveraging on the Mexico City office, vendor and subcontractor lists have been created, extensively scouting the Mexican market and with 100% of orders placed with Mexican suppliers and contractors. This has facilitated a fast mobilization plan and a shorter delivery time for the main components.

**TALENT ACQUISITION**

Topographers, safety supervisors and environmental supervisors have been scouted locally in order to:

- gain the knowledge of local legislation and practice;
- improve communication ability with local authorities;
- maintain good relationships with the land owners.



**200 MW**  
INSTALLED  
CAPACITY

**57**  
WIND TURBINES

**2.6 MLN**  
MAN-HOURS WORKED WITH  
A PEAK OF 1,000 WORKERS

**ZERO**  
**INJURIES**  
SINCE PROJECT START

# CUSTOMER RELATIONS

**THE LIFE OF A WORLD PLAYER IN ENGINEERING & CONSTRUCTION, SUCH AS THE MAIRE TECNIMONT GROUP, REVOLVES AROUND THE ACQUISITION AND EXECUTION OF PROJECTS, WITH THE GOAL OF SUPPLYING THE CLIENT WITH A SAFE AND ENERGY EFFICIENT PLANT, ACCORDING TO THE CONTRACTUAL TERMS AND DEADLINES AND, OF COURSE, WITH THE EXPECTED REVENUE STREAM**

## FACTORS FOR INCREASING THE VALUE PROVIDED TO CUSTOMERS

- 1 BROAD AND INTEGRATED RANGE OF SERVICES.
- 2 BUSINESS SYNERGIES AND CROSS-FERTILIZATION
- 3 HIGH-QUALITY EQUIPMENT VENDORS AND CONSTRUCTION SUBCONTRACTORS
- 4 BE RESPONSIVE TO MARKET DISCONTINUITIES

In order to increase the value provided to customers, the Group leverages several factors.

Firstly, it provides a **broad and integrated range of services**, from feasibility studies to basic engineering, from selecting technology to developing lump-sum turnkey projects. Through our network of **international engineering centers**, we provide clients with services and know-how ranging from conceptual studies, through technology selection, to process engineering and detailed design. Recognizing the promise of digital technology to transform and impact the industrial sector, we are creating a new business model based on digital solutions increasing client value with a focus on Process Optimization and Asset integrity functionalities.

Secondly, it takes advantage of **business synergies and cross-fertilization** across the Group, profiting from all our companies' distinctive skills, expertise and specializations.

Thirdly, thanks to our global procurement platform we are able to **handle all client demands**,

leveraging on a network of high-quality equipment vendors and construction subcontractors. We also provide our customers with proprietary or third-party technologies for the design and manufacture of different types of plants.

Fourthly, to be responsive to market discontinuities, the Group approach is to promote the Partner's involvement even before the bidding stage, proposing innovative solutions which create added value for all parties and developing together with the Group engineering team a design to cost.

These factors make Maire Tecnimont one of the most responsive operators to change; moreover, our flexible business model is the key to serving knowledgeable clients, ensuring projects on time and on budget and engaging the right partners for every phase of the Project.

Furthermore, the Group's daily operations reinforce its long-term relationships with clients, based on mutual understanding and trust, developing projects on a win-win basis.

We are committed to fully understanding clients' needs in order to serve them properly with quality and fairness. We have focused on early involvement in investment initiatives with a number of new clients in areas such as feasibility studies, technology selection and project finance. In this way, we enable our clients to benefit, more efficiently and from an early stage, from the combined expertise of the various partners in the process. We have also maintained continuity of contact through more than 50 client visits across the world and numerous meetings at Group premises.

As a means of entry into new geographic markets, the Group pursues opportunities at early stages in the investment process. This includes assisting potential customers during the initial phases of project definition and development and providing support in the decision-making process prior to the selection of a licensor or a general contractor for construction.

In order to develop and strengthen the Group presence in the most strategic markets and geographical areas, Regional Vice-Presidents are appointed. They are tasked with ensuring an effective approach to the customer, including tailor-made solutions, together

with a more rapid and appropriate response to business opportunities, an efficient oversight of institutional relations with the local authorities and a constant focus on the local content of the overall supply base. In this respect, the group deploys its extensive experience in planning and developing in-country value plans in compliance with project and country specific requirements.

The Group has developed a first-class reputation in the Gulf region by successfully completing EPC contracts in the UAE, Qatar, Kuwait and the Kingdom of Saudi Arabia and has also won major contracts in the Russian Federation, the CIS, Europe and India. With the contracts awarded over the past few years, it is also expanding its presence in regions without a historic presence, such as Oman, Malaysia, Algeria, Egypt, Nigeria, USA and the Philippines, while continuing to foster expansion in new markets such as Thailand, Vietnam and Indonesia. With its constant focus on development and innovation, the Group demonstrates that it has the right set of skills to ensure sustainable global growth and to contribute creatively to the changes taking place.



# RESPONSIBLE SUPPLY CHAIN

**THE MAIRE TECNIMONT GROUP IS CONSCIOUS OF THE KEY ROLE OF THE SUPPLY CHAIN IN ITS BUSINESS AND CONSTANTLY STRENGTHENS RELATIONS WITH STRATEGIC SUPPLIERS, SEEKING TO BUILD TOGETHER A COMMON ORGANIZATIONAL PROCESS FOCUSED ON SUSTAINABILITY THROUGHOUT THE ENTIRE PRODUCTION CHAIN.**

In line with the Group's continued commitment in relation to sustainability issues, Maire Tecnimont has launched **structured activities for the integration of environmental, social, and governance (ESG) factors** within its supply chain. The Group's Code of Ethics form the framework of purchasing activities and are a de facto guide and code of conduct for suppliers.

In order to make it stronger and more sustainable, over recent years a focus on vendors committed to equal opportunities, respect of human rights and environmental protection in compliance with the code of ethics was developed.

In order to excel on the EPC market, not only does the Maire Tecnimont Group consider an impeccable and strong supply chain necessary, but also a sustainable, reliable and ethical relationship with its suppliers, based on measurable pillars.



**22,000+**  
SUPPLIERS



**47**  
COUNTRIES



**680+**  
MATERIAL GROUPS



**4**  
IPO'S/PROCUREMENT HUBS  
China, Egypt, Middle-East, Russia

Maire Tecnimont's supply chain structure has not significantly changed during the reporting period.

## STRENGTHENING THE LOCAL SUPPLY CHAIN: INTERNATIONAL PROCUREMENT OFFICE (IPO)

Managing projects and markets all around the globe, Maire Tecnimont Group decided to create International Procurement Offices (IPO's) as the local face of the Group.

Market opportunities, both on the sell side and the supply side, are finalized through this hub.

Local presence is key to developing strong relationships and ensuring that remote suppliers follow our guidelines (mainly on HSE and quality of supply).

We promote locally the development of suppliers jointly with local communities and government.

Maire Tecnimont’s total purchasing value in the reporting period is presented in the graphs below with a focus on the value of local purchasing spent.

In 2018, the Group saw values increase due to a very significant construction subcontract agreement signed between Tecnimont Russia LLC (subsidiary of Tecnimont, part of Maire Tecnimont Group) and a Russian subcontractor. The value of the subcontract is approximately €1.3 billion.

The Maire Tecnimont Group is constantly **focused** on **choosing** and **developing strong relationships** with suppliers that meet or exceed the **highest standards** for **quality** and **sustainability**.

The Maire Tecnimont Group’s sustainable supply chain is managed in accordance with the procurement cycle of the relationship through the following steps:

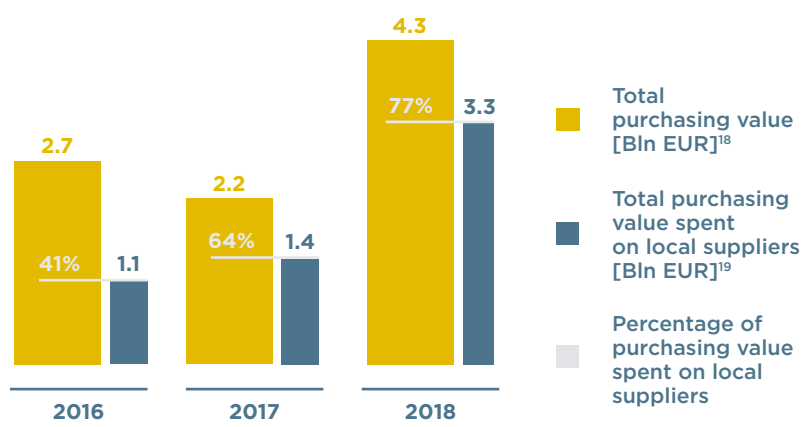
- international scouting;
- supplier qualification via questionnaires on the E2Y platform and on-site audits;
- on-site qualification visits;
- tender management;
- performance measurement and evaluation.

The first part of the procurement process is vendor qualification, assessing the applicant by fo-

cusings on a range of areas:

- industrial information;
- financials;
- quality Management;
- health, Safety and Environment;
- human rights;
- compliance (code of ethics, anti-corruption, anti-terrorism).

Since 2016, all information is handled through the E2Y platform that ensures the traceability and consistency of the exchanged data.



**TOTAL PURCHASING AND LOCAL PURCHASES<sup>17</sup>**

<sup>17</sup> Maire Tecnimont considers Russia, the Middle-East and Europe as significant operational locations.

<sup>18</sup> Refers to the committed value for goods and services.

<sup>19</sup> Refers to the committed value for goods and services when project (or company) country is the same as vendor country (Group’s definition of “Local”).



**SEENERGY 2018**

On June 7, more than 70 CEO’s of partner companies, representing in total almost €900 billion of revenues and a workforce of almost 4 million workers, attended the SEENERGY 2018 event. This 2nd edition was organized by the Group to focus on a client-supplier long-term alliance to jointly tackle the challenges of the global energy market through evolved industrial and technological cooperation.

For the first time, the Group decided to give officially recognize its strategic suppliers, through a performance assessment based on measured results. The company awarded as SEENERGY 2018 Best Performing Partner regarding sustainability was METSO: a world-leading industrial

company offering equipment and services for the sustainable processing and flow of natural resources in the mining, aggregates, recycling and process industries.



In order to select the **best suppliers**, the Maire Tecnimont group has created a **qualification process** in compliance with the laws and regulations on local and European Union procurement and in line with the Group management model. The process, mandatory only for specific types of materials and services purchased, requires the potential supplier to register in E2Y and fill-in technical questionnaires on the web, disclosing their performance on **Environmental, Social, Health and Safety matters**. In particular, depending on product/service offered, questionnaires are designed to assess the principal parameters affecting sustainability:

- integrity: fair trade, conflict of interest, bribery and corruption;
- human and workers' rights: under-age working, health and safety, non-discrimination;
- environment: use of raw materials, use of energy and CO<sub>2</sub> emissions, water consumption.

Only after passing the assessment may the supplier qualify for the specific commodity and receive orders. In this way, the Group's supply chain has become much more aware of the importance that Maire Tecnimont attaches to sustainability as a criterion for the selection of suppliers and the assignment of contracts.

At present, the **100% of new suppliers** are screened on sustainability criteria and thanks to the launching of the new procurement

### INTERNATIONAL SCOUTING

Maire Tecnimont completed in 2018 the first wave of a multi-year project of supplier scouting in different countries around the globe. The main objective of the initiative was met by delivering the supply base requirements in the most commercially-interesting countries and areas.

