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# CREATING VALUE

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2017 SUSTAINABILITY REPORT



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**SUSTAINABILITY  
MEANS ACTING  
RESPONSIBLY EACH  
AND EVERY DAY**

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**«A very  
eventful year for  
our Group.»**

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# LETTER FROM THE CHAIRMAN

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**Dear Stakeholders,**

*2017 has been a very eventful year for our Group, with major milestones reached, extraordinary business results delivered and new development opportunities opening up for our personnel.*

*Maire Tecnimont listed on the Milan Stock Exchange ten years ago. This major step brought a deeper awareness of the impacts of our operations on the broad scope of outside stakeholders. More public exposure implied more accountability, increased regulation, more transparency and a more objective tool of measurement. This path has led us to become the Group we are today: solid, reliable and responsible.*

*Our role as a corporate citizen has grown in complexity and in terms of responsibility along with the expansion of our business. We therefore made an international-level commitment, supporting the UN Global Compact and embedding the Sustainable Development Goals into our operations.*

*Ten years on, the global business environment has changed faster and more extensively than anyone could have ever imagined and sustainability has increasingly become a pillar of business decision-making.*

*More demanding market requirements and stricter legal obligations have put ESG's on the agenda of international players such as Maire Tecnimont.*

*This document responds to the non-financial reporting demands of all our stakeholders. The reporting process, resulting in our Sustainability Report, has been a valuable opportunity to present the complexity of our world and our extended commitment to sustainability, both as a creator and distributor of value in different geographies. In undertaking this process, we became more and more aware of the key role we can play in such environments, offering not only high-level services to our clients but also local development opportunities.*



**Fabrizio Di Amato**

Maire Tecnimont Chairman and Major Shareholder

A man with a beard and mustache, wearing a white dress shirt and a dark patterned tie, stands in front of a world map. He is looking directly at the camera with a slight smile. The map behind him shows various continents and oceans, with labels like 'NORTH ATLANTIC OCEAN', 'MEDITERRANEAN SEA', and 'BAY OF BENGAL'. The overall image has a blue tint.

**«The capability  
of our  
organization  
to react  
in advance.»**



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# LETTER FROM THE CEO

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**Dear Stakeholders,**

*The Maire Tecnimont Group has grown steadily over recent years both in size, adding 1,200 employees in the last three years, and in terms of financial results, reporting in 2017 an order intake of €4,323.7 million. Such extraordinary development in an ever-changing international environment and a challenging market demonstrates the capability of our organization to react in advance and an ability to turn uncertainties into opportunities.*

*Our business is not directly linked to oil. As we operate in the downstream (petrochemicals, oil&gas refining and fertilizers) the factors that drive our business are based on global demand for polyethylene and polypropylene. We are thus closely tied to the demand for petrochemical products and fertilizers, which in turn depends on demographic and developmental factors, in addition to industrialization. In this sense, our role as a general contractor with a highly technological DNA enables us to have an impact on the territories in which we operate.*

*Sustainability is therefore truly the cornerstone of the Group value system, both in economic and ethical terms, leading us to consider new business development opportunities in response to market demands.*

*We can play a significant role in the approaching energy transition, developing and offering new technologies amid altered environmental conditions and climate change.*

*We are working on what I would call "technological adjacencies": encouraging signs have already emerged from two investments in the U.S. - namely Siluria and Pursell Agri-Tech i.e. two start-up companies focused on more sustainable solutions for gas transformation and agricultural fertilizers. Looking to the non-fossil sector, we are ready to tap into new market trends and are developing our expertise in biochemicals and bioplastics.*

*We are increasingly interested in renewable energy generation. The generation of energy from non-renewable sources is growing significantly globally. The sector is of interest to us as recently demonstrating consistent growth: the shift from 20-MW plants to plants ranging from 150 to 200 MW is ongoing, requiring construction by large companies capable of managing complex logistics.*

*The growing international focus on sustainability and social development in the wake of the Paris Agreement and the launch of the new Sustainable Development Goals in 2016 have made us increasingly aware that the SDGs need to become a core feature of daily operations for enterprises to thrive in this future environment. A real and clear commitment on this, along with continuous support for the UN Global Compact is the only way to ensure consistency with the principles underpinning our work as a high technological content international contractor with a deeply embedded involvement in multi-geography local contexts.*



**Pierroberto Folgiero**

Maire Tecnimont Group CEO and Managing Director

# OUR HISTORY



1958

Incorporation of **ICB Pvt Ltd** as consulting firm in the plant sector in Mumbai

1977

Creation of the first JV between **ICB** and **Tecnimont**

1990s

Tecnimont acquires 50% of the Indian company renamed as **Tecnimont ICB Pvt Ltd (TICB)**

100% ACQUISITION OF THE INDIAN SUBSIDIARY **TECNIMONT PVT. LTD. (FORMERLY TICB)**

## 2007



1899

**FIAT GROUP**

1972

Incorporation of **FIAT ENGINEERING**

2001

Acquisition of **FIAT Avio's Electric Design & Construction Business**

2004

Acquisition of **FIAT ENGINEERING**

## 1963



**GIULIO NATTA  
NOBEL PRIZE  
FOR CHEMISTRY**

## 2005

### INCORPORATION OF MAIRE TECNIMONT

2005

**Maire Group acquires Tecnimont**

1973

Incorporation of **TECNIMONT**

1966

Incorporation of **MONTEDISON**

**LISTING ON THE ITALIAN STOCK EXCHANGE**

1884

**EDISON  
Power Supply**

1888

**MONTECATINI  
Mines and Chemicals**



**1971**  
**Kinetics Technology Int. - KTI**  
 More than 40 years of experience in process engineering

**1988**  
**Mannesmann acquired KTI**

**1999**  
**Technip Italy acquired KTI**

**ACQUISITION OF KT KINETICS TECHNOLOGY (FORMERLY TECHNIP KTI)**

**LAUNCH OF THE NEW BUSINESS STRATEGY**

**2010**

**2013**

**2009**

**ACQUISITION OF STAMICARBON**

**1947**  
 Incorporation of **STAMICARBON** Chemical and Fertilizer licensing

**1937**  
 Dutch State Mines - DSM research center for services work to coal mines



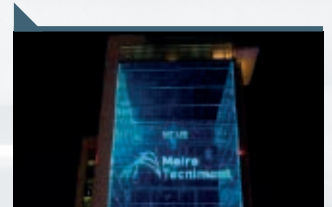
**2011**

**REORGANIZATION OF ITALIAN HQs**



**2015**

**REPOSITIONING COMPLETED**



MISSION

**Our mission  
is to be  
a world-class,  
technology-driven  
engineering,  
procurement  
and construction  
contractor.**



**We want  
to make competence,  
entrepreneurship  
and adaptiveness  
our key success  
factors.**



**We focus our industrial vision on distinctive competences and technologies in the hydrocarbon processing sector namely petrochemicals, oil&gas refining and fertilizers industries working to gradually get ready to a new paradigm of growth made of renewable energies and feedstock.**



**We cover the entire  
value chain from  
end to end and  
we offer a variable  
mix of services  
with high flexibility.**



# GROUP HIGHLIGHTS

# 2017



2011

OFFICIALLY JOINED THE  
"UNITED NATIONS  
GLOBAL COMPACT"



40

COUNTRIES

WHERE MAIRE TECNIMONT OPERATES



€3.5 BLN  
REVENUES



€7.2 BLN  
BACKLOG



€4.3 BLN  
ORDER INTAKE



€2.2 BLN  
TOT GOOD  
AND SERVICES  
ORDERED IN THE YEAR



18,500+  
VENDORS



50%  
GOODS AND  
SERVICES  
PURCHASED LOCALLY\*

\* Referred to 8 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)





5,443  
EMPLOYEES



2,732  
ENGINEERING  
DEGREE



1,003  
WOMEN



70  
NATIONALITIES



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



88 MLN  
MAN-HOURS  
WORKED ON SITE



0.046  
LTIF ON SITE\*\*  
(LOST TIME INJURY FREQ.)



183,248  
t CO<sub>2</sub> EQ  
(SCOPE 1 + SCOPE 2)



1,200  
PATENTS



4  
INNOVATION  
CENTERS



93  
INNOVATION  
PROJECTS

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

A woman with long, dark, wavy hair is shown from the chest up, looking slightly to her right. The image has a blue overlay. In the background, there is a whiteboard with some text and diagrams. The text on the whiteboard includes "CLIENT: Polish", "RENOVA", and "CO".

**«We have built relevant references in planning and executing complex turnkey EPC projects.»**

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01.

# OUR CORPORATE IDENTITY

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# GROUP OVERVIEW



Maire Tecnimont is a **multinational and multicultural Group**, with approximately **5,500 personnel in 50 companies** in over **40 countries** and about **3,000 additional professionals** in Electrical & Instrumentation.








Listed on the **Milan Stock Exchange since 2007** and rooted in well-recognized Italian engineering brands, the Group is among the top-ranking worldwide market players.








## 1.1 GROUP OVERVIEW

**WE ARE A LEADING PROVIDER OF ENGINEERING & CONSTRUCTION, TECHNOLOGY & LICENSING, AND ENERGY BUSINESS DEVELOPMENT & VENTURES WORLDWIDE, CONTRIBUTING TO THE TRANSFORMATION OF NATURAL RESOURCES INTO INNOVATIVE PRODUCTS FOR A MYRIAD OF EVERYDAY APPLICATIONS.**

Our technological roots go back to the pioneers of the **hydrocarbon chemical engineering industry**.

We provide customers with proprietary and third-party technologies for the design and manufacture of a wide range of processing plants.

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

SISTER COMPANIES		
		Tecnimont Oil&Gas Refining, Fertilizers, Polyolefins, large-scale contracting
		KT Kinetics Technology Refining, Hydrogen & Syngas, Production and Sulphur Recovery
		Stamicarbon Fertilizers Technology
		Neosia Infrastructure and Civil Engineering, Renewable Energies
		Met Development Project Development
		MET Gas Processing Technologies O&G and Petrochemicals Technology

**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 relevant references for full EPC turnkey complex projects, featuring a flexible and consistent model that maximizes local content in every part of the world. Alongside business excellence, our Group focuses on the various facets of **sustainability** to ensure **long-lasting growth, sharing value** with and targeting results for our stakeholders.

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 plants and major public works. We are equipped to deliver **large-scale renewable energy plants** generating power from **wind, solar and biomass resources**.

We also leverage a **distinctive technology-driven model** for project development, enabling us to embrace early involvement in clients' investment initiatives.

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# OUR PRESENCE IN THE WORLD

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## 1.2 OUR PRESENCE IN THE WORLD

- **Headquarters**
- **Main offices and engineering centers**
- **Subsidiaries, branches and representative offices**
- **Projects**

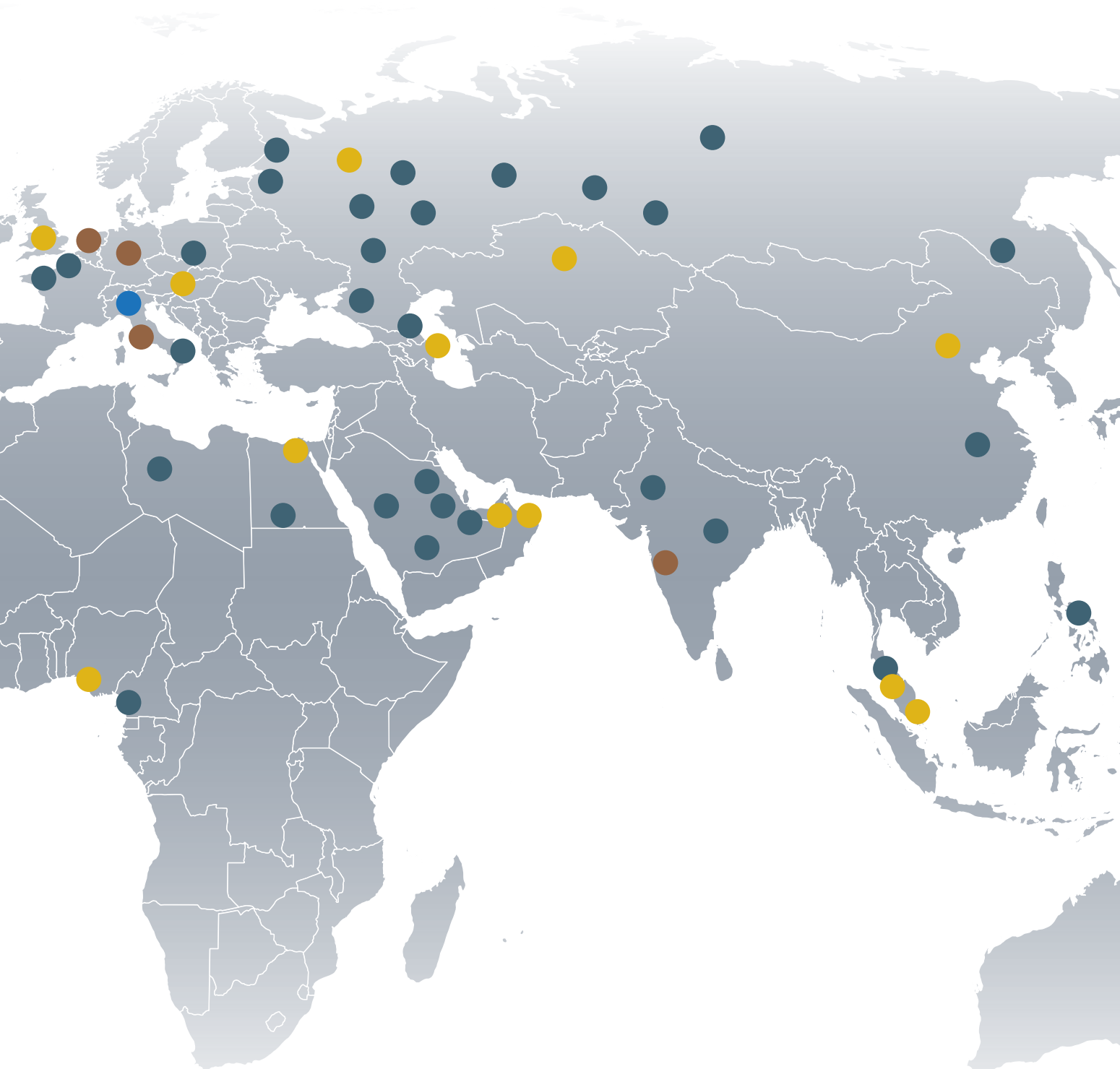
40  
COUNTRIES

~50  
MAIN PROJECTS \*

\* Referred to ongoing projects above €1 MLN value,  
excluding Licensing, Maintenance and Intercompany

50  
COMPANIES

~5,500  
EMPLOYEES



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

## 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 **1,200 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 200 new innovation projects 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** make 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

A TECHNOLOGY-ORIENTED COMPANY LIKE  
MAIRE TECNIMONT UNDERSTANDS THE CURRENT MARKET  
DYNAMIC AND THE EVOLVING ALTERNATIVE ENERGY SECTOR  
STARTING TO THINK "GREEN"

We support customers in the design of **more energy efficient industrial facilities** and with **lower emissions** (value engineering). We **invest in and cooperate** with **breakthrough innovation start-ups** able to reduce the complexity and the size of plants (gas to olefins).

We develop technologies that **improve product performance** in order to reduce the release of emissions into the environment (fertilizers).

We are committed to industrialize innovative solutions to generate plastics and fuels from more easily available and sustainable renewable feedstock (biofuels, green chemistry...).

GREEN INNOVATION

# GLOBAL AND TECHNOLOGICAL LEADERSHIP

**WELL ROOTED TECHNOLOGY ORIENTATION:**  
MARKET LEADER (#1) FOR INSTALLED CAPACITY

**30%**  
MARKET SHARE IN  
**POLYOLEFIN PLANTS**

**40%**  
MARKET SHARE IN  
**LDPE PLANTS**

SINCE 1970

**67**  
**POLYETHYLENE PLANTS**

**118**  
**POLYPROPYLENE PLANTS**  
COMPLETED

**PETROCHEMICALS**



**WELL RECOGNIZED LEADERSHIP**

IN LICENSING HYDROGEN TECHNOLOGY AND IN LICENSING SULPHUR RECOVERY AND TAIL GAS TREATMENT TECHNOLOGY



**WORLD CLASS TRACK RECORD**

IN LARGE GAS TREATMENT PLANTS AND REFINERY PROCESS UNITS

SINCE 1971



**250**  
**HYDROGEN AND SULPHUR RECOVERY UNIT PROJECTS**  
COMPLETED

**OIL&GAS REFINING**



**1,200**

**INDIVIDUAL PATENTS**

---

54%

MARKET SHARE IN  
**LICENSING UREA  
PLANTS TECHNOLOGY**  
(#1 WORLDWIDE)\*

34%

MARKET SHARE IN  
**LICENSING UREA  
GRANULATION  
TECHNOLOGY**  
(#2 WORLDWIDE)\*

\* Data are based on corporate analysis

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SINCE 1924



172

**AMMONIA AND  
UREA PLANTS**  
COMPLETED

**FERTILIZERS**

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**STRONG COMMITMENT  
TO TECHNOLOGY  
DEVELOPMENT**

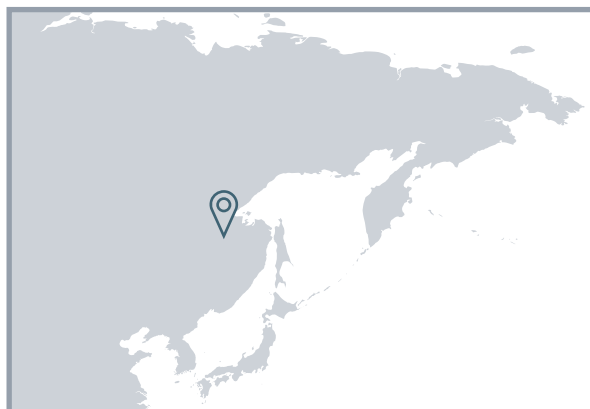
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FLAGSHIP PROJECTS

# AMURSKI GAS PROCESSING PLANT

Svobodnyj, Russian Federation

Maire Tecnimont Group, in consortium with Sinopec, has been awarded by Gazprom Group one of the most challenging projects in its history. The €3.9 billion contract for Amurski Gas Processing Plant (AGPP) includes Detailed Engineering, Procurement, Construction, Pre-Commissioning and Commissioning of the Utilities, Infrastructure and Offsite.



## SCOPE OF WORK

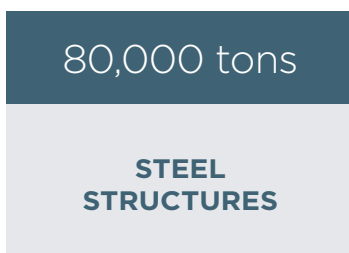
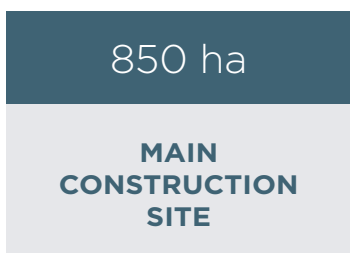


The Plant, located 13 km north to Svobodnyj Town in the Amur Region, Russian Federation, will be the largest gas processing plant worldwide with a capacity of 42 billion m<sup>3</sup> gas per year.



To the project task force will take part more than 900 engineers of different disciplines through more than 17 operating centers spread on 10 Time zones, from Milan to Mumbai, from Moscow to Ningbo (China) including 12 Russian design institutes from St. Petersburg to Blagovenschensk to Svobodnyj site.

Such a giant project in a remote region will imply a huge impact in terms of creation of infrastructure and in employment opportunities in the area, representing an important occasion of local economic development.



FLAGSHIP PROJECTS

# RAPID POLYOLEFINS UNITS

Pengerang, Malaysia

Since 2015 the Group started a new relationship with PETRONAS thanks to the award of two EPCC contracts in JV with a Chinese partner for the realization of two Polypropylene Units (P7) and an High Density Polyethylene Unit (P27) in the framework of the Refinery and Petrochemical Integrated Development (RAPID) complex in southeastern Johor, Malaysia. A fast track approach in the execution phase, along with an outstanding safety performance came as a result of the strong Owner-Contractor teamwork.







AWARD	SINCE 2015	RAPID
 <p><b>TWO EPCC CONTRACTS IN JV</b></p>	 <p><b>RELATIONSHIP WITH PETRONAS</b></p>	 <p><b>REFINERY AND PETROCHEMICAL INTEGRATED DEVELOPMENT</b></p>

In view of developing new technological joint programs involving both industrial players and universities, in May 2017 Maire Tecnimont and PETRONAS sponsored the twinning of Universiti Teknologi Petronas (UTP) with Politecnico di Milano.

This cooperation will create opportunities for postgraduate students from both countries to exchange expertise in the field of gas monetization and create high level job opportunities.

<p><b>Twinning of Universiti Teknologi Petronas (UTP) with Politecnico di Milano</b></p>	<p><b>Ideas and expertise to explore new ways on gas monetization for both countries</b></p>	<p><b>Job opportunities for the graduates in both organizations</b></p>
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CAPACITY	SAFETY FIRST - ZERO LTI PROJECT
 <p><b>P7 - POLYPROPYLENE UNITS</b> 450,000 t/y EACH</p>	 <p><b>P7</b> 3.4 MLN <b>MAN-HOURS WORKED WITHOUT LTI*</b></p>
 <p><b>P27 - HDPE UNIT</b> 400,000 t/y</p>	 <p><b>P27</b> 1.1 MLN <b>MAN-HOURS WORKED WITHOUT LTI*</b></p>

\* Lost Time Injury (LTI): injury with loss of working days

# MEMBERSHIPS

FERTILIZER  
ASSOCIATION OF INDIA

Associate

2007

1999

EUROPEAN CONSTRUCTION  
INSTITUTE

Associate

2009

ARAB FERTILIZER  
ASSOCIATION

Associate

FONDO AMBIENTE  
ITALIANO

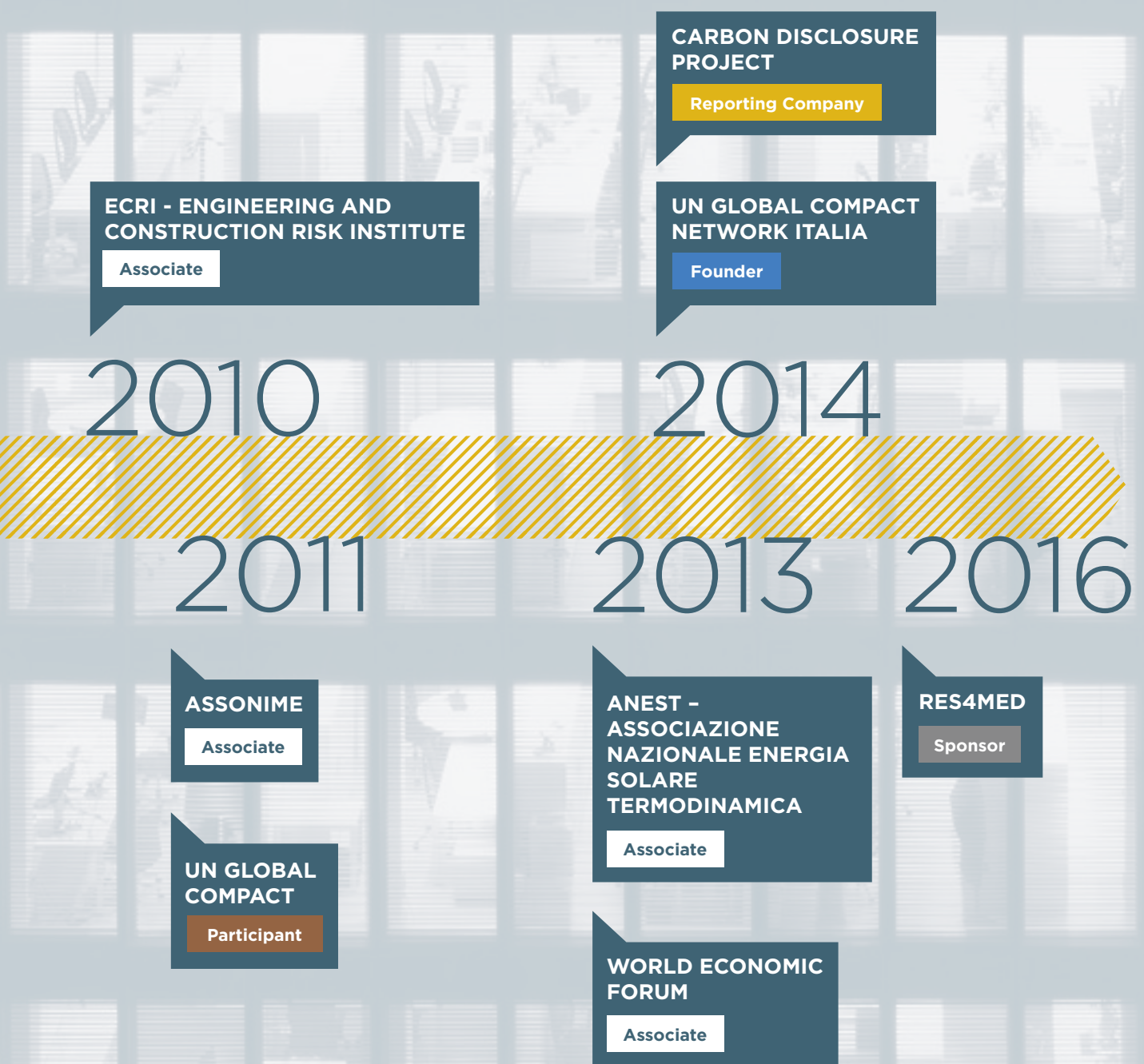
Associate

INTERNATIONAL FERTILIZER  
INDUSTRY ASSOCIATION

Associate

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. Our memberships are **strategic for our business and our technological development**, as well as for our corporate responsibility strategy. A few examples are shown below.





**«A broad sustainability strategy make us more resilient and capable of preserving value for our stakeholders.»**



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**02.**

**SUSTAINABILITY AT  
MAIRE TECNIMONT**

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**OUR GROUP PLACES THE SAME FOCUS ON SUSTAINABILITY AS IT DOES OTHER CORE BUSINESS ISSUES, AS LONG-TERM VALUE CREATION IS ONLY POSSIBLE THROUGH AN AWARENESS AND SENSITIVITY TO THE IMPACTS OF OUR BUSINESS AT ALL LEVELS.**

A broad sustainability strategy, but concentrated on clear objectives, reduces our exposure to external stresses and makes us more resilient and capable of preserving value for our stakeholders, maximizing at the same time the possibility to tap into opportunities emerging from the ongoing energy transition.

In this regard, key issues raised from the materiality assessment carried out as part of the reporting process, have helped to define a group of priorities from which concrete activities may be planned in a smoother and more effective way. This is the only way to embed the Group sustainability strategy into our everyday work.