The results of this first wave has been:

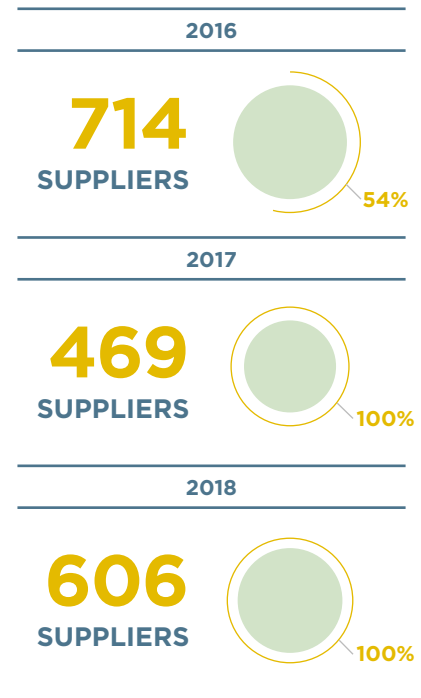
- 5 Countries involved;
- creating 30+ Qualification visits;
- 300+ Material Groups qualified;
- 25+ Colleagues involved in Engineering, Inspection, Procurement, IPOs.

platform (E2Y) in May 2016, the Group has introduced social and environmental criteria for all new qualifications. In particular, in 2018 we approved 606 new qualifications. The figures reported below indicate the total amount of new qualifications approved by the Maire Tecnimont group and the percentage meeting social and environmental criteria over the years.

Only after passing the qualification process can the supplier award a contract.

With a view to increasing awareness around sustainability matters, from tender to order, the Maire Tecnimont Group requires suppliers to agree to its Terms and Conditions, including the environmental and social requirements. Moreover, periodically during the year, the Group continues to analyze suppliers' performances in order to decide whether to continue collaboration, ask for corrective actions or to review the qualification status.

### NEW SUPPLIERS SCREENED USING SOCIAL AND ENVIRONMENTAL CRITERIA<sup>20</sup>



● Total new positive qualifications  
 ● Percentage of new positive qualifications with focus on social and environmental criteria

<sup>20</sup> Criteria introduced in May 2016 with the launch of the new platform E2Y

### SPEED, INTELLIGENCE AND COOPERATION IN PROCUREMENT: THE E2Y PLATFORM

Since 2016, Maire Tecnimont has been using the E2Y procurement platform to enable a more effective, proactive, and integrated procurement cycle. All the phases of the procurement process are now electronically managed in compliance with both Group procedures and local and geographic needs. It enhances negotiation process transparency, ensuring a more efficient integration among Engineering, Procurement and Construction and faster negotiation.



# THE POSITIVENESS OF HSE

# 7

## MATERIAL TOPICS

- HEALTH AND SAFETY OF EMPLOYEES AND CONTRACTORS
- ENERGY EFFICIENCY
- GHG EMISSIONS
- WATER MANAGEMENT
- WASTE MANAGEMENT
- HUMAN RIGHTS

## SDGs



## STAKEHOLDERS



TECHNOLOGICAL PARTNERS



CLIENTS



LOCAL ORGANIZATIONS & NGOS



LOCAL COMMUNITIES



## OUR FOCUS

### MAN-HOURS WORKED

**132.6 MLN**

MAN-HOURS WORKED ON SITE

### HEALTH AND SAFETY

**0.015** LTIF<sub>ON SITE\*</sub>

LOST TIME INJURY  
FREQUENCY IN 2018

**0.062** TRIR<sub>ON SITE\*</sub>

TOTAL RECORDABLE INJURY  
RATE IN 2018

*\* Referred to Technology, Engineering and Construction  
Business Unit and based on 1 million hours worked.*

### TRAINING

**3.4 MLN**

TOTAL HSE TRAINING HOURS  
FOR EMPLOYEES AND  
SUB-CONTRACTING WORKERS

### WASTE MANAGEMENT

RECOVERY OF WASTE  
AT HEADQUARTERS

**98.9%**



### GHG EMISSIONS

SCOPE 1:  
DIRECT EMISSIONS\*\*

**222,076** TONS OF CO<sub>2</sub>



SCOPE 2:  
INDIRECT EMISSIONS\*\*

**31,587** TONS OF CO<sub>2</sub>



*\*\* Referred to the volume of GHG emissions generated both in Headquarters and Construction sites.*

### MAIRE TECNIMONT GROUP HSE MULTISITE CERTIFICATION



**OHSAS  
18001:2007**



**ISO  
14001:2015**

---

# 7

---



**The Maire Tecnimont Group strives every day at home office and construction sites to prevent any kind of human injury and illness, negative impacts on the environment and the violation of the human rights.** In general, a continuous focus is placed on creating a positive workplace, at which people can work safely, can be conscious of the risk and consequences for the environment related to their job and can cooperate and share work and life experiences, while growing professionally with their colleagues.

**For Maire Tecnimont Group, as EPC Contractors, people make the difference.** Therefore, the risks relative to the health and safety of the employees present every day at home office and construction sites are continuously investigated and mitigated.

Attentive medical surveillance, together with capillary safety monitoring, contribute to a healthy workplace in terms of ergonomics, internal climate, illumination and safety in case of fire, earthquake, evacuation and of emergencies in general.

At construction sites, the risk of injury is much higher due to the number of workers involved in very particular installation activities and in dangerous working environments. Activities change continuously and different hazards stem from confined space entrances, falling objects, excavations, hot works, working on high, scaffolding installation and many others, for which the Maire Tecnimont team performs detailed risk analysis to eliminate and minimize the probability and the damage related to an event.

The Maire Tecnimont Group is also focused on the negative impacts that all its business can cause to the environment, but also the positive impacts that a farsighted technological design can have to the climate change issue by decreasing emissions and energy consumption.

The environmental ISO 14001 certification helps to keep under control all the emissions, energy and water consumption and waste production that all Group buildings hosting our employees generate. Areas of improvement are also identified to minimize electricity for illumination, computers, HVAC system, use of sanitary water and production of mainly paper, plastic and organic waste.

# HSE AWARENESS PROGRAM

2018-2020 Plan: New approach to HSE culture, not confined to individual projects but comprehensively facilitating general empowerment of HSE awareness at MET.

The Project breaks down into a series of initiatives, all focused on this singular objective, applying a multi-stakeholder approach.



<b>Be Safe Program</b>	Group program introduced on projects of Sister Companies to spread awareness of Safety Issues and a “Safety First” approach, involving field supervisors in recording and managing HSE Non-Compliance.	DONE May 2018
<b>HSE Celebration Day</b>	Celebration days following strong HSE performances during the carrying out of construction projects. See box at page 116.	DONE Jun 2018
<b>Raise Program</b>	Raise Program: Reinforce Awareness in Safety & Environment. See box at page 116.	DONE Jul 2018
<b>Maire Tecnimont Group HSE Multisite Certification</b>	Group goal achieved in line with OHSAS 18001:2007 and ISO 14001:2015 standards, leveraging synergies among the various entities. See box at page 112.	DONE Dec 2018
<b>Safety Tips</b>	“Training capsules” sent via mail on a weekly basis to all Group employees to improve knowledge of procedures and good practices on HSE and SA8000 topics, in both working and non-working environments.	WIP Feb 2019
<b>HSE social initiatives</b>	Social initiatives on HSE and SA8000 topics to support local development, undertaking activities which best reflect our Group’s values.	WIP Feb 2019
<b>Safety Moment</b>	“Training packages” on HSE and SA8000 topics, with a positive and immediate communicative impact on working and non-working activities, to be proposed for the opening of meetings with clients, suppliers, etc.	WIP Mar 2019

# HUMAN RIGHTS

**THE RESPECT OF FUNDAMENTAL HUMAN RIGHTS IS AN ESSENTIAL ELEMENT OF THE MAIRE TECNIMONT GROUP'S VISION. THE COMPANY RECOGNIZES THE DIVERSITY OF THE COUNTRIES IN WHICH IT OPERATES AND OF ITS CUSTOMERS, SUPPLIERS, AND EMPLOYEES AND EACH IS VALUED AS A STRATEGIC ASSET.**

One of Maire Tecnimont's key goals is to ensure its business is managed ethically, fairly and responsibly, also taking into account certain intangibles, such as the Company's human, organizational and social resources. **The Maire Tecnimont Group**, in compliance with the SA8000 Standard and the United Nations' Universal Declaration of Human Rights, **recognizes and promotes among its employees and business partners respect for the individual, their dignity and their values** as a core aspect of its identity and of its conduct. Accordingly, any form of intolerance, violence, harassment and discrimination (be it based on gender, race, nationality, age, political opinion, religion, sexual orientation, health condition or socio-economic conditions) is disavowed.

Maire Tecnimont's position on safeguarding human rights is made clear to all stakeholders, both internal and external, through the Code of Ethics - a copy of which is provided to new hires and suppliers and is always available on the Corporate website.

**In order to ensure ethical and responsible business management,**

**the Group's companies**, with a similar process to that used for the Health, Safety, and the Environment assessments, **are committed to a voluntary Social Responsibility certification in accordance with the SA8000 management system.**

This system can be certified through an audit system by an independent body and is based on international human rights standards (ILO and UN conventions) and national labor laws. Its purpose is to provide a tool that protects and gives authority to all personnel working for a company and to all those who collaborate with the company, such as suppliers, contractors, subcontractors, and home workers. The Group policy is based on the following key principles:

- Respect for all applicable laws, ILO conventions, regulations and voluntary agreements on human and workers' rights.
- Viewing employees as a strategic resource by guaranteeing respect for their rights and promoting their professional and personal development.
- Recognizing dialogue as a basic tool for pursuing and

improving Social Responsibility, through involving and consulting with workers, also through the SA8000 representatives.

- Selecting and promoting suppliers and contractors in accordance with this policy.
- Targeted training courses and information for all employees.
- Setting up a constant involvement and consulting with all stakeholders.
- Ensuring an ongoing monitoring of the Management System for Social Responsibility by defining specific areas for improvement and verification of related objectives.

All information from monitoring activities is used by the Group to redefine policies, actions and conduct to ensure full respect for Human Rights in our operating environments.

The total number of incidents of discrimination involving employees and contractors/subcontractors was 'Zero' in the 2016-2018 period.

# ZERO

**TOTAL NUMBER OF INCIDENTS ON  
DISCRIMINATION INVOLVING EMPLOYEES  
AND CONTRACTORS/SUBCONTRACTORS  
IN THE 2016-2018 PERIOD**

## **WOMEN EMPOWERMENT IN INDIA: WALK THE TALK TOWARD GENDER EQUALITY**

Women are a particularly strategic social group on whom to focus empowerment projects in view of their centrality to the main social dynamics of a community and the positive effects of their inclusion on all dimensions of sustainable development.

The Maire Tecnimont Group continuously invests in training opportunities for disadvantaged women in India as considering economic independence as the first step to walk the talk toward gender equality.

Partnering with the local NGO CORP, our Group for the fourth year in a row promoted the active participation of Indian women in the economic life of their communities, thanks to vocational courses generating quality employment and/or micro enterprises (tailoring, beauticians, teacher training, computer literacy and income generation programs). The project involved more than 900 women in 13 disadvantaged neighborhoods of Greater Mumbai. It encompassed specific skill training as well as education on women's rights and empowerment, providing at the same time proper support services (creches and preschool for women's children) so as to maximize women's attendance and making real their involvement. According to the participant reviews and follow-ups, the more women were economically independent the more they increased investment in their children's education, and so starting a virtuous circle with an additional long-term positive effect.