As a compass for our sustainability strategy, the Sustainable Development Goals (SDGs) help us to stay focused to our environmental, social and governance (ESG) efforts,

contributing to a more balanced and organic development of how we do business across all spheres.

The first step in Maire Tecnimont's sustainability strategy, concretely achieved in this Report, is the necessary change in corporate culture in terms of the set of indicators used to measure Group value creation.

Clearly, for Maire Tecnimont value creation primarily means profit generation capacity in the long run, particularly in a cyclical industry like hydrocarbon processing. Technical excellence, global footprint, flexibility in the range of services offered, accountable project-based risk-management, an asset-light model and financial discipline are among the pillars of the Group business strategy to build long-term economic growth. Periodic results are transparently assessed thanks to a set of economic and financial indicators typical of a listed company.

The quality of human capital is a pivotal and differentiating factor for Maire Tecnimont's economic value creation. As the engineering and contracting industry is a "people business", the Group has strengthened its

people strategy to foster and nurture talent, continuously upgrading the skills of its personnel, adapting its welfare schemes, adopting smart working approach and enhancing the participation of the employees to the Group results (Employees Share Ownership Plan).

This strategy contributes not only to Group competitiveness but also reinforces the sense of belonging to the company, as a professional community and in terms of the value of the individual in the workplace.

With this Report, ESG criteria have officially become part of the monitoring dashboard, thus enabling a broader evaluation of company performance. Maire Tecnimont should be measured in terms of its capacity to mitigate negative impacts and facilitate positive impacts from its business activities on the natural and human environment in which it operates.

ESG criteria highlight a way of doing business which is deeply connected with the corporate DNA as a technology-oriented engineering contractor, in which our approach to innovation is applied not only within the confines of the company or its

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# 02.

# SUSTAINABILITY AT MAIRE TECNIMONT

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projects, but extends also to the external local environment. A second, more far-reaching step in Maire Tecnimont's sustainability strategy concerns the enhancement of local content, wherever we work, whenever possible. As a general contractor for large industrial plants, the potential of our business decisions, the impacts on our supply chain and our high-level expertise allow us to play a significant role in the development of 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 the Group in terms of local content dynamization is significant. For this reason, we have dedicated a significant part of the Sustainability Reporting process to the extraction of data from the main projects under execution, measuring the extent of the supply chain, the subcontracting companies involved, the workers mobilized, the salaries paid, the training hours and the actions favouring local communities. This analytical data mining is a hallmark of our approach and will become part of the company's approach to presenting its way of doing business to third parties (clients, governments, partners, media, etc).

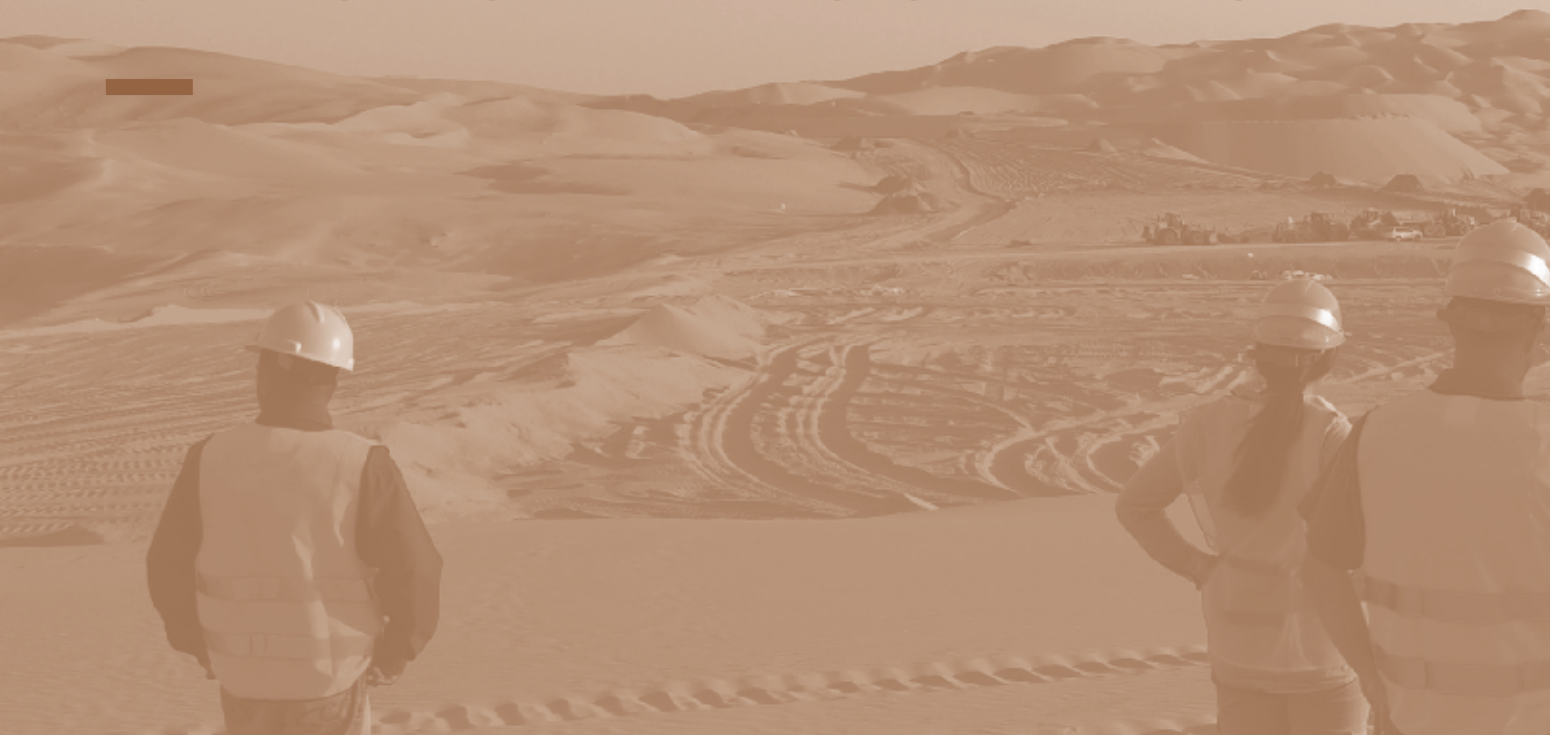
The third and most powerful strategic sustainability step for Maire Tecnimont is its open approach to a fast-changing market. The global energy market is in transition. The Group sustainability vision in fact will stem from its capacity to become a "processing engineer" for the new forms of energy and raw materials for manufacturing emerging globally. Traditionally, the downstream business, where the Group's best experience lies, connects the energy sector (oil and gas resources) and manufacturing (intermediate chemical products acting as the building bricks for a countless number of industrial applications, from automotive to IT, from packaging to clothes, from furniture and household products). As new forms of energy production and bio-chemical processing evolve, there will be room for renewed engineering players capable of processing these new materials and industrializing new plants. Thanks to its research and development, Maire Tecnimont as a technological player is already focusing on adapting its skills of "natural resource processing" to this new market reality, from bio-chemistry to renewable power stations, preparing for a new demand

cycle and at the same time contributing to international collective actions to address climate change. As new forms of energy production and bio-chemical processing evolve, there will be room for renewed engineering players capable of processing these new materials and industrializing new plants. Thanks to its research and development, Maire Tecnimont as a technological player is already focusing on adapting its skills of "natural resource processing" to this new market reality, from bio-chemistry to renewable power stations, preparing for a new demand cycle and at the same time contributing to international collective actions to address climate change.

**THE THREE ASPECTS OF MAIRE TECNIMONT'S SUSTAINABILITY STRATEGY ARE A POWERFUL ACCELERATOR FOR THE COMPANY'S LONG-TERM GROWTH FOCUSED BUSINESS STRATEGY.**

**THEY WILL ALSO CONTRIBUTE TO REINFORCING THE GROUP'S REPUTATION AS A RESPONSIBLE CITIZEN COMMITTED TO CONTRIBUTING TO A MORE SUSTAINABLE DEVELOPMENT MODEL.**

# GROUP COMMITMENT TO THE SDGs AND UN GLOBAL COMPACT



## 2.1 GROUP COMMITMENT TO THE SDGs AND UN GLOBAL COMPACT

**IN 2011, THE MAIRE TECNIMONT GROUP PLEDGED ITS SUPPORT TO THE TEN PRINCIPLES BEHIND THE UN GLOBAL COMPACT, THE UN'S LARGEST CORPORATE CITIZENSHIP AND SUSTAINABILITY INITIATIVE AND BECAME ONE OF ITS MORE THAN 12,000 PARTICIPANTS.**

It is a clear commitment to public accountability and transparency that we renew every year through the Communication on Progress document, which summarises our actions to embed the UN principles into our everyday work. The Maire Tecnimont Group also welcomes and supports the Sustainable Development Goals and their focus on achieving a more sustainable world. The Group is aware of the fundamental contribution that each company

can make and has incorporated the values and principles of social and environmental responsibility into its business model. The Group, taking into consideration its business activities and a strong commitment to concretely support the achievement of the SDGs at a global level, has identified the goals to which it can contribute most through extensive internal engagement, involving all the significant functions of each Group company.





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



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



- TO STRENGTHEN THE KNOWLEDGE AND SKILLS OF THE ENTIRE WORKFORCE



- TO PROMOTE EQUAL EMPLOYMENT OPPORTUNITIES FOR MEN AND WOMEN



- TO STRENGTHEN RENEWABLE ENERGY SECTOR PRESENCE



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



- TO PROMOTE R&D ACTIVITIES PURSUING TECHNOLOGICAL INNOVATION



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



- TO APPLY INTERNATIONAL GUIDELINES AND BAT TO REDUCE THE ENVIRONMENTAL IMPACTS OF PRODUCTION (BAT JUSTIFICATION REPORT WORK INSTRUCTION AVAILABLE AS TCM GUIDELINE)



- TO REDUCE THE CARBON FOOTPRINT OF THE GROUP AND ITS CLIENTS



- TO PROTECT THE ECOSYSTEMS AFFECTED BY CONSTRUCTION SITE OPERATIONS



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



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.

Furthermore, the Group has been constructing a solid data baseline that will help to measure and monitor, through specific KPI's, the achievement of the abovementioned goals: this broad infrastructure will steer day-to-day operations and the Group's Corporate Responsibility initiatives,

presently and in the future and marks a milestone on the Group's sustainable development path.

Each SDG applicable to the Group is presented above, along with its consequences in business terms. The chapters that follow will provide further details on Group actions in pursuit of the Goals and the related performances. Moreover, the introduction to each chapter will cite the chapter-related SDGs, as well as the issues emerging from the materiality analysis, in terms of the business strategy.

# STAKEHOLDER ENGAGEMENT



## 2.2 STAKEHOLDER ENGAGEMENT

Sustainable growth over time is closely linked to the ability of the Group to **identify and respond to changes in the market and in society.**

The identification, engagement and thus enhancement of relations with stakeholders

and the entities or individuals, that can reasonably be expected to affect the ability of the Group to successfully implement its strategies and achieve its objectives, is therefore one of the primary aspects of the Group's strategy.

**ESTABLISHING AND MAINTAINING OVER TIME A STEADY DIALOGUE WITH STAKEHOLDERS ALLOWS THE GROUP TO IDENTIFY THE MOST IMPORTANT SUSTAINABILITY ISSUES AND TO ASSESS HOW TO BEST INCORPORATE THEM INTO BUSINESS AND MANAGEMENT OPERATIONS.**

**Constant dialogue 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 main methods of stakeholder engagement are identified in the table on the right.



**EMPLOYEES**

- NEWSLETTERS
- ONGOING COMMUNICATIONS AND TRAINING PROGRAMS
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**SHAREHOLDERS & INVESTORS**

- DIALOGUE THROUGH THE INVESTOR RELATIONS FUNCTION
- REGULAR MEETINGS, WEBCASTS AND CONFERENCE CALLS
- ONGOING WEBSITE UPDATES AND PRESS RELEASES
- REGULAR FINANCIAL UPDATES



**TECHNOLOGICAL PARTNERS**

- REGULAR MEETINGS
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**BUSINESS PARTNERS**

- COMMERCIAL EVENTS
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**CLIENTS**

- COMMERCIAL EVENTS
- OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (i.e. STAMICARBON SYMPOSIUM)
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**LOCAL AUTHORITIES & GOVERNMENTS**

- INSTITUTIONAL MEETINGS
- RESPONSES TO CONSULTATIONS, POSITION PAPERS, ONE-TO-ONE MEETINGS



**CONTRACTORS & SUB-CONTRACTORS**

- ORGANIZATION OF JOINT PROJECTS
- MEETINGS ABOUT AND INVOLVEMENT IN SPECIFIC PROJECTS
- OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (i.e. STAMICARBON SYMPOSIUM)
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**LOCAL COMMUNITIES**

- SOCIAL PROJECTS (I.E. CARAWAN SEASHORE IN OMAN)
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**SUPPLIERS**

- PROCUREMENT DAY WITH KEY SUPPLIERS
- MEETINGS ABOUT AND INVOLVEMENT IN SPECIFIC PROJECTS
- OCCASIONAL KNOWLEDGE EXCHANGE MEETINGS (i.e. STAMICARBON SYMPOSIUM)
- FORMAL INSTRUMENTS FOR MANAGING COMPLAINTS (GRIEVANCE MECHANISM)



**LOCAL ORGANIZATIONS & NGOs**

- INSTITUTIONAL MEETINGS
- ACTIVE PARTICIPATION IN THE ACTIVITIES PROMOTED BY UN GLOBAL COMPACT



**PROFESSIONAL/ CATEGORY ASSOCIATIONS**

- MEETINGS, WORKSHOPS, AND PARTICIPATION IN TECHNICAL COMMITTEES
- PARTICIPATION IN INDUSTRY ASSOCIATIONS, INSTITUTIONAL WORKING GROUPS AND PUBLIC EVENTS

# MATERIALITY ANALYSIS



## 2.3 MATERIALITY ANALYSIS

**MATERIALITY IS ABOUT IDENTIFYING THE KEY TOPICS FOR MAIRE TECNIMONT AND ITS STAKEHOLDERS, WHICH CAN ACT AS MANAGEMENT LEVERS TO CREATE LONG-TERM VALUE TO SUPPORT THE GROUP'S STRATEGY.**

Materiality analysis is a **pillar of our sustainability strategy**, is consistent with the core business and meets stakeholder expectations.

For this purpose, the Group has instigated a **process meeting** the requirements of the **leading sustainability reporting standards**, the GRI Standards, with the goal of **identifying the most relevant topics for the company and its stakeholders**.


The results of the assessment identify the stakeholder relations to be strengthened, our business priorities and the aspects on which to focus sustainability disclosure, as reflecting the organization's most significant economic, environmental and social impacts. The process is shown hereafter.





## THE PROCESS

  
**IDENTIFICATION  
OF RELEVANT TOPICS**

  
**ASSESSMENT OF  
RELEVANT TOPICS**

  
**VALIDATION  
AND REVIEW**

**1** Research and analysis of internal (existing disclosure, internal policies, procedures, etc.) and external sources (review of standard setters' publications and peer/competitor benchmark)

**2** Identification and validation of a topic list with 29 potentially relevant aspects

**3** Meetings with Group representatives for the assessment of the importance of each aspect of the topic list identified in the previous phase

**4** Aggregation of the assessment results provided by each Group representative, through a weighting system based on each sister company's revenues and full time equivalent employees

**5** Development of the materiality matrix

**6** Validation of the materiality matrix and topics identified by the Group CEO

**7** Annually, at the start of the reporting period, review of the topics identified and of the materiality analysis performed

**THE MATERIAL TOPICS THAT HAVE EMERGED FROM THE ANALYSIS ARE CONSISTENT WITH OUR CORPORATE VISION AND REPRESENT THE PILLARS OF OUR CORPORATE RESPONSIBILITY STRATEGY.**

Information on all these topics are disclosed in this report, including those required by Italian Legs. Decree 254/2016 on non-financial statement.



**SOCIAL**

**LABOUR PRACTICE AND DECENT WORK**

Employment

Industrial Relations

Health And Safety Of Employees and Contractors

Human Capital Development

Diversity

**HUMAN RIGHTS**

Human Rights

Indigenous Rights

**SOCIETY/COMMUNITY**

Local Communities

Anti-corruption

Relationship with Public Institutions

Fair Competition

**PRODUCT RESPONSABILITY**

Customer Relations

Responsible Marketing

Safeguard Of Customer

**CROSS THEME**

Responsible Supply Chain

Grievance Mechanism

Ethics and Compliance

**NON GRI SPECIFIC ASPECTS**

R&D and Innovation

Internal Communication

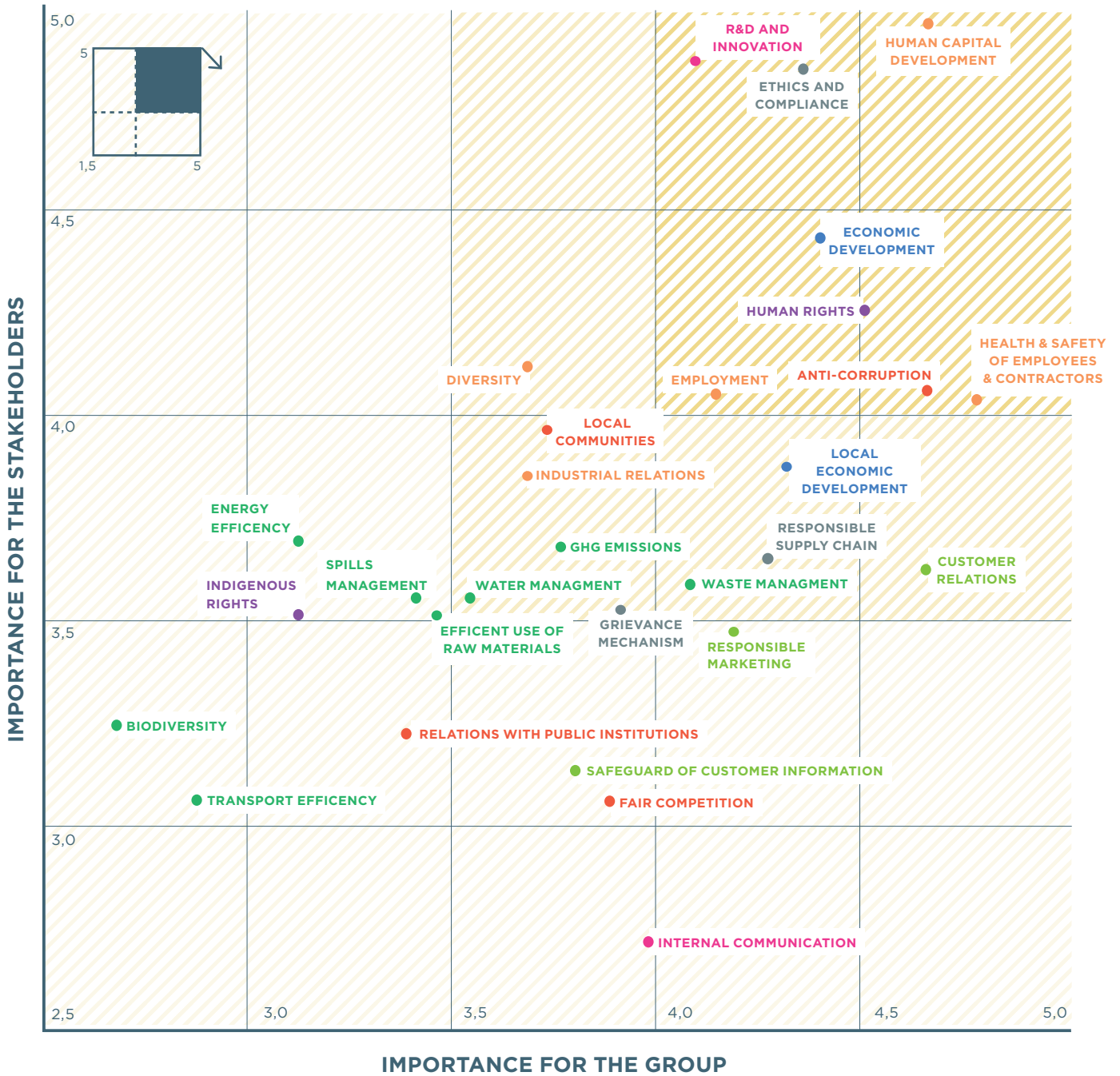


**ECONOMICS**

Economic Development

Local Economic Development

## MATERIALITY MATRIX



## MATERIALITY THRESHOLDS



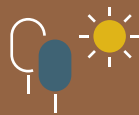
**VERY MATERIAL**  
more than 4.0



**MATERIAL**  
between 3.5 and 4.0



**NOT MATERIAL**  
less than 3.5



## ENVIRONMENT

Efficient Use of Raw-Materials

GHG Emissions

Energy Efficiency

Waste Management

Water Management

Spills Management

Biodiversity

Transport Efficiency

# MANAGING RISKS AND OPPORTUNITIES

## 2.4 MANAGING RISKS AND OPPORTUNITIES

**THE RISK MANAGEMENT PROCESS IS BASED ON GUIDELINES AND STANDARDS DEFINED AT A MAIRE TECNIMONT AND SUBSIDIARY LEVEL IN ORDER TO PROVIDE A TRACEABLE AND TRANSPARENT WAY OF ANALYZING AND CONTROLLING RISKS AND OPPORTUNITIES IN ACCORDANCE WITH THE STRATEGIC OBJECTIVES.**

The process allows the monitoring and controlling of the cross-departmental risks affecting the various corporate functions of the Group (Enterprise Risks) and the operational risks, applied to the commercial phase (Pre-tendering) and bid phase (Tendering) and during the implementation (Execution) of projects.

**At corporate level**, the risks are assessed and reviewed on a quarterly basis for comprehensive control

of the enterprise risks, providing therefore a reasonable assurance that corporate objectives can be achieved.

**At project level**, in order to ensure the analysis and monitoring of risks throughout all the phases of the project life cycle and to prioritize the level of focus/attention on the subsequent phases of Tendering and Execution, a Macro Risk Rating is calculated from the pre-tendering phase for every commercial initiative.



**During the tendering and execution phase**, a specific risk analysis is performed, evaluating the probability of occurrence and the impact, the gross and the residual risk value, and a specific Mitigation Control Plan.

The risk analysis is then regularly updated, depending on the macro risk rating of the project, in order to monitor project risk evolution. The evolution of the risk portfolio is regularly reported to Maire Tecnimont's Control and Risk Committee.

**CONTINUOUS  
INTERNAL COMMUNICATION  
AND TRAINING ACTIVITIES  
ARE PLANNED AND ROLLED  
OUT AS PART OF THE OPERATING  
TOOLS AND REPORTING  
OF THE ENTERPRISE RISK  
MANAGEMENT SYSTEM,  
IN VIEW OF THE MAJOR  
COMMITMENT ASSIGNED  
BY MAIRE TECNIMONT  
TOP MANAGEMENT.**



**«Ethics and compliance as key factors to maintain and strengthen the stakeholder's confidence.»**

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# 03.

# GOVERNANCE

# AND ETHICS

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## SDGs

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## STAKEHOLDER TO WHOM IT CONCERNS

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BUSINESS  
PARTNERS



CLIENTS



PROFESSIONAL  
/CATEGORY  
ASSOCIATION



CONTRACTORS  
& SUB-  
CONTRACTORS



LOCAL  
ORGANIZATIONS  
& NGOs



LOCAL  
COMMUNITIES

## MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

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- ETHICS AND COMPLIANCE
- ANTI-CORRUPTION
- GRIEVANCE MECHANISM





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# 03.

# GOVERNANCE

# AND ETHICS

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**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 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 recent assignment of new tasks in this sphere to the existing "Control and Risk Committee", set up within the Maire Tecnimont Board of Directors.

In particular, the new "Control Risk and Sustainability Committee", so renamed on 25th January 2018, will 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. This Committee has also competencies in sustainability matters and monitors the position of the Company on sustainability topics and in particular on the ethic 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

## 3.1 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 **General 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 **Shareholders' Meeting** according to a slate voting system that protects the rights of the minority shareholders.

The Shareholders' Meeting has appointed the following members of the Board of Directors (**2 executive Directors of 9 appointed Directors**) for the three-year period 2016-2018, i.e. until approval of the company financial statements at **December 31, 2018**.




Further information about corporate governance of Maire Tecnimont can be found in the 2017 Corporate Governance and Ownership Structure Report

## BOARD OF DIRECTORS

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



 Director appointment procedures according to the slate voting system and Director profiles can be found in the 2017 Corporate Governance and Ownership Structure Report

 Further information about diversity of Board of Directors and Board of Statutory Auditors can be found in the 2017 Corporate Governance and Ownership Structure Report

## THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS ARE WELL-BALANCED IN TERMS OF DIVERSITY AND PROFESSIONAL AND MANAGERIAL BACKGROUND.

**5**  
INDEPENDENT  
DIRECTORS  
  
**OF 9**  
APPOINTED  
DIRECTORS

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.

## INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES

	2015			2016			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Number of individuals within the organization's governance bodies by gender</b>	10	5	<b>15</b>	8	7	<b>15</b>	8	7	<b>15</b>
Board of Directors	6	3	<b>9</b>	5	4	<b>9</b>	5	4	<b>9</b>
Board of Statutory Auditors	2	1	<b>3</b>	2	1	<b>3</b>	2	1	<b>3</b>
Supervisory Board according to Legislative Decree 231/2001	2	1	<b>3</b>	1	2	<b>3</b>	1	2	<b>3</b>
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
<b>Number of individuals by age</b>	10	5	<b>15</b>	8	7	<b>15</b>	8	7	<b>15</b>
Under 30 years old	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
31-50 years old	1	3	<b>4</b>	1	3	<b>4</b>	1	3	<b>4</b>
Over 51 years old	9	2	<b>11</b>	7	4	<b>11</b>	7	4	<b>11</b>



Further information on the Governance Structure and Internal Control and Risk Management System can be found in the 2017 Corporate Governance and Ownership Structure Report

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 of Borsa Italiana SpA ("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.

- 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 Board Evaluation can be found in the 2017 Corporate Governance and Ownership Structure Report

In accordance with the Corporate Governance Code and considering the indications provided by the Chairman of the Italian Corporate Governance Committee of Borsa Italiana SpA dated December 13, 2017, the Board of Directors carried out, also in 2017, the annual self-assessment (“Board Evaluation”) on the size, composition and operation of the Board and its Committees. The Board Evaluation is based on a special questionnaire.

The results are shared in advance with the Lead Independent Director and presented to the Board of Directors.

The Chairman of Maire Tecnimont with the support of Group Corporate Affairs, Governance & 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 2017, it has been organized **visits to operating sites and companies** and sessions regarding the **legal framework**, including the new Market Abuse Regulation and on the Group risk management system.