The outcomes of the initiative covered a wide range of positive returns: the approach to social and economic issues in an integrated but very pragmatic way allowed us to simultaneously cover key topics in line with the Sustainable Development Goals, with our Group deciding to embrace (SDG 2, SDG 3, SDG 4, SDG 5, SDG 8). Our Group and CORP ensured a constant flow of co-planning, reporting and review of both results and improvements in the project management of the activities, working together in a partnership perspective.



**900**  
WOMEN

**13**  
DISADVANTAGED  
HEIGHBORHOODS



### TRAINING ACTIVITIES

The Company has invested significantly in internal communication and human rights training in order to educate and engage all employees in this regard.

The total number of hours in the reporting period regarding training on human rights policies or procedures concerning the human rights aspects of operations were as follow: 1,391 hours in the year 2016, 4,668 hours performed in the year 2017 and 5,815 hours in the year 2018.

The following table reports the total Group headcount and number of employees of SA8000 certified companies at the end of the reporting year:

#### TOTAL EMPLOYEES AND EMPLOYEES FOR SA8000 CERTIFIED COMPANY

	2016	2017	2018
Total employees	4,956	5,443	6,140
Employees for SA8000 certified companies	2,132	2,185	2,403

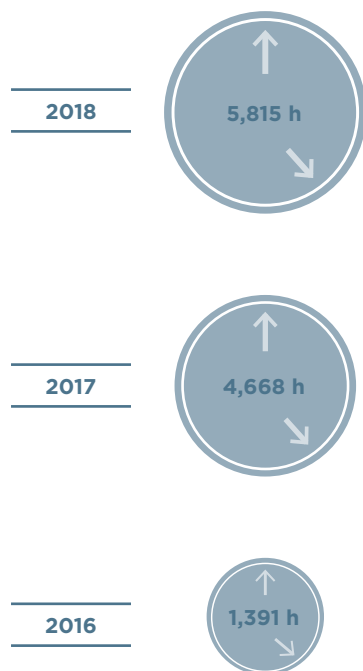
The total number of employees trained during the reporting period in human rights policies or procedures concerning human rights aspects of operations are presented. In addition, the table presents the percentage of employees trained during the reporting period on human rights policies and procedures concerning human rights aspects out of the total number of employees:

#### EMPLOYEES TRAINED ON SA8000

	2016	2017	2018
Total employees trained	970	2,052	2,494
● Percentage employees trained	20%	38%	41%

The commitment to human rights training involves in addition to employees, also sub-contractors. 100% of sub-contractor workers receive human rights issue training.

### SA8000 TRAINING HOURS



### CORE GROUP FEATURES

In compliance with the SA8000 Standard, at each Group Sister Company an SA8000 Workers' representative has been elected to facilitate workers' liaison and communication with company management on matters related to Social Responsibility.

Furthermore, we appoint a Social Performance Team, responsible for monitoring and maintaining the SA8000 Management System. The Social Performance Team also conducts a periodic written risk assessment to identify and prioritize areas of current or potential non-compliance with the standard and ensure that corrective and preventative actions are effectively implemented.

On site, Construction Management plays a lead role in increasing awareness and monitoring of human rights. All site personnel receive Social Responsibility training, both in a traditional classroom setting and through e-learning video clips. A central aspect of our vision is to listen and give voice to the various Group internal and external stakeholders. We have therefore created a channel for all our stakeholders to send/receive reports, as a direct way of receiving insights and suggestions to improve daily working life. These channels differ depending on the type of stakeholder involved are all managed through applying thorough analysis and transparency. In particular, alongside dedicated SA8000 Management Team and Worker Representative mailboxes, the Group has developed more structured ways to access the channels and ensure the anonymity of the complainant, as per the previously mentioned grievance mechanism. A special section of the corporate website allows both internal and external stakeholders to report alleged breaches of company policies and/or of SA8000 standard requirements.



## SA8000 RISK ASSESSMENT

The target of the Risk Assessment is to evaluate the probability of a negative event happening, and the severity of the negative impact on occurrence. Involving the Social Performance Team in this systematic process, the Group's companies are able to foster worker-manager collaboration around a proactive process that leads to practical and sustainable workplace improvements.

The risk assessment is conducted on the basis of the Enterprise Risk Management Group methodology.

The whole set of mapped risks has been defined taking into account the elements listed below:

- Group's Materiality Matrix;
- SA8000 suggestions/complaints received on SA8000 matters;
- SA8000 Standard requirements.

For each identified risk, the following are defined:

- "Risk description";
- Activation of the risks (Risk Activated /Not activated);
- Description of monitoring frequency;
- Description of required action. These monitoring/control actions, applied by respective function (Risk Owner), allow the reduction/mitigation of probability of occurrence/impact;
- Qualitative and quantitative assessment, for activated risks, of residual probability and impact, after mitigation measures;
- Evaluation of residual risk. A risk level by each activated risk is drawn up in order to prioritize action and operational controls.

# HSE CULTURE

## THE HSE MANAGEMENT SYSTEM IS CERTIFIED BY A THIRD-PARTY ORGANIZATION FOR THE MAIN OPERATING COMPANIES ACCORDING TO THE ISO 14001:2015 STANDARD FOR ENVIRONMENTAL MANAGEMENT AND TO THE OHSAS 18001:2007 STANDARD FOR OCCUPATIONAL HEALTH AND SAFETY.

Focusing on the prevention of any type of incident and the mitigation of any impact on the ecosystem, **the Group is committed to providing workplaces, services and industrial plants which comply with applicable legal requirements and the highest Health, Safety and Environment (HSE) standards**, while also **encouraging "work safely"** and **environmental protection** approaches, for every area of Company operations and during all phases of project execution, both at home office and site level.

The HSE Management System is **certified** by a third-party organization for the main operating companies **according to the ISO 14001:2015 standard** for environmental management and to the **OHSAS 18001:2007 standard for occupational health and safety**.

The HSE Policy specifies principles, objectives, targets, roles and responsibilities, in addition to the management criteria necessary to control HSE issues. These objectives and targets are communicated to the Companies by Top

Management and pursued through involving all personnel in each activity during the engineering, procurement, construction and commissioning stages of our projects, and according to the following principles:

- Fulfillment of all laws, rules or international standards regarding health, safety and environmental matters.
- Identification of hazards and environmental issues, evaluating the impacts and risks - whether for the home offices or for project execution - setting out suitable preventive measures.
- Prevention of incidents and injuries and environmental incidents.
- Provision to all employees of specific safety and environment protection training.
- Engagement of all workers, also through their safety representatives.
- Measuring and monitoring of safety and environmental performances.

Selection and promotion of suppliers and subcontractors according to the principles underpinning this policy.

Continuous and intensive monitoring and periodic audits are carried out by the HSE internal auditors within the organization and by external notified bodies, ensuring that the HSE obligations are effectively met.

**Training is essential for the creation of value for our stakeholders and to ensure the long-term health of our business.** It is a core strategic activity of the Group, which continuously develops the professional competences and skills of our employees.

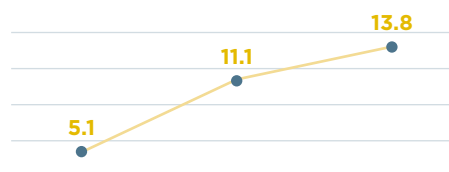
An intensive training program and relevant sessions involve all employees in order to improve knowledge on health, safety and environment issues, tailored according to the role and tasks of the employee.

In terms of the activities performed on site, training is a key element for incident prevention: entering a construction area exposes

personnel to risks related to both field activities and the presence of chemicals, as the construction area is generally built within the industrial plants.

**6,460,869 hours** have been dedicated to **HSE courses** over the last three years. The table below breaks down HSE training hours by year.

Average training hours



HSE TRAINING HOURS	2016	2017	2018
HSE training hours for Headquarters and Construction site employees	23,521	55,728	78,623
HSE Training hours for Sub-contracting workers	706,700	2,323,330	3,272,967
<b>Total HSE training hours</b>	<b>730,221</b>	<b>2,379,058</b>	<b>3,351,590</b>

The average hours of training per capita provided to employees at home office and construction sites for Maire Tecnimont Group on HSE, Social Accountability and Project Quality topics were 5.1 hours in 2016, 11.1 hours in 2017 and 13.8 hours in 2018. In 2018, average hours of training per capita provided to employees were more than double compared to 2016. In addition, all subcontractor workers at construction sites receive training on HSE and Human rights issues.

The ratio between HSE training hours and man-hours worked on site was 2.09% in 2016, 2.74% in 2017 and 2.52% in 2018.

### MAIRE TECNIMONT GROUP HSE MULTISITE CERTIFICATION

An important milestone demonstrating the strong Group's commitment to HSE was achieved this year: Maire Tecnimont received from Bureau Veritas Italia multi-site certification according to the OHSAS 18001: 2007 and ISO 14001: 2015 standards.

This certification improves the synergies between the various sister companies, standardizing procedures and methods, optimizing audit times, and increasing the competitiveness on the market of the Group and its individual entities. It is a new approach to the certification that acts as an important lever to integrate companies operating in vastly different regions and social areas.

This ambitious target required a commitment and ongoing involvement in the development of the "Multisite Project" over the past three years and relates to the main companies, from greatly different areas, with offices in Italy (Tecnimont SpA, KT-Kinetics Technology and Neosia SpA), in Germany (TPI GMBH), in Russia (TCM OOO), in India (Tecnimont Private Limited) and for all construction sites in the world.

#### CERTIFICATION SCOPE

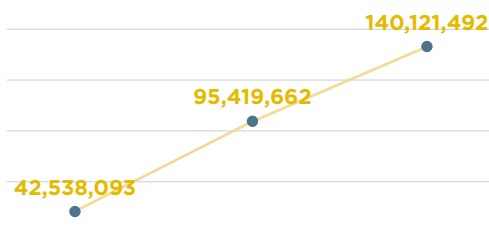
"Monitoring, Coordination and Direction of subsidiaries committed in the execution of lump sum turn-key contracts for industrial plants and infrastructures with primary competences in the chemical, petrochemical, Oil & Gas and power generation fields".



# HEALTH AND SAFETY

**THE GROUP STRONGLY SUPPORTS A PREVENTATIVE APPROACH TO REDUCING THE RISK OF ACCIDENTS AND THEIR ASSOCIATED EFFECTS, SAFEGUARDING THE HEALTH AND SAFETY OF ITS EMPLOYEES AND PERSONNEL UNDER ITS RESPONSIBILITY AND MINIMIZING NEGATIVE IMPACTS AT THE HEADQUARTERS AND ALSO AT CONSTRUCTION SITES.**

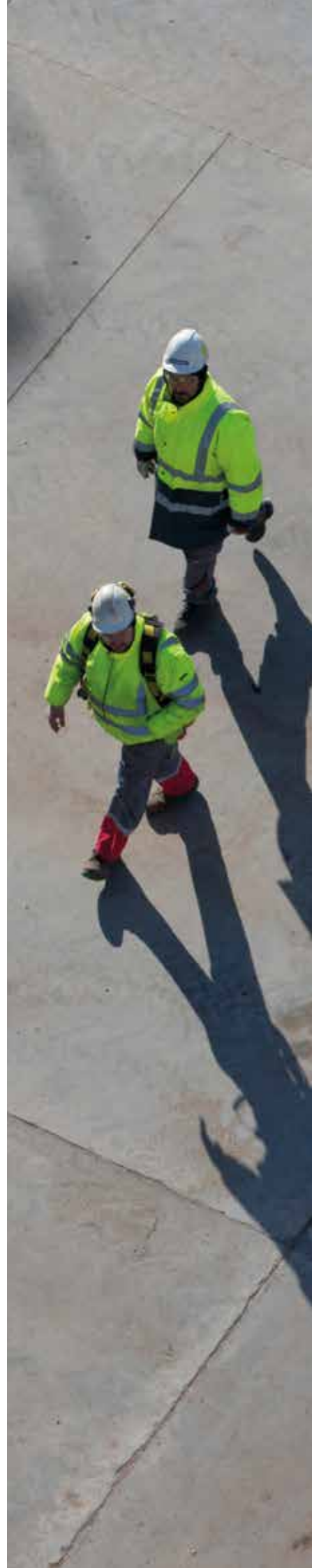
Over the last three years, a **total of more than 278 million man-hours** were worked at the Group home offices and construction sites worldwide. The following table presents the Man-hours worked by personnel in Headquarters and Construction Sites.