**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
- any other atypical or unusual transaction, 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

Maire Tecnimont has further improved own corporate governance aligning it to the sustainability international best practice standards. In this sphere, as said above, it has been assigned new tasks to the existing “Control and Risk Committee”, set up within the Maire Tecnimont Board of Directors. In particular, the new “Control Risk and Sustainability Committee”, so renamed on 25th January 2018, will 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 the Legislative Decree 254/2016 (“NFS”);

- preliminary examination of Sustainability Report that includes NFS;
- monitoring the position of the Company on sustainability topics and in particular on the ethic indicators of sustainability;
- giving opinions on sustainability topics if they are required by Board of Directors.

Moreover it has been implemented the “Internal Sustainability Committee”, a strategic advisory body for the Managing Director of the Maire Tecnimont SpA 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 in the analysis of the interactions with the stakeholders. In addition, a new function called “Sustainability Reporting Function”, directly reporting to the Chief Financial Officer, has been appointed with the responsibility to draft the Group Sustainability Report (“Sustainability Report”), containing the Non-Financial Statement as per the Legislative Decree 254/2016 (“NFS”). Furthermore, the Function will be in charge of planning and monitoring the Sustainability-related activities, in coordination with the company’s relevant Functions.



# ETHICS AND COMPLIANCE

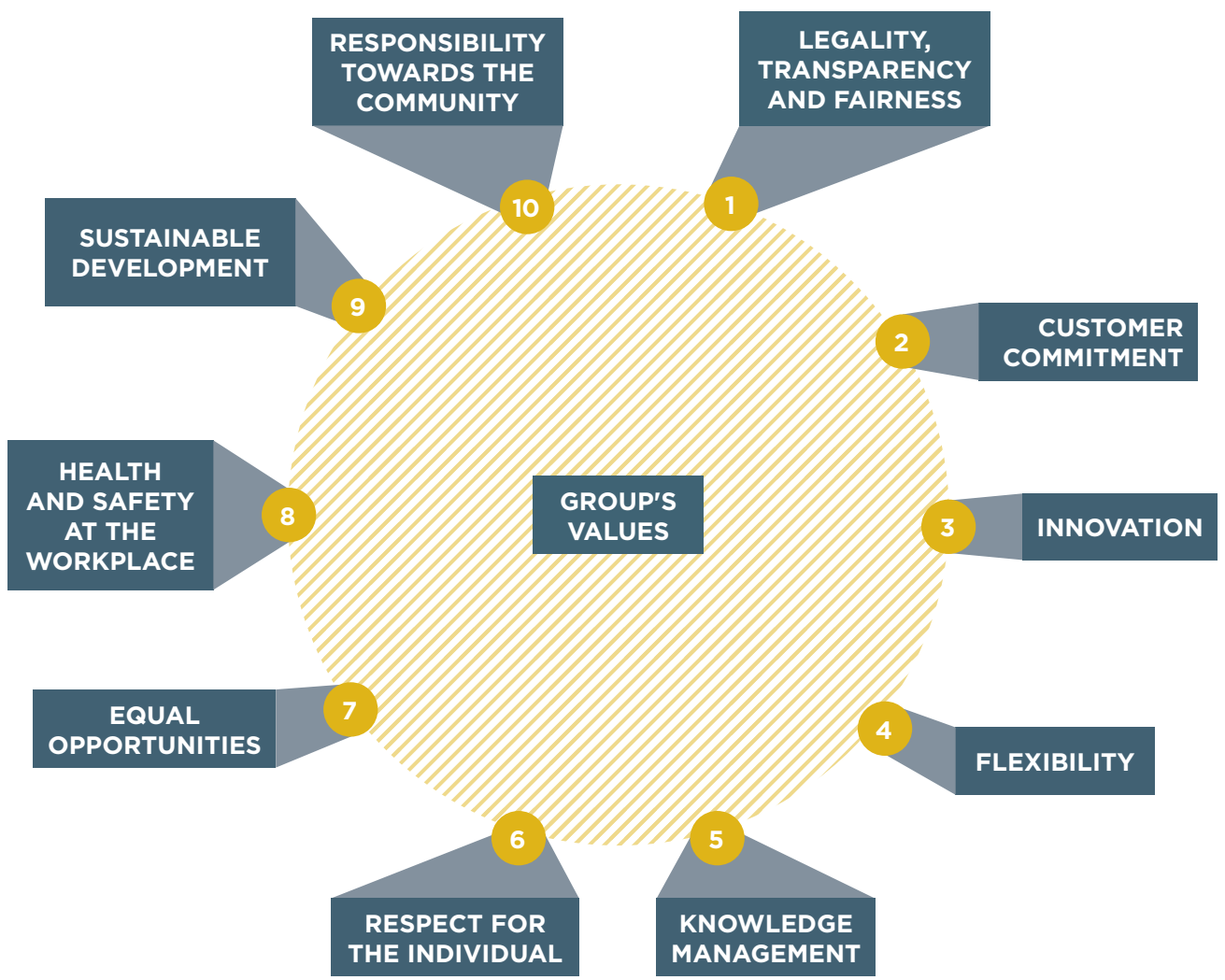
## 3.2 ETHICS AND COMPLIANCE

**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**.

The Maire Tecnimont Group considers it essential to conduct business in **full compliance with the law, regulations, statutory provisions and self-regulatory codes 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.





**1 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 Maire Tecnimont, in Italy and abroad, must adopt the Group Code of Ethics and comply with its content**

## MAIRE TECNIMONT HAS SET OUT THESE VALUES AND PRINCIPLES IN THE GROUP CODE OF ETHICS <sup>1</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>2</sup>.

The Board of Directors of Maire Tecnimont SpA **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 SpA (i.e. "sister companies") have also their own 231 Model and 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 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 have carried out always and everywhere in compliance with ethics and integrity.

The Group's Internal Audit and 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 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 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.

### 3.2 ETHICS AND COMPLIANCE

<sup>2</sup> Recipients of the Group Code of Ethics will hereafter be referred to as "Interested Parties".



## CODE OF ETHICS

**VALUES, PRINCIPLES AND  
CONDUCT GUIDELINES**

**On which Maire Tecnimont Group operations are based**

## GENERAL PART

**GENERAL PRINCIPLES OF ORGANISATION,  
MANAGEMENT AND CONTROL**

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>- Governance and internal control and Risk Management System</li><li>- Risk assessment</li></ul> | <ul style="list-style-type: none"><li>- Disciplinary system</li><li>- Supervisory body and reporting</li><li>- Training and communication of the model</li></ul> |
|--|--|

## SPECIAL PARTS, PROTOCOLS

**GENERAL PRINCIPLES AND CONTROL  
AND CONDUCT RULES**

**Considered appropriate for managing  
the areas for which the potential committal  
of 231 offenses has been indicated**

## STANDARDS, PROCEDURES, REGULATIONS

**OPERATIONAL BASIS OF  
THE CONTROL PRINCIPLES**

**For the risk processes, with indication of the duties  
and responsibilities of the company functions involved**



# FIGHTING CORRUPTION

## 3.3 FIGHTING CORRUPTION

**AS A MULTINATIONAL GROUP CONDUCTING BUSINESS IN OVER 40 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.**

As located in Italy, both Maire Tecnimont and its personnel **are subject to Italian law**, specifically the **provisions of Legislative Decree 231/2001** 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.

Through specific risk assessment (“**Risk Assessment 231**”) it has been identified the activities at risk for crimes provided by **Italian Legislative Decree 231/2001**, including corruption against public administration and corruption between private individuals, and for each of those activities preventive measures have been designed and implemented.



In particular, with reference to cash inflows and outflows, it has been provided that each transaction must be executed in compliance with the regulation

and the system of delegation and proxies, and must be traceable, properly justified and posted in the corporate system.

**THE GROUP CORPORATE AFFAIRS, GOVERNANCE & COMPLIANCE DEPARTMENT, TOGETHER WITH THE GROUP DEVELOPMENT & 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.**

Maire Tecnimont personnel should indeed be **informed of and trained on the importance of compliance with legislation**

**and the 231 Model**, so as to clearly understand the different risks and preventive measures.



Indicator GRI 205-2  
Anti-corruption 2016

## 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 231/2001 and related crimes), the 231 Model and its functioning, the Group Code of Ethics - supported by self-assessment and proficiency tests;

- specific classroom training for structures with a higher risk for the committal of illegal conduct;

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

## IN 2017, SEVERAL TRAINING CLASSES WERE TAKEN BY ALL EXECUTIVE MANAGERS OF MAIRE TECNIMONT AND THE ITALIAN SUBSIDIARIES. THE SCOPE OF THE TRAINING WAS:

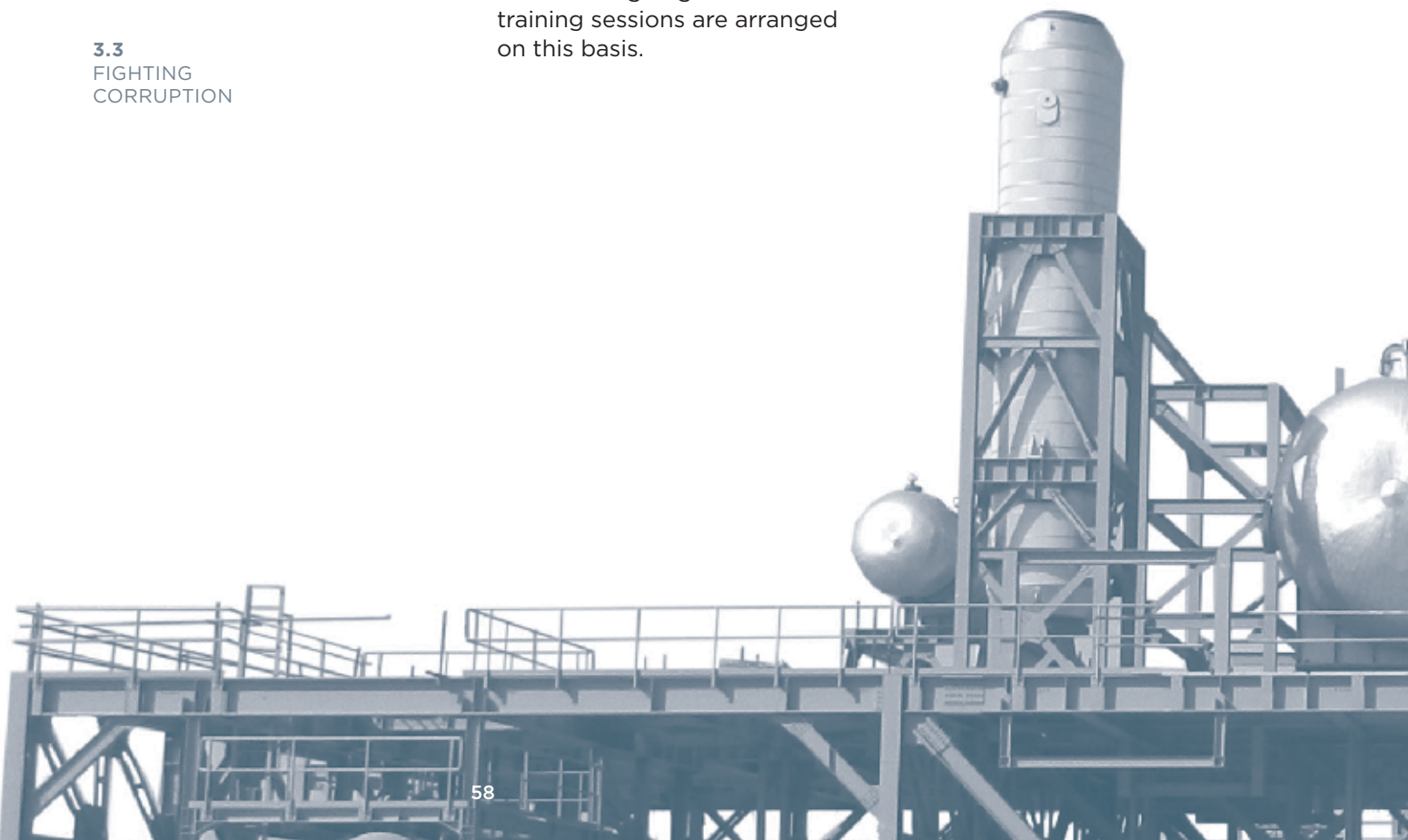
- the provisions of Italian Legislative Decree 231/2001 and related crimes, including the anti-corruption rules;

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

- the structure of the Model 231;

- the Group Code of Ethics.

The first training session was held by the **Chairman and CEO of Maire Tecnimont**, the **Head of Group Corporate Affairs, Governance & Compliance** and the members of the **Maire Tecnimont 231 Supervisory Body**. The updating of the 231 Model is ongoing and the related training sessions are arranged on this basis.



## 231 MODEL COMMUNICATION AND TRAINING ALSO INVOLVE THE GOVERNANCE BODY MEMBERS, I.E. THE BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND THE 231 SUPERVISORY BODY OF MAIRE TECNIMONT AND SISTER COMPANIES.

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.**

Over **the last three years, no incidences of corruption**, both active and passive, or of **discrimination based on race, color, gender, religion, political opinion or national or social origin** have been reported at any company of the Group.

### ANTI-CORRUPTION COMMUNICATION AND TRAINING IN MAIRE TECNIMONT

	2015	2016	2017
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to	15	15	15
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Total number of governance body members that have received training on anti-corruption	15	15	15
Percentage of governance body members that have received training on anti-corruption	100%	100%	100%



# GRIEVANCE MECHANISMS

## 3.4 GRIEVANCE MECHANISMS

### MAIRE TECNIMONT HAS COMMITTED TO INTEGRATING THE VARIOUS MECHANISMS FOR COLLECTING AND MANAGING COMPLAINTS AND REPORTS.