GROUP MAN-HOURS WORKED	2016	2017	2018
Headquarters man-hours employees	7,096,024	7,344,591	7,485,863
Site man-hours employees & sub-contractor	35,442,069	88,075,071	132,635,629
<b>Total man-hours worked</b>	<b>42,538,093</b>	<b>95,419,662</b>	<b>140,121,492</b>

For the construction sites, the trend is consistently on the rise each year, and in 2017 the Group reported more than double the man hours worked compared to 2016 and in 2018 the man hours worked were about 1.5 times that of 2017.

The Occupational Disease Rate (ODR) measures the frequency of occupational diseases relative to the total time worked by all employees. No occupational diseases were recorded over the last three years (**ODR=0**).

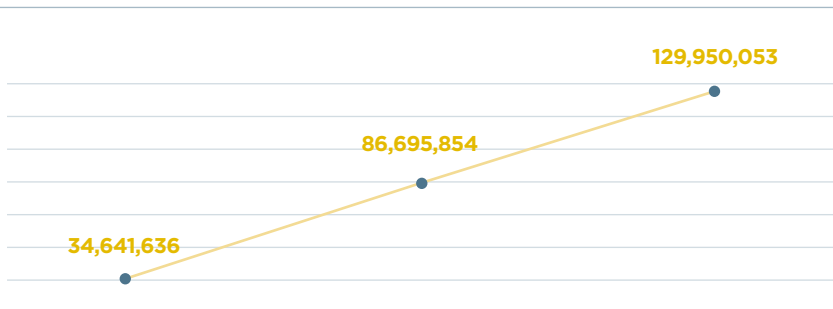


### CONSTRUCTION SITE PERFORMANCE

For the Technology, Engineering & Construction business unit (MET E&C) which includes those companies involved in petrochemical and Oil & Gas activity, the Group adopts the main performance indicators set out by OSHA (the US Occupational Safety and Health Administration) and IOGP (International Association of Oil & Gas Producers), in order to monitor and detect areas for improvement and to continuously promote a strongly HSE focused approach on worksites.

Over the last three years, a total of over 251.287 million man-hours were worked in construction sites of the Maire Tecnimont Engineering & Construction business unit (MET E&C).

The following table shows the main safety indicators for the Maire Tecnimont Group as per IOGP criteria.



MET E&C - SAFETY	2016	2017	2018
● Man-hours worked on construction sites (employees & sub-contractors)	34,641,636	86,695,854	129,950,053
Lost time injury frequency - LTIF <sup>21</sup>	0.087	0.046	0.015
Total recordable injury rate - TRIR <sup>22</sup>	0.895	0.150	0.062
Lost Work Days Rate - LWDR <sup>23</sup>	2.540	2.503	0.162
Severity of lost work day cases <sup>24</sup>	29.3	72.3	10.5

<sup>21</sup> Lost time injury frequency (LTIF) is the number of lost time injuries (fatalities + lost work day cases) /man hours worked per 1 million exposure hours. The LTIF indicator takes into account fatalities and injuries with lost days.

<sup>22</sup> Total recordable injury rate (TRIR) is the number of recordable injuries (fatalities + lost work day cases + restricted work day cases + medical treatment cases)/man hours worked per 1 million exposure hours. The TRIR indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.

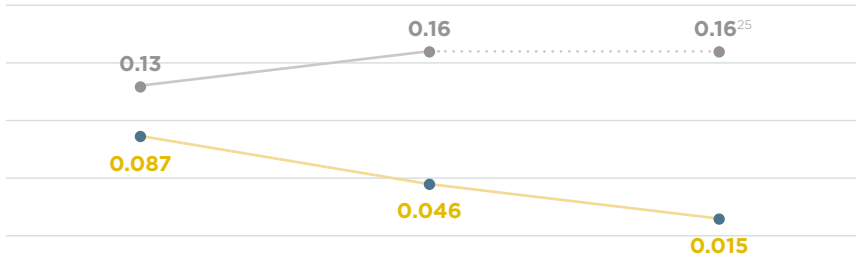
<sup>23</sup> Lost Work Day Rate (LWDR) is the number of total lost days / man hours worked per 1 million exposure hours. LWDR is defined according to OSHA Forms 300 methodology.

<sup>24</sup> Severity of Lost Work Day Cases is the number of total lost days / lost work day cases.

The numbers and trends emerging according to these indicators are regularly compared with internationally recognized benchmarks, such as those provided annually by the IOGP for EPC contractors.

**The following graphs indicate the reduction in the HSE indicators due to the continuous focus on HSE matters, considering also the significant increase in site man hours worked in 2017 and 2018.**

For 2018, the LTIF indicator shows that lost work days reduced by a factor of 3 compared to 2017. And maintaining the same 2017 benchmark data also for 2018, the LTIF indicator significantly decreased (by a factor of more than ten).

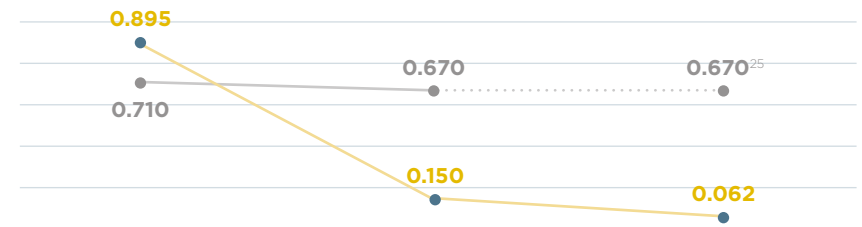


**LTIF**

- Maire Tecnimont E&C - LTIF
- IOGP - Construction

	2016	2017	2018
Maire Tecnimont E&C - LTIF	0.087	0.046	0.015
IOGP - Construction	0.13	0.16	0.16 <sup>25</sup>

In 2018, the TRIR indicator halved on 2017. And maintaining the same 2017 benchmark data also for 2018, the TRIR indicator significantly decreased (by a factor of more than ten).

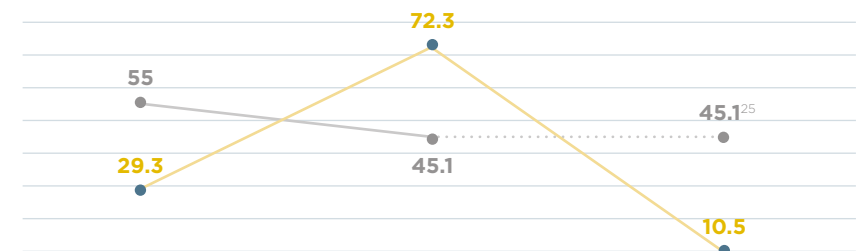


**TRIR**

- Maire Tecnimont E&C - TRIR
- IOGP - Construction

	2016	2017	2018
Maire Tecnimont E&C - TRIR	0.895	0.150	0.062
IOGP - Construction	0.710	0.670	0.670 <sup>25</sup>

The severity indicator significantly decreased in 2018 compared to 2017 (by a factor of more than 6). The value in 2018 was 10.5 and if we maintain the same 2017 benchmark data also for 2018, the Severity indicator improved by a factor of 4.3 over the IOGP benchmark.



**SEVERITY OF LOST WORK DAY CASES**

- Maire Tecnimont E&C - Severity of lost work day cases
- IOGP - Construction

	2016	2017	2018
Maire Tecnimont E&C - Severity of lost work day cases	29.3	72.3	10.5
IOGP - Construction	55	45.1	45.1 <sup>25</sup>

For 2018, no fatalities were registered.

<sup>25</sup> 2018 data for IOGP is not available yet (as benchmark data will be published in second quarter 2019) and for this reason the Group will maintain the same 2017 benchmark data also for 2018.



For the Infrastructure and Civil Engineering business unit over the last three years, a total of over 4.8 million man-hours were worked on infrastructure construction sites. Man-hours worked on construction sites (Employees in Construction Sites+ Subcontractor) for year

2016 were 800,433, for year 2017 were 1,379,217, and for 2018 were 2,685,576.

The recordable incident cases reported the following safety performance calculated across 1,000,000 hours worked for the Injury

## HSE CELEBRATION DAY

Tecnimont S.p.A., one of the main companies controlled by our Group, reports a spectacular record of over 120 Million worked hours without LTI (Lost Time Injuries according to OSHA - Occupational Safety and Health Administration).

This remarkable result stems from a comprehensive commitment to HSE - starting from Home Office and continuing to all Site personnel, with everyone's involvement in this marvelous safety performance.

Maire Tecnimont top management launched a site-by-site celebration to express its gratitude with everybody who allowed the realization of this important result. A target that we will continue to drive even higher!



## RAISE PROGRAM

Both for Maire Tecnimont Group and Exxon Mobile, Health, Safety and Environmental protection are key values in each task every employee carries out.

TCM had the opportunity to cooperate with a key American Client on the "BCEP project". Within this scope, the two entities carried out a pilot project to develop the HSE culture among colleagues by sharing and mutually applying best practices, focusing on the human factor regarding various themes beyond the workplace and regarding lifestyles outside work.

The RAISE (Reinforce Awareness in Safety and Environment) project is an intensive program aimed at seeding and consolidating HSE awareness and consciousness through Team building, in the form of a series of workshops on specific safety topics.



Frequency Index (INAIL) and across 1,000 hours worked for the Injury Severity Index (UNI: 7249).

■ The Injury Frequency Index<sup>26</sup> was 23.74 for year 2016, 12.33 for year 2017, 12.29 for year 2018;

■ The Injury Severity Index<sup>27</sup> was 0.860 for year 2016, 0.247 for year 2017, 0.128 for year 2018.

Both indicators decreased in 2018 compared to 2017.

## PERFORMANCE AT HEADQUARTERS

At the Group Head Office, for the MET E&C business unit over the last three years, a total of over 21.3 million man-hours were worked on Headquarters. Man-hours worked, including branches, for year 2016 were 6,914,214, for year 2017 amounting to 7,150,369 and for 2018 were 7,298,596.

The number of injuries<sup>28</sup> registered for 2016 were two (with 132 lost days), for 2017 year was one (with 5 lost days), for 2018 were four (with 127 lost days). The Lost time Injury Frequency (LTIF)<sup>29</sup>, according to OSHA, is 0.058 for year 2016, 0.028 for year 2017, 0.110 for year 2018;

In Italy, commuting events, thus outside company headquarters, must be recorded according to domestic legislation. Commuting injuries over the last three years for the Group's Italian companies are 23 for 2016, 15 for 2017 and 17 for 2018 year.

For the Infrastructure and Civil Engineering Business Unit over the last three years, a total of over 0.56 million man-hours were worked on Headquarters. Man-hours worked, for year 2016 were 181,810, for year 2017 amounting to 194,222, and for 2018 were 187,268.

The number of injuries registered for 2016 and 2017 were zero, for 2018 year was one (with 50 lost days). The Lost time Injury Frequency (LTIF), according to OSHA is 1.068 for year 2018.

Commuting injuries over the last three years for the Group's Italian companies are zero for 2016 and 2017 and 3 for 2018 (with 200 lost days).

### HSE DESIGN

HSE design starts with Feasibility Study, then moving to the Basic and Front-End Engineering Design (FEED) phase and concluding with the detailed EPC phase. Its main objectives are:

- Safe and reliable installations by selecting the most appropriate technical and economic choices, according to the contract and the project schedule, in compliance with laws, regulations and good engineering practice codes and standards, enhancing technical know-how.
- Prompt response, starting with the bidding phase, to the requests of the most demanding clients with specific studies that guarantee a high standard of safety in the workplace and a reduction in environmental impacts from the facility under design.

The main HSE Design activities are usually laid out in a "HSE Plan Project Design" and consist of the following.

- HSE Criteria, Specification and Philosophies.
- Process Safety Studies, such as HAZOP (HAZard and OPerability analysis) and HAZID/ENVID (HAZard/ENVironmental).
- HSE Consequences Evaluation, HSE Design Risk and Mitigation Analysis.
- Environmental Studies.
- HSE Design in Procurement and Subcontracting.
- Design HSE Site Reviews, such as PSSR (Pre-Start Up Safety Review) and SIMOPS (SIMultaneous OPerationS).

The HSE Design concepts and techniques followed from the very beginning of the engineering stage up to the commissioning and start-up of the plants provide support to the end-user to comply with Process Safety Management standards and guidelines in order to achieve significant benefits, such as:

- Potential major industrial accident risk control and management.
- Elimination of legislative non-conformities, fines or restrictions.

<sup>26</sup> Injury Frequency Index is the number of lost time injuries (fatalities + lost work day cases + restricted work day cases + medical treatment cases) / man-hours worked per 1 million exposure hours. The indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.

<sup>27</sup> Injury Severity Index is the number of lost days/man-hours worked per 1 thousand exposure hours. The indicator takes into account lost days due to injuries. Injury Severity Index is defined according to OSHA Forms 300 methodology.

<sup>28</sup> Commuting events are not included.

<sup>29</sup> Lost time injury frequency (LTIF) is the number of lost time injuries (fatalities + lost work day cases) / man hours worked per 200,000 exposure hours. The LTIF indicator takes into account fatalities and injuries with lost days.

# ENVIRONMENT

## THE MAIRE TECNIMONT GROUP CONSIDERS ENVIRONMENTAL RESPONSIBILITY AS A KEY FACTOR IN SUPPORT OF SUSTAINABILITY AND CLOSELY CONNECTED TO THE ABILITY OF A BUSINESS TO CREATE ADDED AND SUSTAINABLE VALUE.

The **ISO 14001 certification** confirms that a consistent **Environmental Management System** has been established to **regularly evaluate, control and mitigate environmental impacts** from the execution of projects and home offices activities.

A detailed analysis is performed to evaluate the significance of activities that influence the environment, negatively impacting through the consumption of energy, harmful emissions into the atmosphere, spills on soil and water, waste production, resource depletion and flora and fauna damage. The results of such analysis result in specific action plans to continuously mitigate impacts.

Maire Tecnimont is highly conscious of the contribution it can make during the construction phase on-site, by respecting local laws and regulations, promoting and expecting good practice from all subcontractors and being constantly ready to act in the case of spills or environmental damage. Specific local issues are examined before construction starts so that obligations are identified and met.

The engineering phase is a fundamental opportunity to implement important modifications proposed during the design review which

can result in energy saving and cleaner emissions leading to a reduction in harmful compounds entering the atmosphere, soil and water and environmental and economic benefits for the customer, stakeholders and the whole community.

Maire Tecnimont's Environmental Policy focuses on monitoring energy consumption for construction and Home office activities, in order to identify possible areas of improvement and implement the relative measures to reduce consumption.

Consumption estimates have been made regarding:

- for the quota of personnel employed at the Group's branches and foreign offices, representatives around 7.9% on average in 2016, 2017 and 2018 (7.2% for 2018), estimates on energy consumption (natural gas and electricity), the use of natural resources (water) and production of waste (hazardous and non-hazardous as well as destination, recovery and disposal in landfills);

- for some construction sites, equal to about 1.3% on average of man-hours worked in construction sites in 2016, 2017 and 2018 (1.2% of man-hours worked for 2018),

estimates on energy consumption (electricity, use of fuel for the production of electricity and transport), the use of natural resources (water) and production of waste (hazardous and non-hazardous as well as destination, recovery and disposal in landfills).



## ENERGY EFFICIENCY

Maire Tecnimont's headquarters in Milan is an example of sustainable architecture with a high energy classification: it produces about 30,000 Kwh from installed photo-voltaic panels and several energy saving systems in offices. Such systems have resulted in the achievement of an excellent level of zero local emissions of CO<sub>2</sub> eq.

To identify improvement areas, official energy audits were performed at the subsidiary KT - Kinetics Technology S.p.A. headquarters in compliance with Italian law.

The Group's energy intensity

The following main consumptions are monitored for continuous improvement:

- Natural gas for heating offices.
- Electricity for air conditioning, computer equipment, lighting, etc.
- Fuel for power production related to emergency generators and heating units.
- Fuel for private and public means of transport for employees to reach their workplace.
- Fuel for transportation of suppliers of goods or services.

Diesel for Power Production is related to the consumptions of electric generator. "Other" refers to Diesel consumption related to the

Regarding construction sites, the Maire Tecnimont Group invests time and resources to periodically monitor and control energy consumption at our temporary facilities, including the consumption of Subcontractor operating vehicles, material suppliers and private transportation.

### ENERGY INTENSITY

kJ/worked man-hours

- Headquarters
- Construction sites



	2016	2017	2018
Headquarters	11,907	12,451	11,048
Construction sites	22,265	25,911	23,849

factors are calculated using both direct and indirect energy consumption as a numerator and man hours worked as a denominator. Worked hours have been acknowledged as representative of the Group's overall activity.

In 2018, the Energy Intensity indicator reduced on 2017 both for Home office and Construction sites, from 12,451 in 2017 to 11,048 kJ in 2018 for Home Office and from 25,911 in 2017 to 23,849 kJ in 2018 for Construction Sites.

### HEADQUARTERS ENERGY CONSUMPTION<sup>30</sup>

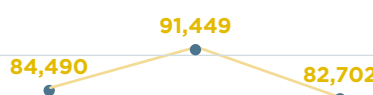
Hydrocarbons for power production (Natural gas and Diesel) (GJ)

Hydrocarbons for transport (Diesel and Gasoline) (GJ)

Electricity (GJ)

Other (GJ)

● Total (GJ)



	2016	2017	2018
Hydrocarbons for power production (Natural gas and Diesel) (GJ)	14,848	11,140	10,646
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	2,905	3,200	3,483
Electricity (GJ)	66,737	76,630	67,726
Other (GJ)	-	479	847
<b>Total (GJ)</b>	<b>84,490</b>	<b>91,449</b>	<b>82,702</b>

heating of one office of the subsidiary KT - Kinetics Technology S.p.A. and consumption related to the new heating system installed

at the subsidiary Stamicarbon B.V. Total energy consumption for 2018 reduced on 2017 and 2016.

### CONSTRUCTION SITE ENERGY CONSUMPTION<sup>31</sup>

Hydrocarbons for power production (Natural gas and Diesel) (GJ)

Hydrocarbons for transport (Diesel and Gasoline) (GJ)

Electricity (GJ)

**Total (GJ)**

	2016	2017	2018
Hydrocarbons for power production (Natural gas and Diesel) (GJ)	287,274	849,608 <sup>32</sup>	1,201,268
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	480,769	1,375,233	1,798,556
Electricity (GJ)	21,062	57,266	163,397
<b>Total (GJ)</b>	<b>789,105</b>	<b>2,282,107</b>	<b>3,163,221</b>

<sup>30</sup> Group energy consumption does not stem from renewable forms of energy.

<sup>31</sup> See note 30.

<sup>32</sup> Natural Gas consumption refers only to "Lotos" site for KT - Kinetics Technology S.p.A.

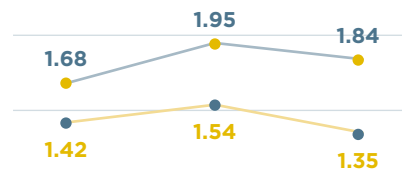
## GREEN HOUSE GAS (GHG) EMISSIONS

The Group's GHG emissions' intensity factors are calculated using both direct and indirect emissions (Scope 1 and Scope 2 emissions) as a numerator and man hours worked as a denominator. Worked hours have been acknowledged as representative of the Group's overall activity.

Direct emissions are emissions from fossil fuels such as natural gas, diesel and gasoline, directly through Group activities and operations. Indirect emissions are from the direct consumption of electricity through Group operations.

Despite the increasing of worked man hours from 90 million in 2017 to 140 million in 2018, the Group has reduced its GHG emission both in Headquarters and in its Construction Sites.

The table on the right shows the aggregate volume of direct GHG emissions in metric tons CO<sub>2</sub> equivalent, generated by Group's operations (Scope 1 emissions). The Group also quantifies indirect emissions resulting from electricity consumption (Scope 2 emissions).



### GHG EMISSION INTENSITY

kg CO<sub>2</sub>/worked man-hours

	2016	2017	2018
● Headquarters	1.42	1.54	1.35
● Construction sites	1.68	1.95	1.84

### TOTAL GHG EMISSIONS

tons of CO<sub>2</sub> <sup>33</sup> eq.

	2016	2017	2018
Headquarters	934	812	814
Construction sites	56,672	164,137	221,262
<b>Total</b>	<b>57,606</b>	<b>164,949</b>	<b>222,076</b>

### SCOPE 1: Direct Emissions

### TOTAL GHG EMISSIONS

tons of CO<sub>2</sub> <sup>33</sup> eq.

	2016	2017	2018
Headquarters	9,121	10,473	9,256
Construction sites	2,879	7,826	22,331
<b>Total</b>	<b>11,999</b>	<b>18,299</b>	<b>31,587</b>

### SCOPE 2: Indirect Emissions

**33** The following is noted with regards the table data:

- Gases included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O;
- Sources of the emission factor used: World Resource Institute (2015) - GHG Protocol tool for stationary combustion, Version 4.1 - World Resource Institute (2015) - GHG Protocol tool for mobile combustion, Version 2.6 - "Confronto internazionale" Terna 2014;
- Source of the Global Warming Potential source (GWP): "2014 IPCC Fifth Assessment Report";
- Consolidation approach for emissions: "Operational Control";
- Calculation tools used: World Resource Institute (2015) - GHG Protocol tool for stationary combustion, Version 4.1 - World Resource Institute (2015) - GHG Protocol tool for mobile combustion, Version 2.6

## WATER MANAGEMENT

The main sources of water for sanitation and civil purposes (canteen, toilets, flushing wc...) used by the companies located in Maire Tecnimont Headquarters in Milan are provided via public supply network and, for a small portion, via the rainwater collection systems on the roof.