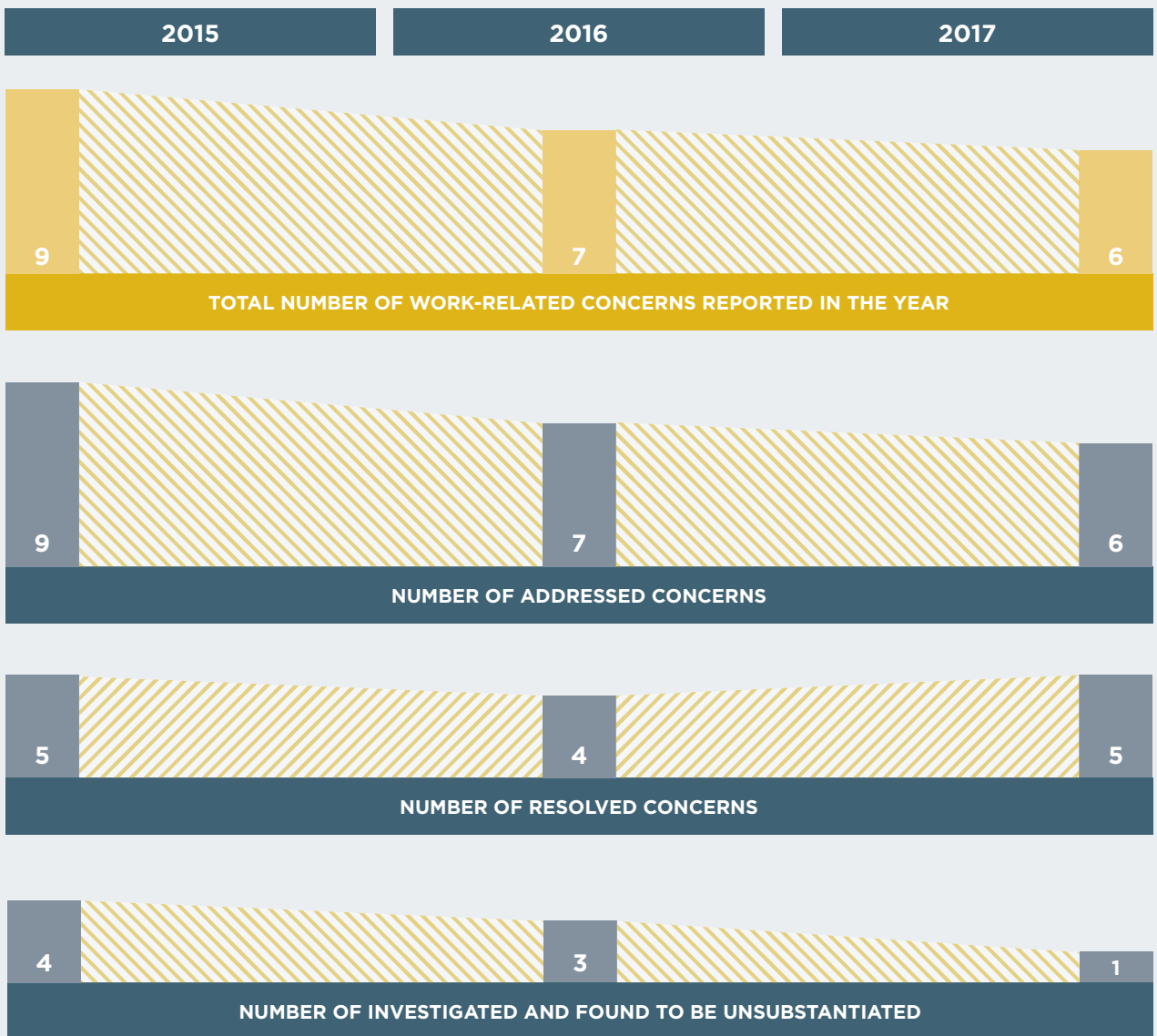
The Group is aware of the importance of these channels to prevent and mitigate any category of abuse and is highly engaged in strengthening and ensuring their effectiveness. The Grievance mechanism is **outlined in the Group Code of Ethics and Model 231** and is therefore **communicated to all employees, suppliers, sub-contractors and business partners** in general.

Violations (or alleged violations) of the 231 Model and/or the Group Code of Ethics **must be reported by employees and third parties to Internal Audit and the 231 Supervisory Body**. For this purpose, Maire Tecnimont has put in place **specific tools** to support

compliance and the fight against corruption and fraud and mismanagement and in protection of whistleblowers. **A dedicated inbox** has been established for the notification of any potential violation of the Group Code of Ethics and the 231 Model.

The Internal Audit and 231 Supervisory Body are responsible for assessing the reports collected and their content, consistency and relevance. Maximum confidentiality of the complainants' identity and compliance with the legislation in force is guaranteed throughout.

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



**IF THE VIOLATION IS CONFIRMED, THE INTERNAL AUDIT DEPARTMENT AND THE 231 SUPERVISORY BODY INFORM, AS SOON AS POSSIBLE, TOP MANAGEMENT OF THE VERIFIED VIOLATION, PROVIDING SUGGESTIONS ON THE APPROPRIATE CORRECTIVE MEASURES TO BE TAKEN.**

**Potential violations** of the Group Code of Ethics and the 231 Model **are all immediately addressed** upon receiving notice.

Over the last three years, **all concerns raised have been resolved**, 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.





**«The development  
of human capital:  
a key success factor  
in an increasingly  
competitive  
environment.»**



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# 04.

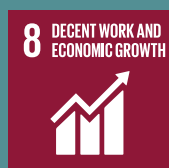
# PEOPLE

# AT THE CENTER

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## SDGs

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## STAKEHOLDER TO WHOM IT CONCERNS

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CLIENTS



EMPLOYEES



LOCAL  
AUTHORITIES  
& GOVERNMENTS



PROFESSIONAL  
/CATEGORY  
ASSOCIATION



CONTRACTORS  
& SUB-  
CONTRACTORS



LOCAL  
ORGANIZATIONS  
& NGOs

## MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

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- EMPLOYMENT
- DIVERSITY
- INDUSTRIAL RELATIONS
- HUMAN CAPITAL DEVELOPMENT
- HUMAN RIGHTS

Our business strategy is perfectly in line with SDGs Nr. 4 and Nr. 5: Skills and competencies development of our People, equal opportunities and respect for Human Rights are indeed core pillars of how we do business and deliver value every day.

**AS OUTLINED BELOW, SPECIFIC SKILL IMPROVEMENT GOALS HAVE BEEN SET BY THE GROUP IN ORDER TO FOSTER THE DEVELOPMENT OF ITS HUMAN CAPITAL - A KEY SUCCESS FACTOR IN AN INCREASINGLY COMPETITIVE ENVIRONMENT.**

Our commitment to these aspects is also reflected in the ongoing improvement of our working environment and in the guarantee for the respect of workers' rights, as well as for the fair and equal treatment of women and men.

Several initiatives and programs have also been promoted and rolled out regarding professional development and work-life balance, as well as to address specific areas of interest, supporting their contribution to the achievement of Group objectives.

We firmly believe in this approach, on which our culture has always been based and which is also a feature of our risk management approach, while also attracting and retaining personnel capable of playing

an active and significant role in the creation of Group sustainable value.

Human Capital is one of the principal assets of our Group: as mentioned above, skilled and committed resources are considered essential elements in an increasingly competitive and complex market.

Excellence, innovation, accountability and team collaboration are key features of Maire Tecnimont Group and our identity.

Operating in more than 40 countries, through approximately 50 corporate vehicles, strengthening our employer brand and enhancing and keeping alive the sense of belonging and engagement of our People are essential requirements.

In this regard, in 2016 the Group launched its new engagement policy to boost employee participation through various levers, such as the Employee Share Ownership Plan and the Flexible Benefits Plan.

In general, depending on the labor regulations applicable and the workforce employed in each country, Group practice is to offer competitive wage levels and compensation packages, as well as a corporate welfare system which responds to the needs of employees and their family members.

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# 04.

# PEOPLE

# AT THE CENTER

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In this regard, the main measures are: transportation facilitations, life and accident insurance, supplementary pension benefits and food allowance.

The remuneration system, at all levels, both in terms of compensation and benefits, is based on the unique principle of assessing the specific level of professional competence, the acquired experience, the demonstrated merit, objectives achieved and the level of growth attained.

The Group moreover recognizes all forms of free association between employees in compliance with the laws in force in the Country of interest. The Maire Tecnimont Group is constantly committed to guaranteeing full compliance with the relative national and international laws, in promoting initiatives which encourage and consolidate a safety and health culture among employees in their workplaces, in addition to prevention and training initiatives, in order to guarantee workplace safety and safeguard the health and psycho-physical integrity of its People.

**IN ADDITION, WE ARE COMMITTED TO MAINTAINING A WELCOMING AND STIMULATING WORK ENVIRONMENT, AS WELL AS ENCOURAGING DIALOGUE AND THE EXCHANGE OF DIFFERENT VIEWS, TO CONTINUOUSLY IMPROVE WORK LIFE AND SUPPORT BUSINESS DEVELOPMENT.**

As further confirmation of this, in 2017 the Group launched for the workforce employed at the Milan headquarters the “BE ADAPTIVE! Working Smart in Maire Tecnimont Group” (Be Adaptive) Program, involving also the trade unions, as specified below.

Their involvement in drawing up and rolling out the Be Adaptive Program, as well as the signing of other major supplementary union agreements in Italy and in the Netherlands, are testament to the good quality of the relationship, based on ongoing dialogue, mutual respect and continuous cooperation, as well as on full respect of obligations, also in terms of prior communication to the union representatives - who are always involved - whenever a major organizational change occurs. Such an industrial relations approach has facilitated the signing of some very innovative agreements, both in terms of welfare and work time flexibility.

In this regard, a particular focus is reserved for the highly innovative trade union agreement for implementation of the Be Adaptive Program, signed with the Workers' Representatives on September 6, 2017, which provides for extensive application, with particular reference to work time flexibility, of the recent “Smart Working” Italian legislation. In addition, in 2017 further various additional union agreements were signed, concerning,

by way of example, funded training, scholarship awards criteria and the participation bonus.

To support the Group growth and diversification strategy, in terms of projects and engineering technology services, as well as geographical reach, in 2017 Maire Tecnimont started the implementation of SAP's Success Factor, a Human Capital Management cloud-based platform, permitting not only a consolidated global view of the entire Group workforce - enabling better and fast HR analytics - but also greater consistency on how resources are developed and managed across the countries where we operate, adopting a comprehensive talent management tool which combines the e-learning management system (LMS) with performance management to facilitate the international mobility and the management of development plans.

Through the platform, employees will have direct access to all their information: from the employment contract to the e-learning training, as well as the appraisal and the related scores.



# EMPLOYMENT

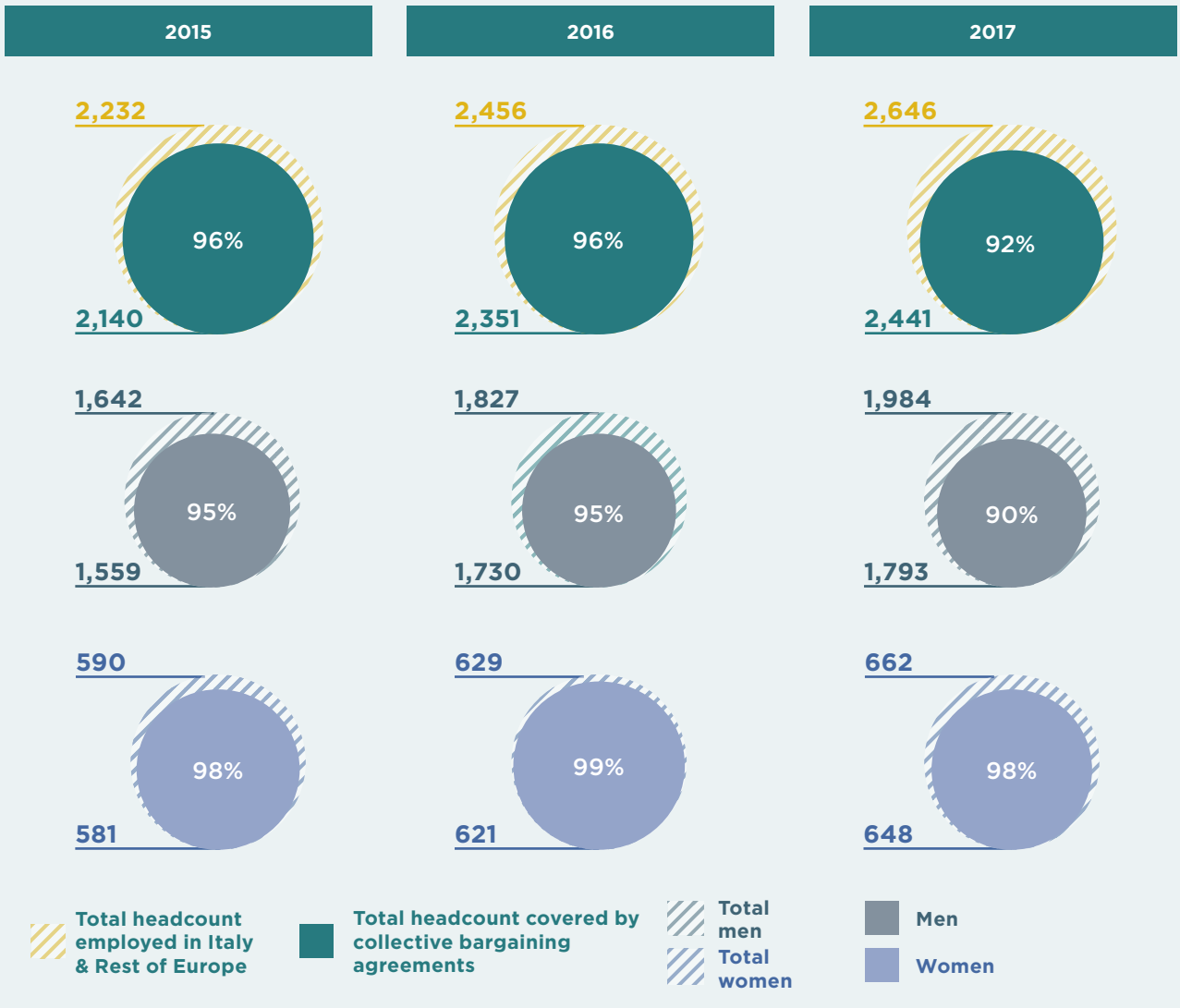
## 4.1 EMPLOYMENT

**ALSO IN 2017, ALMOST ALL OF THE EMPLOYEES IN ITALY & THE REST OF EUROPE AREA HAVE BEEN COVERED BY COLLECTIVE BARGAINING AGREEMENTS.**