The facilities of the complex use groundwater to feed Heating Ventilation Air Conditioning (HVAC) systems, both for heating and air conditioning; groundwater is returned to the soil without any significant chemical change, aside from a heat exchange. Waste water products enter the urban sewerage network (as is the case for households) and thus no discharge authorization is needed in accordance with the current local law.

Over the last three years, total water withdrawn from municipal water supplies or other public or private water utilities were: 65,610 m<sup>3</sup> in 2016, 53,234 m<sup>3</sup> in 2017 and 41,145 m<sup>3</sup> in 2018. The same quantity of water was discharged to sewers over the last three years.

In 2016, 954,600 m<sup>3</sup> of water were withdrawn (and consequently discharged), while in 2017 the amount was 1,404,060 m<sup>3</sup> and 1,494,510 m<sup>3</sup> in 2018. During the construction phase, the topic of safeguarding water resources is part of the initial training and the environmental promotion campaign.

In respecting Client rules and the local laws, no water discharge to the public sewer or directly to the sea and rivers is allowed.

Water consumption at construction sites over the last three years is presented below.

TOTAL VOLUME OF WATER WITHDRAWN (m <sup>3</sup> ) BROKEN BY	2016	2017	2018
Surface water, including water from wetlands, rivers, lakes, and oceans	31,133	34,562	155
Ground water	31,707	119,070	47,797
Municipal water supplies or other public or private water utilities (including tank trucks)	152,392	640,568	1,342,219
<b>Total volume of water withdrawn (m<sup>3</sup>)</b>	<b>215,232</b>	<b>794,200</b>	<b>1,390,170</b>

In 2016 and 2017 most of the withdrawn surface water relates to the construction of the viaduct and for roads wetting in a construction site of Neosia S.p.A. subsidiary. This activity concluded in 2017, as proved by the reduced value for 2018.

Water consumption is influenced by the working phase of the construction sites. In particular, in 2018, in a site of Tecnimont S.p.A. subsidiary entered a phase of massive hydraulic testing of piping, pipeline and tanks-vessels. These activities are particularly water intensive - in fact in 2018 accounting for around 75% of total water consumption of Tecnimont S.p.A.



## WASTE MANAGEMENT

In relation to waste management, the Maire Tecnimont Group, in accordance with the Local Applicable Legislation (Ref. Italian law Decree 152/2006 and subsequent amendments and supplements), and in accordance with its ISO 14001 environmental management system, undertakes attentive and comprehensive collection, transportation and final treatment of waste by means of qualified external companies. Indeed, detailed listing and monitoring is performed relative to the type of waste to be disposed of, with indication of the local applicable regulations (referred EWC code - European Waste Catalogue) and the quantity produced in percentage terms.

The Group has provided several locations with segregated collection bins for paper waste, plastic and toner, promoting the “reduce – reuse – recycle” message, and specific temporary storage areas, avoiding mixing hazardous

HEADQUARTERS WASTE MANAGEMENT	2016	2017	2018
Non hazardous (tons)	59	52	110
Hazardous (tons)	3	<1	2
<b>Total weight of waste (tons)</b>	<b>62</b>	<b>53</b>	<b>112</b>
Recycling	58	52	111
Landfill	4	<1	1
Other (to be specified)	0	<<1	0
<b>Total weight of waste by disposal method (tons)</b>	<b>62</b>	<b>53</b>	<b>112</b>
<b>Recovery (%)</b>	<b>92.8%</b>	<b>98.8%</b>	<b>98.9%</b>
<b>Disposal (%)</b>	<b>7.2%</b>	<b>1.2%</b>	<b>1.1%</b>

(electronic components pc, lead-acid batteries, neon lamps) and non-hazardous waste (paper, toner, electronic components, alkaline batteries, furniture, plastic packaging, mixed metals, insulating material, wood).

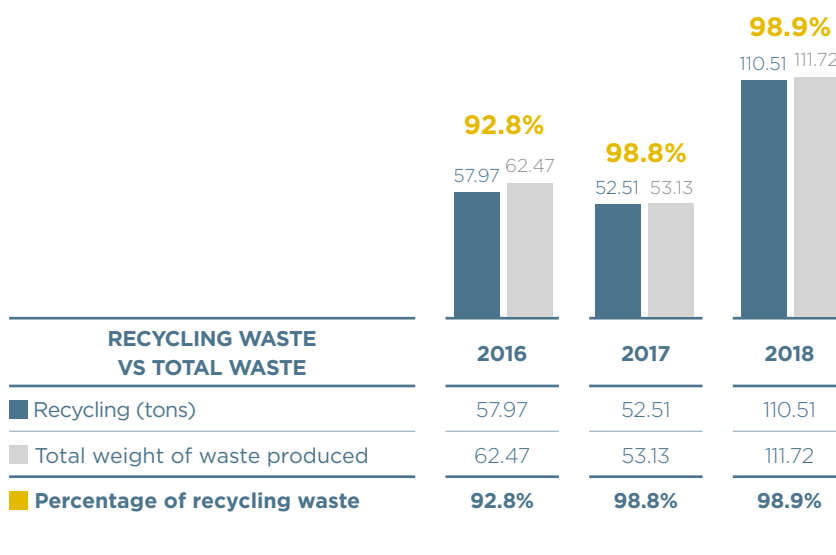
The highest percentage of waste consists of paper; therefore, the

digitalization of documents assists a “paper-less” approach which helps to reduce paper supplies and consequently paper waste. The Group has started also to increase the purchase of recycled paper, encouraging even more a “recycling culture”.

In 2018 – in comparison to 2017 – the increased production of waste is due to:

■ Tecnimont S.p.A., a subsidiary, produced a higher quantity of waste due to the extraordinary disposal of furniture to carry out refurbishments. All non-hazardous waste was recycled;

■ Tecnimont Private Limited, a company controlled by Tecnimont S.p.A., has disposed of Electronic waste and old records of earlier projects (sorted waste e.g. papers, cardboard etc.). Non-hazardous waste such as paper waste, plastic waste, furniture waste, metal waste, waste of alkaline batteries and insulation panels were recycled.



It's also Highlighted that about 111 tons of non-hazardous waste (representing 98.9% of total waste) were recycled. The percentage

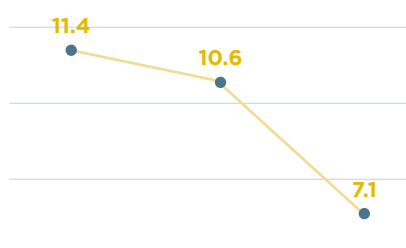
of recovery is increasing for each year. Site and HSE Managers, endorsing the Group commitment, verify daily

<b>CONSTRUCTION SITES WASTE MANAGEMENT</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Non hazardous (tons)	401,717	928,294	944,366
Hazardous (tons)	584	990	381
<b>Total weight of waste (tons)</b>	<b>402,301</b>	<b>929,284</b>	<b>944,747</b>
Recycling	88,392	109,660	129,532
Landfill	313,695	818,739	814,926
Other (to be specified)	214	885	289
<b>Total weight of waste by disposal method (tons)</b>	<b>402,301</b>	<b>929,284</b>	<b>944,747</b>
<b>Recovery (%)</b>	<b>22.0%</b>	<b>11.8%</b>	<b>13.7%</b>
<b>Disposal (%)</b>	<b>78.0%</b>	<b>88.2%</b>	<b>86.3%</b>

and manage the Subcontractors waste procedures and behaviors, in cooperation with specialized waste companies according to local laws.

The percentage of waste disposal (and therefore the percentage of recovery) is affected, in some cases, by the rules of the construction site applied at the industrial site

owned by the end user. The percentage of recovery increased in 2018 compared to 2017, from 11.8% to 13.7%. For Tecnimont S.p.A. subsidiary the percentage of waste recycled increased significantly during the last 3 years, passing from 4 % in 2015 to 12% in 2018 (increasing 5% from 2017 to 2018).



<b>WASTE PRODUCED/WORKED MAN-HOURS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
● kg of waste/worked man-hours	11.4	10.6	7.1

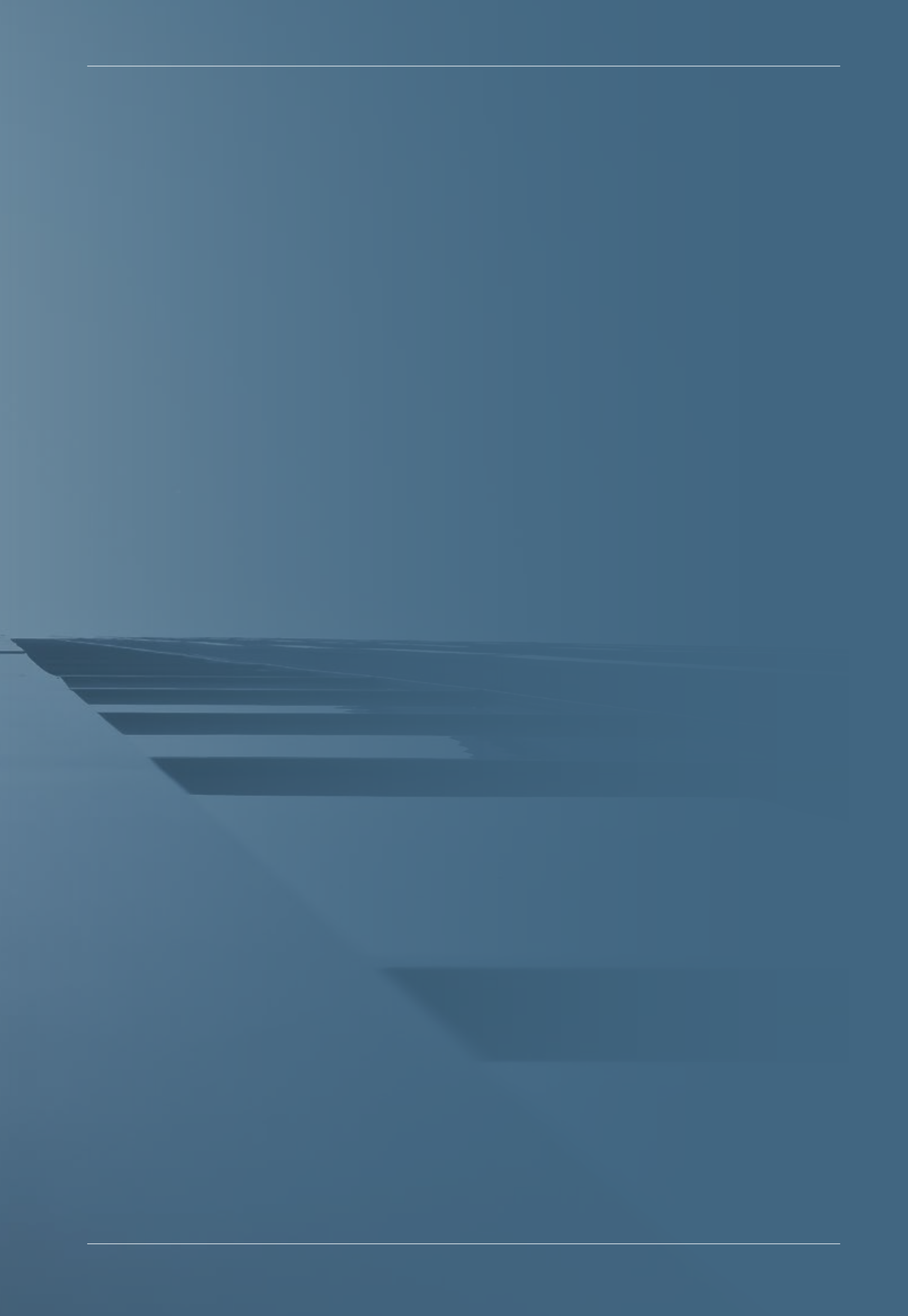
As shown in the above graph, the ratio between waste produced and man-hours worked on site saw a steady decrease from 11.4 in 2016, to 10.6 in 2017 and to 7.1 in 2018.



---

# METHODOLOGY, CRITERIA AND REPORTING PRINCIPLES

---







# REPORTING PRINCIPLES, PERIOD & PURPOSE

**THE MAIRE TECNIMONT SUSTAINABILITY REPORT, IN THIS SECOND EDITION, IS INTENDED TO PROVIDE A COMPLETE PRESENTATION OF THE GROUP'S ACTIVITIES, IMPACTS, COMMITMENTS AND OBJECTIVES IN ECONOMIC, FINANCIAL, SOCIAL AND ENVIRONMENTAL TERMS.**

The Group has committed to the goal of incorporating sustainability into its business strategy, governance, operations and financial reporting, in line with the Sustainable Development Goals (SDGs) established by the United Nations in the 2030 Agenda for Sustainable Development.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016: "Core option". Furthermore, Maire Tecnimont has aligned itself with the new "Consolidated Non-Financial Disclosure" reporting requirements provided for by Italian Legislative Decree No. 254 of December 30, 2016, which transposes, into Italian law, Directive 2014/95/EU of the European Parliament and Council.

The Industrial Plan 2019-2023 of the Group includes for the first time a Sustainability Plan that promotes sustainable development fully in line with the guidelines of the United Nations Global Compact, of which Maire has been an active member since 2011. A key element to this approach is the adoption of ESG (environmental,

social and governance) sustainability indicators in connection with the Sustainable Development Goals (SDGs) identified by the Group.

**STAKEHOLDER INCLUSIVENESS, MATERIALITY, COMPLETENESS, SUSTAINABILITY CONTEXT**

The Sustainability Report presents the main Group results in terms of the economic, social and environmental topics identified in a dedicated materiality analysis, which is described in detail in Paragraph 2.5 "Materiality Analysis" of this document. In order to identify the most material topics, and therefore determine the contents of this report, consideration was taken of the opinions of the top management of the various corporate divisions in the Group, as well as of sector analysis results, sustainability macro-trends and other external reference sources. The report additionally aims to inform all stakeholders on the Group's main economic, social and environmental results.

The table in the following page shows, for each of the identified

material topics, its relative boundary both inside and outside of the organization. Note that there are no limits to the boundaries of material topics inside the organization.

At the beginning of the reporting process, opportune qualitative and quantitative indicators in relation to main impacts, activities and performances were identified for each of the material topics for the Group. Reporting packages, in reference to these indicators, were prepared and sent to all data handlers identified in the various divisions both at corporate and subsidiary level. The compiled reporting packages were then aggregated at the corporate level to obtain an indication of the performances of the Group as a whole.

<b>MATERIAL TOPIC</b>	<b>SCOPE INSIDE THE ORGANIZATION</b>	<b>SCOPE OUTSIDE THE ORGANIZATION</b>
Economic Development	Group	Shareholders, Investors
R&D and Innovation	Group	Shareholders, Investors
Ethics and Compliance	Group	Local Authorities, Government
Human Capital Development	Group	Sub-contractors
Health and Safety of Employees and Contractors	Group	Sub-contractors
Anti-corruption	Group	Customers, Suppliers, Sub-contractors, Local Authorities, Government
Human rights	Group	Suppliers, Sub-contractors
Employment	Group	Sub-contractors
Local Communities	Group	Local Communities
Industrial Relations	Group	Sub-contractors
Greenhouse Gas Emissions	Group	Suppliers, Customers, Local Communities
Water Management	Group	Suppliers, Customers, Local Communities
Waste Management	Group	Suppliers, Customers, Local Communities
Grievance Mechanisms	Group	Sub-contractors, Customers, Local Communities, Suppliers
Local Economic Development	Group	Local Communities, Suppliers, Sub-contractors
Responsible Supply Chain	Group	Suppliers
Customer relations	Group	Customers
Diversity	Group	-
Energy efficiency	Group	Suppliers, Customers

The data and information provided in the Sustainability Report refers to the Maire Tecnimont Group, which in turn refers to Maire Tecnimont S.p.A. and to the companies in the Group's Annual Consolidated Statements for 2018. It should be noted that:

■ Financial data has been taken from the Group's Annual

Consolidated Financial Statements, and refer to all the Group companies referenced therein;

■ Social data refers to all Group companies referenced in the Annual Consolidated Statements;

■ Health, safety and environment (HSE) data refers to all Group companies referenced in the

Annual Consolidated Financial Statements and their respective sites and environments. In cases in which Group companies play the role of main contractor, data concerning them also include data concerning subcontractors;

■ Any further exceptions to reporting boundaries are indicated in individual sections.

The Group's Sustainability Report will be published annually and circulated via the communication tools ordinarily used by the Group.

**COMPARABILITY AND CLARITY**

In order to make the Sustainability Report accessible to all stakeholders, clear, complete and concise language has been used and images and graphics included.

The indicators presented in the report refer data relating to the period from 01/01/2018 until 31/12/2018. Where possible, comparisons are made with previous periods and trends are examined in order to better explain and highlight any significant variations. Such comparisons are not carried out where variations are negligible or where data from previous years could not be recovered, as is the case for the first edition of the Group's Sustainability Report.

**OBJECTIVITY**

The data are presented in an objective and systematic way. The indicators describe the performances relating to the specific reporting period.

**ACCURACY**

The data presented in this report has been verified by the heads of each division in order to confirm its authenticity. Where pertinent, data has been included from the Group's Annual Consolidated Financial Statements for 2018, prepared in compliance with International Accounting Standards (IAS).

**TIMING**

The Sustainability Report will be published on an annual basis. Timing for the publication of the Sustainability Report is in line with that of the Group's Annual Consolidated Financial Statements.

**RELIABILITY**

The Sustainability Report has been prepared by a working group formed for the specific purpose, whose members have been chosen from various roles at both corporate and subsidiary level. The contents in relation to the various reporting topics have been validated by the heads of each division, and, following approval by the 'Sustainability Reporting' division, the final document, in its entirety, has been presented and discussed with the Group's Chief Executive Officer.

**REPORTING BOUNDARIES**

The Sustainability Report includes consolidated information and descriptions of performance indicators for Maire Tecnimont S.p.A. and all the direct and indirect subsidiaries of the Group. In accordance

with Global Reporting Initiative (GRI) Sustainability Reporting Standards, material topics are associated with corresponding indicators. Furthermore, the boundaries within which these topics have impacts, both internally and externally to the Group, is indicated.

Any limits to the boundaries are also specified. Any variations in the reporting boundaries are described in the notes that refer to them.

The Sustainability Report has been subject to a limited audit by the designated independent audit firm PricewaterhouseCoopers.

The following table shows the correlation between topics of the Italian Legislative Decree No. 254 of December 30, 2016, and material topics identified by Maire Tecnimont.

**CORRELATION TABLE TO THE ITALIAN LEG. DEC. NO. 254/2016**

TOPICS OF THE ITALIAN LEG. DEC. NO. 254/2016	MATERIAL TOPICS
<b>ENVIRONMENTAL</b>	Energy efficiency
	Water Management
	Greenhouse Gas Emissions
	Waste Management
	Ethics and Compliance
<b>SOCIAL</b>	Local Communities
	Customer relations
	Ethics and Compliance
<b>EMPLOYEE RELATED</b>	Industrial Relations
	Employment
	Health and Safety of Employees and Contractors
	Diversity
	Human Capital Development
<b>RESPECT OF HUMAN RIGHTS</b>	Human rights
<b>FIGHTING CORRUPTION</b>	Anti-corruption
<b>CROSS THEME</b>	Responsible Supply Chain

# GRI AND UN GLOBAL COMPACT CONTENT INDEX

GENERAL DISCLOSURES		REFERENCE
<b>ORGANIZATIONAL PROFILE</b>		
Disclosure 102-1	Name of the organization	-
Disclosure 102-2	Activities, brands, products, and services	Ch. 1 par. 1.1
Disclosure 102-3	Location of headquarters	-
Disclosure 102-4	Location of operations	Ch. 1 par. 1.2
Disclosure 102-5	Ownership and legal form	-
Disclosure 102-6	Markets served	Ch. 1 par. 1.1
Disclosure 102-7	Scale of the organization	Ch. 1 par. 1.2, 1.3, 1.4, 1.7
Disclosure 102-8	Information on employees and other workers	Ch. 4 par. 4.1
Disclosure 102-9	Supply chain	Ch. 6 par. 6.4
Disclosure 102-10	Significant changes to the organization and its supply chain	-
Disclosure 102-11	Precautionary Principle or approach	Ch. 2 par. 2.6
Disclosure 102-12	External initiatives	Ch. 1 par. 1.9 Ch. 2 par. 2.3
Disclosure 102-13	Membership of associations	Ch. 1 par. 1.9
<b>STRATEGY</b>		
Disclosure 102-14	Statement from senior decision-maker	“Letter from the Chairman” and “Letter from the CEO”
Disclosure 102-15	Key impacts, risks, and opportunities	Ch. 2 par. 2.6
<b>ETHICS AND INTEGRITY</b>		
Disclosure 102-16	Values, principles, standards and norms of behavior	Vision e Mission - Ch. 3 par. 3.2 and 3.3
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Ch. 3 par. 3.4
<b>GOVERNANCE</b>		
Disclosure 102-18	Governance structure	Ch. 3 par. 3.1
Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	Ch. 2 par. 2.2

By reporting against GRI Standards Guidelines and indicators, Maire Tecnimont proves to adopt the United Nations Global Compact principles and shows its commitment and its fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.

**NOTE/ADDITIONAL INFORMATION**

Maire Tecnimont S.p.A.

For further information please refer to 2018 Annual Report.

Viale Castello della Magliana, 27 - 00148 Roma

For further information please refer to 2018 Annual Report.

Joint Stock Company. For further information please refer to 2018 Annual Report.

For further information please refer to 2018 Annual Report.

Maire Tecnimont's supply chain has not significantly changed during the reporting period.

For further information please refer to 2018 Annual Report.

For further information please refer to 2018 Annual Report.

For further information please refer to 2018 Annual Report.

For further information please refer to "Code of Ethics" of Maire Tecnimont.