**AT THIS REGARD, IT HAS TO BE NOTED THAT MAIRE TECNIMONT GROUP OPERATES ALSO IN COUNTRIES WHERE COLLECTIVE BARGAINING AGREEMENTS HAVE NOT BEEN PUT IN PLACE AND LOCAL LABOR LAW IS APPLIED.**

## NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

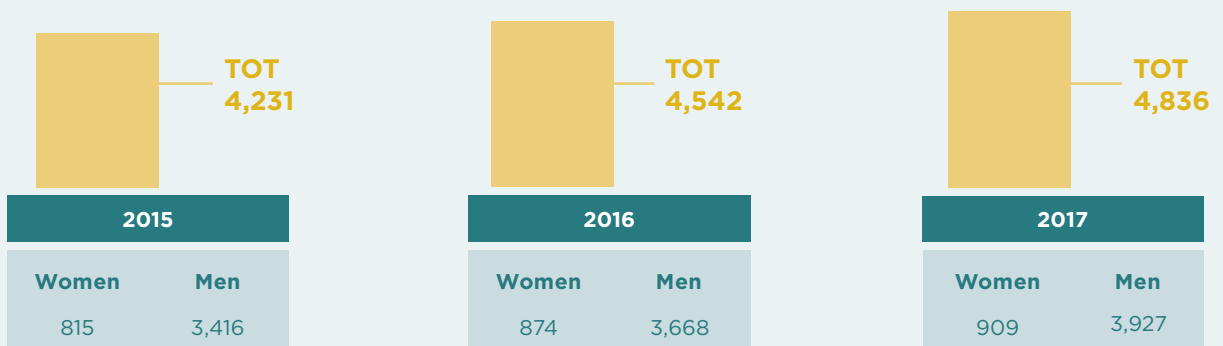
Coverage Rate: 100% of employees on payroll and contracted workforce



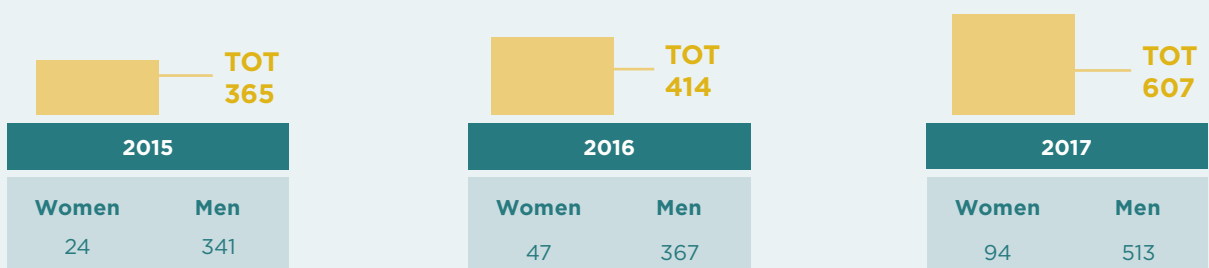
## BREAKDOWN OF TOTAL WORKFORCE PER CONTRACT

Coverage Rate: 100% of employees on payroll and contracted workforce

### PERMANENT EMPLOYEES

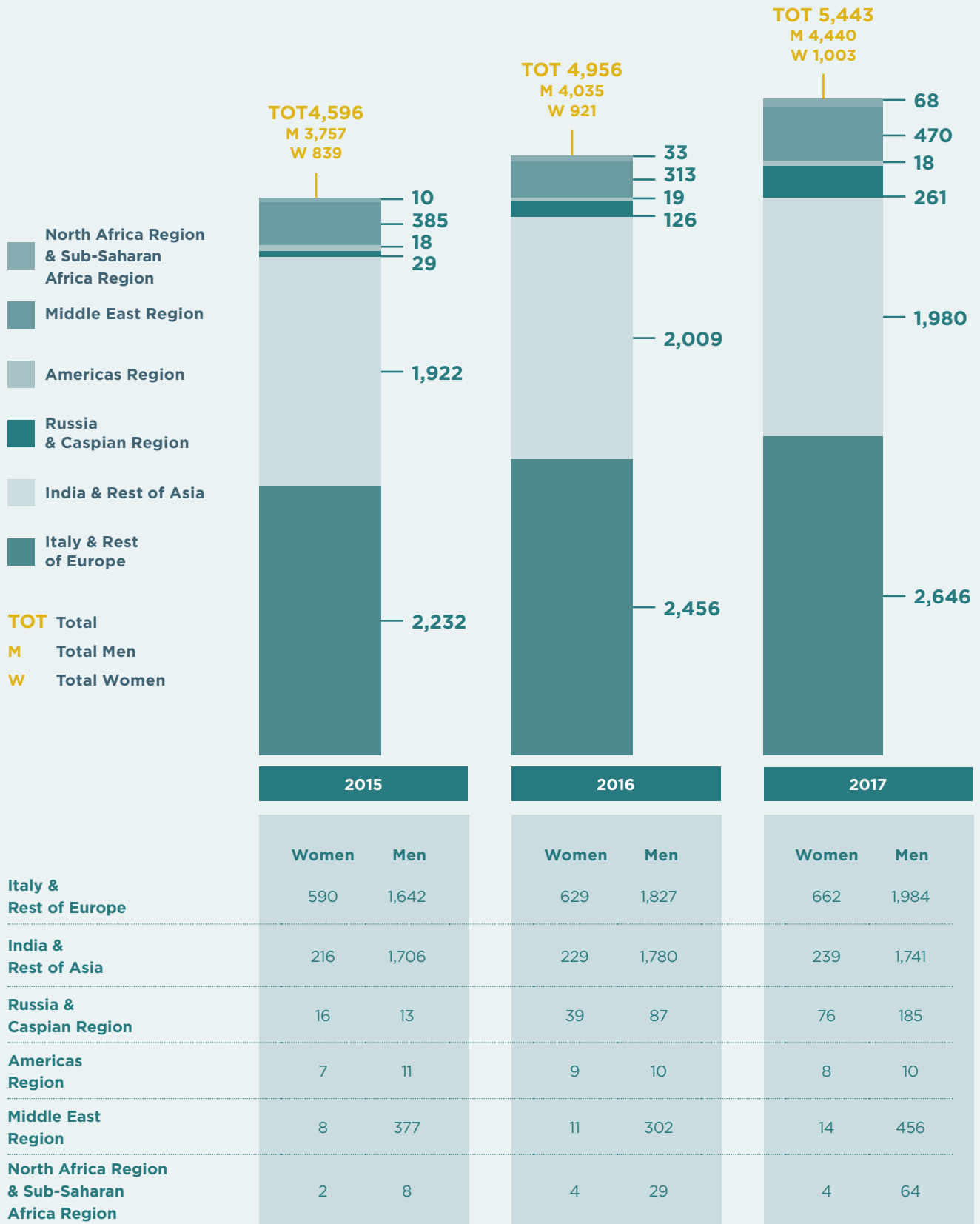


### FIXED TERM EMPLOYEES



## BREAKDOWN OF EMPLOYEES BY HEADCOUNT GEOGRAPHIC ZONE

Coverage rate: 100% of employees on payroll and contracted workforce



## PERMANENT EMPLOYEES: HIRES AND DEPARTURES

(for voluntary reasons)

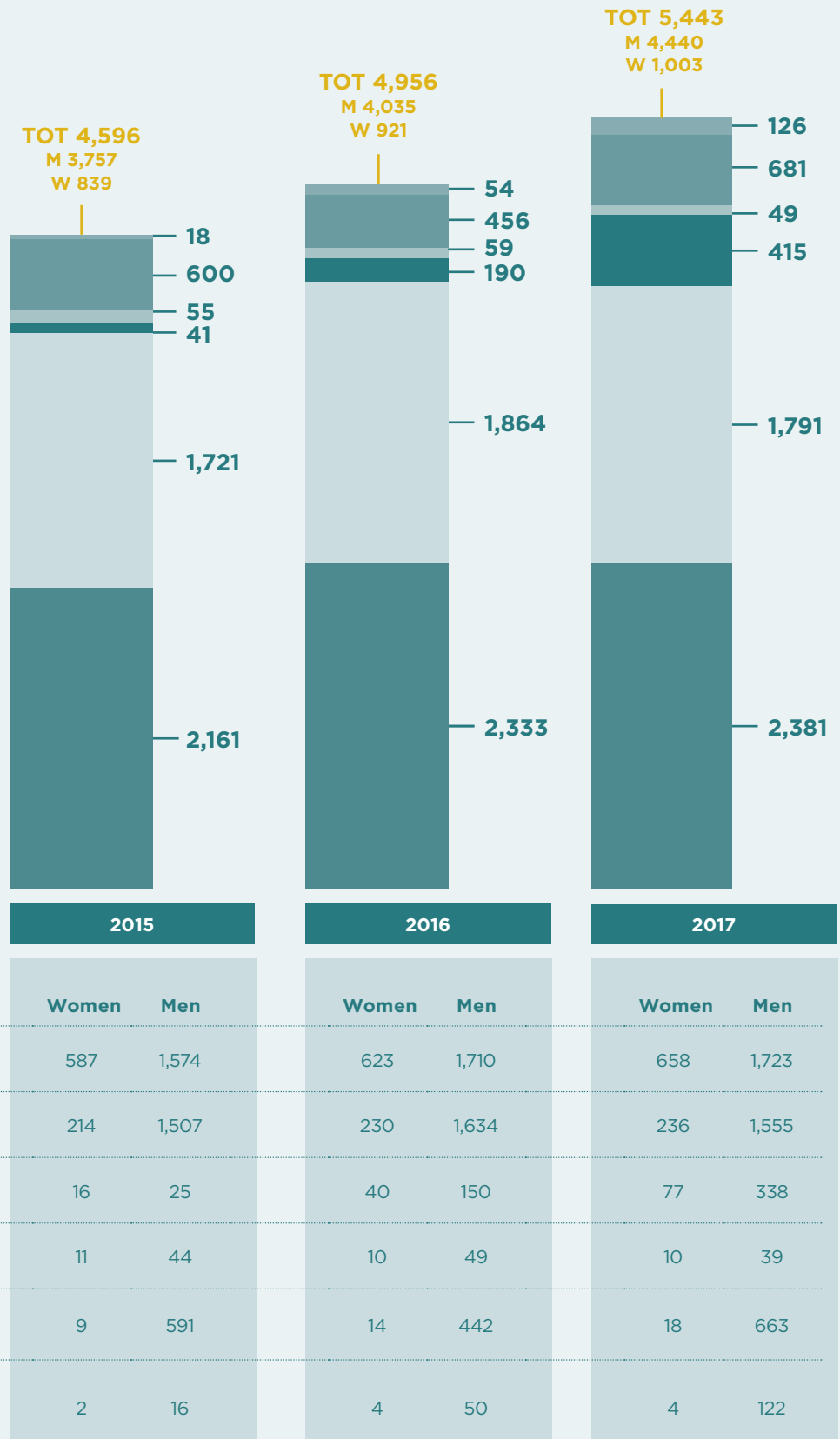
	2015	2016	2017
<b>Hires</b> Permanent employees	629	570	378
<b>Turnover ratio<sup>3</sup></b> on permanent termination for voluntary reasons	3.5%	2.4%	2.9%

<sup>3</sup> The turnover ratio is calculated on total permanent headcount.

## BREAKDOWN OF EMPLOYEES BY OPERATING GEOGRAPHIC ZONE

Coverage rate: 100% of employees on payroll and contracted workforce

The rising headcount in all the key geographical areas of interest demonstrates and confirms the attractiveness of our Group and the effectiveness of our People management policies. 2017 has seen a further increase in the workforce, equal to 10% with reference to 2016, mainly due to the increase in operating activities in the Middle East and Russia and Caspian Region areas.



Account should be taken of the nature of Group business which, as a contracting company, works on large projects with variable durations and natural fluctuations connected to the various operational phases of the projects.

Considering only permanent employees, in 2017 the number of hires was 378 and the turnover rate for voluntary reasons was 2.9%.

# PEOPLE ENGAGEMENT AND REWARD

## 4.2 PEOPLE ENGAGEMENT AND REWARD

Knowing the importance of the elements that drive and determine the level of engagement and motivation of our People is a key factor of Group Human Resources policies. For this reason, **in 2013 Maire Tecnimont carried out the first Engagement Survey of the Group (“YOUR VOICE”), so as to better understand employee opinions on their working experience**, collecting a lot of positive feedback as well as some suggestions on possible areas of improvement.