<b>GENERAL DISCLOSURES</b>		<b>REFERENCE</b>
Disclosure 102-22	Composition of the highest governance body and its committees	Ch. 3 par. 3.1
Disclosure 102-24	Nominating and selecting the highest governance body	Ch. 3 par. 3.1
<b>STAKEHOLDER ENGAGEMENT</b>		
Disclosure 102-40	List of stakeholder groups	Ch. 2 par 2.4
Disclosure 102-41	Collective bargaining agreements	Ch. 4 par. 4.2
Disclosure 102-42	Identifying and selecting stakeholders	Ch. 2 par. 2.4, “Methodology, Criteria and Reporting Principles”
Disclosure 102-43	Approach to stakeholder engagement	Ch. 2 par. 2.4. and 2.5 - “Methodology, Criteria and Reporting Principles”
Disclosure 102-44	Key topics and concerns raised	Ch. 2 par. 2.5, “Methodology, Criteria and Reporting Principles”
<b>REPORTING PRACTICES</b>		
Disclosure 102-45	Entities included in the consolidated financial statements	“Methodology, Criteria and Reporting Principles” – Ch. 1 par. 1.1
Disclosure 102-46	Defining report content and topic Boundaries	Ch. 2 par. 2.4 and 2.5, “Methodology, Criteria and Reporting Principles”
Disclosure 102-47	List of material topics	“Methodology, Criteria and Reporting Principles”
Disclosure 102-48	Restatements of information	-
Disclosure 102-49	Changes in reporting	-
Disclosure 102-50	Reporting period	“Methodology, Criteria and Reporting Principles”
Disclosure 102-51	Date of most recent report	-
Disclosure 102-52	Reporting cycle	“Methodology, Criteria and Reporting Principles”
Disclosure 102-53	Contact point for questions regarding the report	-
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	“Methodology, Criteria and Reporting Principles”
Disclosure 102-55	GRI content index	GRI and UN Global Compact Content Index
Disclosure 102-56	External assurance	“Methodology, Criteria and Reporting Principles” and Assurance Statement
<b>MANAGEMENT APPROACH</b>		
Disclosure 103-1	Explanation of the material topic and its Boundary	Ch.: 1, 2, 3, 4, 5, 6, 7
Disclosure 103-2	The management approach and its components	Ch.: 1, 2, 3, 4, 5, 6, 7
Disclosure 103-3	Evaluation of the management approach	Ch.: 1, 2, 3, 4, 5, 6, 7 – Ch. 3 par 3.1

**NOTE/ADDITIONAL INFORMATION**

For further information please refer to 2018 Annual Report.

For the calculation of this indicator, only the Italy and Rest of Europe Region was considered.

For further information please refer to 2018 Annual Report.

There are no restatements of information.

There are no changes in reporting.

2017

[sustainability@mairetecnimont.it](mailto:sustainability@mairetecnimont.it)

For further information please refer to 2018 Annual Report.

<b>SPECIFIC DISCLOSURES</b>		<b>REFERENCE</b>
<b>ECONOMIC PERFORMANCE</b>		
Disclosure 201-1	Direct economic value generated and distributed	Ch. 6 par. 6.1
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Ch. 2 par. 2.6
<b>INDIRECT ECONOMIC IMPACTS</b>		
Disclosure 203-1	Infrastructure investments and services supported	Ch. 6 par. 6.1 and 6.2
<b>PROCUREMENT PRACTICES</b>		
Disclosure 204-1	Proportion of spending on local suppliers	Ch. 6 par. 6.4
<b>ANTI-CORRUPTION</b>		
Disclosure 205-1	Operations assessed for risks related to corruption	Ch. 3 par. 3.3
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Ch. 3 par. 3.3
Disclosure 205-3	Confirmed incidents of corruption and actions taken	-
<b>ENERGY</b>		
Disclosure 302-1	Energy consumption within the organization	Ch. 7 par. 7.4
Disclosure 302-3	Energy intensity	Ch. 7 par. 7.4
Disclosure 302-4	Reduction of energy consumption	Ch. 7 par. 7.4
<b>WATER</b>		
Disclosure 303-1	Water withdrawal by source	Ch. 7 par. 7.4
<b>EMISSIONS</b>		
Disclosure 305-1	Direct GHG emissions (Scope 1)	Ch. 7 par. 7.4
Disclosure 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Ch. 7 par. 7.4
Disclosure 305-4	GHG emissions intensity	Ch. 7 par. 7.4
Disclosure 305-5	Reduction of GHG emissions	Ch. 7 par. 7.4
<b>EFFLUENTS AND WASTE</b>		
Disclosure 306-1	Water discharge by quality and destination	Ch. 6 par. 6.1 and 6.2
Disclosure 306-2	Waste by type and disposal method	Ch. 7 par. 7.4



**NOTE/ADDITIONAL INFORMATION**

Although the issues related to climate change represent for the Group a major business opportunity – in particular the winning over of an increasingly informed consumer base – the carrying out of a quantitative analysis of the financial implications and of any additional related risks was not possible.

There have been no cases of “confirmed incidents of corruption” within the reporting period.

<b>SPECIFIC DISCLOSURES</b>		<b>REFERENCE</b>
<b>ENVIRONMENTAL COMPLIANCE</b>		
Disclosure 307-1	Non-compliance with environmental laws and regulations	-
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
Disclosure 308-1	New suppliers screened by using environmental criteria	Ch. 6 par. 6.4
<b>EMPLOYMENT</b>		
Disclosure 401-1	New employee hires and employee turnover	Ch. 4 par.4.1
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ch. 4 introduction and par. 4.4
Disclosure 401-3	Parental Leave	Ch. 4 par. 4.3
<b>LABOR MANAGEMENT RELATIONS</b>		
Disclosure 402-1	Minimum notice periods regarding operational changes	Ch. 4 par. 4.2
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Ch. 7 par. 7.3
<b>TRAINING AND EDUCATION</b>		
Disclosure 404-1	Average hours of training per year per employee by gender, and by classification	Ch. 4 par. 4.4, Ch. 7 par. 7.2
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Ch. 4 par. 4.4
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>		
Disclosure 405-1	Diversity of governance bodies and employees	Ch. 3 par. 3.1 - Ch. 4 par. 4.3
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Ch. 4 par. 4.3
<b>NON-DISCRIMINATION</b>		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	
<b>HUMAN RIGHTS ASSESSMENT</b>		
Disclosure 412-2	Employee training on human rights policies or procedures	Ch. 7 par. 7.1
<b>LOCAL COMMUNITIES</b>		
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Ch. 6 par. 6.2

**NOTE/ADDITIONAL INFORMATION**

There have been no cases of not “non-compliance” with environmental laws and regulations.

The number of new hires concerns permanent employees, considering the focus on structural personnel and as indicated by workforce movements in the year. For consistent turnover analysis, the permanent workforce and the presentation of the voluntary departure rate was focused on.

Given the broad global spread of the Group, only benefits uniformly recognized at the various Group companies are qualitatively represented.

It was decided to report the results of the basic salary analysis given the significant portion of secondment indemnities out of total remuneration, which as applied almost exclusively to the male section of the workforce would have made the data non-representative. Data referred to the personnel of the Italian Group companies, with registered office in Italy.

There have been no incidents of discrimination regarding employees and contractor/subcontractors the period 2016-2018.

<b>SPECIFIC DISCLOSURES</b>		<b>REFERENCE</b>
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
Disclosure 414-1	New suppliers that were screened using social criteria	Ch. 6 par. 6.4
<b>CUSTOMER HEALTH AND SAFETY</b>		
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-
<b>MARKETING AND LABELING</b>		
Disclosure 417-2 <sup>34</sup>	Incidents of non-compliance concerning product and service information and labeling	-
<b>SOCIOECONOMIC COMPLIANCE</b>		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	-

**NOTE/ADDITIONAL INFORMATION**

There have been no incidents of non-compliance concerning the health and safety impacts of products and services.

There have been no incidents of non-compliance of contractual clauses that have led to final convictions with monetary compensation to clients. The monetary threshold for a conviction considered “significant” is € 10 million. Please for any Group’s ongoing disputes refer to the directors’ report of the 2018 Annual Report for each of the relevant period.

There have been no cases of non-compliance with law and regulations in the social and economic area. Please for any Group’s ongoing tax disputes refer to the directors’ report of the 2018 Annual Report for each of the relevant period.

**34** *This indicator has been modified compared to the declination provided by the GRI guidelines to be closer to the Group’s business. The new declination identified is: “Cases of non-compliance concerning contract clauses.*

## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254/2016 and to article 5 of Consob Regulation 20267 adopted by resolution of January 2018.



### ***Independent auditor's report on the consolidated non-financial statement***

*pursuant to article 3, paragraph 10, of Legislative Decree n° 254/2016 and to article 5 of Consob Regulation 20267 adopted by resolution of January 2018*

To the Board of Directors of Maire Tecnimont SpA

Pursuant to article 3, paragraph 10, of Legislative Decree n° 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation n° 20267/2018, we have performed a limited assurance engagement on the "Sustainability Report - Containing the Group non-financial disclosure pursuant to Legislative Decree n° 254/2016" of Maire Tecnimont SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2018 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 14 March 2019 (hereafter the "NFS").

#### ***Responsibility of the directors and of the Board of Statutory Auditors for the NFS***

Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the GRI Sustainability Reporting Standards defined in 2016 ("GRI Standards"), identified by them as the reporting standard.

Directors are responsible, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

#### ***PricewaterhouseCoopers SpA***

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880135 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70122 Via Abate Gimma 72 Tel. 08035640211 - Bologna 40126 Via Angelo Finelli 8 Tel. 0516186211 - Brescia 25123 Via Borgo Pietro Wuhler 23 Tel. 0303697301 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Firenze 50121 Viale Gramsci 15 Tel. 0552482811 - Genova 16121 Piazza Piccapietra 9 Tel. 01029041 - Napoli 80121 Via dei Mille 16 Tel. 08136181 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43121 Viale Tanara 20/A Tel. 0521275911 - Pescara 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - Roma 00154 Largo Fochetti 29 Tel. 06570251 - Torino 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Viale della Costituzione 33 Tel. 0461237004 - Treviso 31100 Viale Felissent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Foscolle 43 Tel. 043225789 - Varese 21100 Via Albuzzi 43 Tel. 0332285039 - Verona 37135 Via Francia 21/C Tel. 0458263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444393311

[www.pwc.com/it](http://www.pwc.com/it)



### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### ***Auditor's responsibilities***

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter “ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

- 1 Analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the company, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standard adopted.
- 2 Analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree.
- 3 Comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements.
- 4 Understanding of the following matters:
  - business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;



- policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
- main risks, generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below.

- 5 Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In particular, we held meetings and interviews with the management of Maire Tecnimont SpA and with the personnel of Tecnimont SpA, KT - Kinetics Technology SpA, Neosia SpA, Stamicarbon BV and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- At a group level:
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- For the following companies Tecnimont SpA, Neosia SpA, KT – Kinetics Technology SpA, Stamicarbon BV and construction sites of Birillo 2007 (Italy), Lotos K-214 (Poland) and Socar HAOR (Azerbaijan), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits, during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.





### **Conclusions**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Maire Tecnimont Group as of 31 December 2018 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Rome, 8 April 2019

PricewaterhouseCoopers SpA

*Signed by*

Carmine Elio Casalini  
(Partner)

*Signed by*

Paolo Bersani  
(Authorized signatory)

*This report has been translated from the Italian original solely for the convenience of international readers.*

---

**This Report has been translated from the Italian original solely for the convenience of international readers.**

**EDITED BY**

Maire Tecnimont  
Sustainability Reporting Department  
Institutional Relations & Communication Department

**GRAPHIC DESIGN**

Visualmade

**PHOTOS**

Maire Tecnimont Group Image Bank

**PRINTING**

Gamedit

April 2019

Special thanks to all those who contributed to the drafting of this report.

For any feedback about this publication, please send an e-mail to:  
[sustainability@mairetecnimont.it](mailto:sustainability@mairetecnimont.it)