Thereafter and during the following years the Group has responded to the feedback, shaping various initiatives and programs to maintain and enhance the sense of belonging and the high level of engagement of its People, as described below. In terms of Reward, the remuneration policy of the Company is in full compliance with applicable legislation and matches best practice, while also based on the principles of fair pay and sustainability.

**EVERY YEAR, THE COMPANIES OF THE GROUP PROMOTE THE COMPENSATION POLICY, IN ACCORDANCE WITH THE CORPORATE GUIDELINES, IN ORDER TO REWARD MERIT AND FOSTER THE COMMITMENT TOWARDS THE REALIZATION OF THE GROUP MISSION, CONSIDERING INDIVIDUAL PERFORMANCES, COMPANY GOALS AND MARKET TRENDS.**





**CYCLE OF AWARD OF RIGHTS**

**4,084**  
PARTICIPATIONS

**96%**

2016

FIRST  
CYCLE

**97%**

**4,182**  
PARTICIPATIONS

SECOND  
CYCLE

2017

The Compensation Policy consists of salary increases and variable bonuses, that are always based on and rewarding of professionalism and individual contributions to achieving the Group goals. As an additional reward initiative, **the Group launched the Engagement and Incentive Policy 2016-2018**, to strengthen further people's commitment towards Company challenges.

**EMPLOYEES SHARE OWNERSHIP PLAN**

In order to establish an even more extensive and innovative reward policy, **the Group implemented an initiative** which can be **considered pioneering within our business sector**: the 2016-2018 Employees Share Ownership Plan.

The Plan is designed to encourage involvement of the employees in the Company's value growth and pursuit of Corporate objectives, supporting the Group's development, also through reinforcing motivation and the sense of belonging and

loyalty over the long-term. The Employees Share Ownership Plan envisages a cycle of award of rights for each year of duration (2016-2017-2018) and the possibility to be granted Maire Tecnimont shares for free on the basis of the overall profitability of the Group.

**Almost all personnel involved participated in the First Cycle (2016), i.e. 96%, with 4,084 participations**; the Plan performance was equal to 109%, allowing the grant of a corresponding number of shares.

**The Second Cycle (2017) surpassed the First, with participation by 97% of the employees involved (4,182).**

This Plan is accessible for employees with a permanent contract, since, as already mentioned, considered a lever for strengthening the engagement and the sense of belonging to the Group over the long-term.

<b>MAIRE4YOU</b>
<b>THE REIMBURSEMENT OF MEDICAL AND EDUCATIONAL EXPENSES</b>
<b>INTEREST ON MORTGAGES</b>
<b>ACCESS TO GOODS AND SERVICES</b>
<b>FUNDING OF A SUPPLEMENTARY PENSION SCHEME</b>
<b>VOUCHERS</b>

### MAIRE4YOU

Also under the Engagement and Incentive Policy 2016-2018, the Group launched for most of its Italian Companies a Flexible Benefits Plan called “MAIRE4YOU”, in line with the most innovative compensation policies. **The Plan recognises** to beneficiaries **a personal flexible benefits fund** to be utilized **for a vast range of services**, such as the reimbursement of medical and educational expenses, interest on mortgages, funding of a supplementary pension scheme, access to various goods and services and, lastly, vouchers.

The beneficiaries can access their flexible benefits fund through a dedicated platform, enabling the creation of a package of goods and services satisfying personal and household needs, while at the same time optimizing spending capacity thanks to tax and contribution advantages under Italian law. The “MAIRE4YOU” Plan has also been agreed with the Trade Unions and represents another significant confirmation of the Group’s willingness to value people as a fundamental asset for its success, in the common and shared effort towards the achievement of Group objectives.

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

**The Be Adaptive Program**, launched in December 2016, **has introduced a new way of working in Maire Tecnimont Group**, implementing a “smart working” approach. This Program was carried out in close collaboration with the Research Center of the Polytechnic of Milan, with the main goal of keeping our People at the center, giving them the real possibility of improving their work-life balance and work efficiency by choosing proactively their own best place to work.

To achieve sustainable growth, **the Program introduces new ways of developing working processes and managing human resources**, as well as an innovative organizational model which combines business and individual needs, facilitating the growth of the sense of responsibility and the sharing in achieving Company business objectives.

Since the very beginning of the Program, **the Company has fully involved employees** by giving them the opportunity to identify and propose new solutions, **participating in an ideas contest called “BE ADAPTIVE! – Think Tank”**. Overall, 148 people participated in the contest, presenting a total of 58 business cases, 5 of which were selected as the most complete and closely associated with the Company profile, receiving an award at a dedicated ceremony.

Following this contest, **the Company launched the “BE ADAPTIVE! Working Smart in Maire Tecnimont Group” Program**. While responding directly to a growing trend which our Group is ready for, Maire Tecnimont decided on an approach which is both innovative and specific. In fact, **the employees involved in the initiative benefit from the extreme flexibility of the Program, choosing, according to the relative activity, their own right place to work for up to 4 days per week**. In order to meet colleagues face-to-face and keep contact with the Company, employees have to guarantee at least one day at the office. Another distinctive trait of the Be Adaptive Program - compared to other organizations’ approaches - is the involvement of the greatest possible number of employees: the Program is open to every contract type and category, both short-term and part-time contracts. As anticipated, these and all the other features of the Program were discussed together with the Trade Unions, thus ensuring shared value and foundations.

Such a major change is strongly supported by an extensive change management program that involves both managers and their people, facilitating the transition to the new work approach, through specific development paths tailored to the different roles. In 2017, training initiatives were offered to the employees involved in the first pilot of the Program, in addition to coaching sessions for the managers focused on the new way of coordinating People and the related leadership styles.

## 4.2 PEOPLE ENGAGEMENT AND REWARD

**The objective** of the training initiatives and of the overall change management program **is to develop and strengthen a culture of personal accountability**, based on trust and solid planning capabilities that will enable people to focus their way of working on a result-oriented approach.

The Be Adaptive Program can further improve Company performances through increasing operational and planning autonomy, reducing costs and improving work/life balance. At the same time, the environment and the local communities will benefit from **the CO<sub>2</sub> reduction generated by the choice of working from home or from co-working areas** - thus significantly reducing the usage of public and private transportation. Together with people engagement, **the Group is investing in transforming its physical spaces.**

In order to value the meeting and working opportunities offered by the Hall of the Milan Group headquarters in the Garibaldi Complex, 1,200 m<sup>2</sup> will become "MEETinG", a new co-working hub. This area is in addition to the space hosting the canteen which, thanks to an important requalification initiative, is no longer only the place where to eat but an actual working and meeting space.

#### **MANAGEMENT MEETING - CASCADING PROCESS**

Every year several initiatives are organized with the purpose of engaging our People in Company objectives and enhancing their sense of belonging to the Group. Top Management meets the Executives team, sharing the annual managerial and development priorities and launching the cascading process within the Company to ensure - through their adoption and uniform application across the Group - the goal's achievement.



# DIVERSITY



## 4.3 DIVERSITY

Diversity involves recognizing and valuing the unique contribution people can offer thanks to their individual and cultural background, as well as different skills, experiences and perspectives.

**The Group highly appreciates and promotes the value of diversity**, as well as the importance of creating and maintaining an inclusive and collaborative workplace culture, **to guarantee high level of competitiveness and sustainability to the organization.** This is testified by the fact that over the years of analysis **the number of differing nationalities employed at the Group has increased from 58 in 2015 to 70 in 2017.**

At the Group's Milan headquarters, after Italians, the largest contingent has always been Indian. For this reason, from 2015, the Group decided to organize at the Milan headquarters events to **celebrate the Diwali Festival** with **Indian colleagues.**

With a particular focus on gender diversity and beginning with the Milan headquarters, **the Group introduced a specific policy to support the return to work from maternity leave** and, in general, to assure equal opportunities in respect to employment.

At the Mumbai offices, **it has been formed the "Internal Complaint Committee" (ICC) in order to keep the work environment free from sexual harassment and gender discrimination** and in charge of considering and redressing notified complaints of Sexual Harassment. The ICC has five members, three females and two males. One female member is the Chairperson of the Committee and one female member is from a non-government organization.



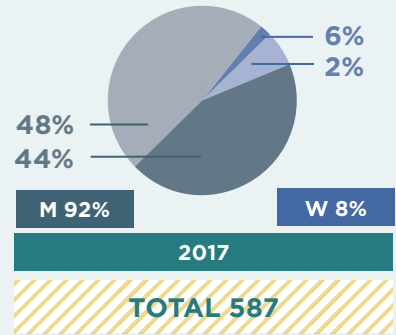
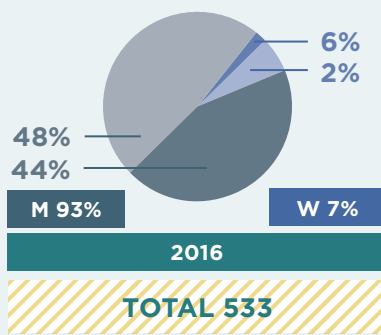
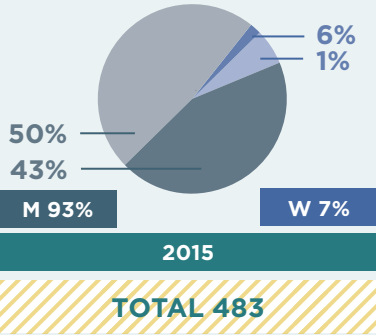
## PARENTAL LEAVE

	2015			2016			2017		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Total number of employees that took parental leave	4	38	<b>42</b>	3	35	<b>38</b>	0	44	<b>44</b>
Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work	1	35	<b>36</b>	3	23	<b>26</b>	2	42	<b>44</b>
Total number of employees that did not return to work after parental leave ended	0	3	<b>3</b>	1	0	<b>1</b>	0	1	<b>1</b>
Total number of employees that returned to work after parental leave ended	3	23	<b>26</b>	2	42	<b>44</b>	0	42	<b>42</b>
<b>TERMINATION RATE</b>	<b>0%</b>	<b>11.5%</b>	<b>10.3%</b>	<b>33.3%</b>	<b>0%</b>	<b>2.2%</b>	<b>0%</b>	<b>2.33%</b>	<b>2.33%</b>
<b>RETURN TO WORK RATE (REPORTING PERIOD)</b>	<b>0%</b>	<b>88.5%</b>	<b>89.7%</b>	<b>66.7%</b>	<b>100%</b>	<b>97.8%</b>	<b>0%</b>	<b>97.7%</b>	<b>97.7%</b>

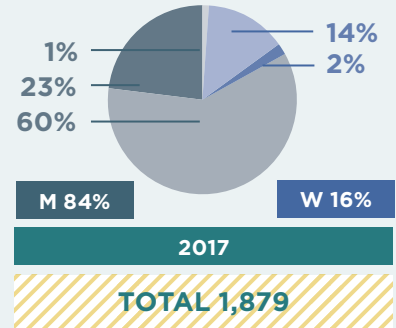
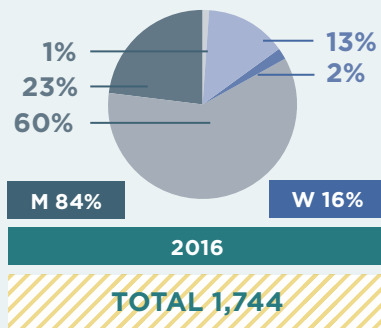
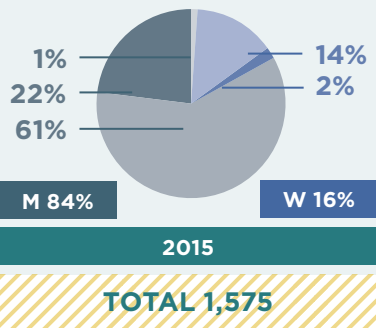
Maire Tecnimont protects work and family balance, granting also parental leave to its employees. In fact, in 2017, the return to work rate was around 98%.

## BREAKDOWN ACCORDING TO CATEGORY, GENDER AND AGE

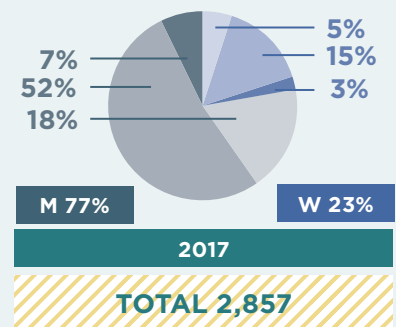
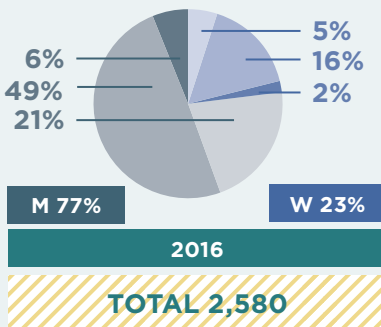
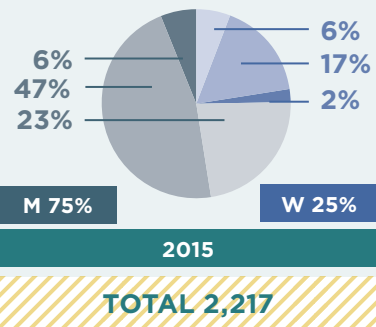
### EXECUTIVE LEVEL



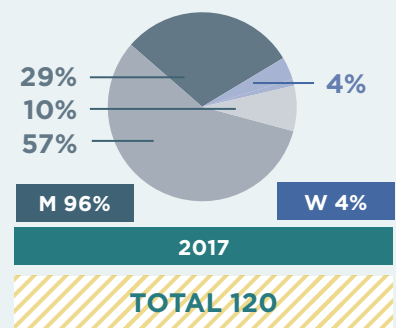
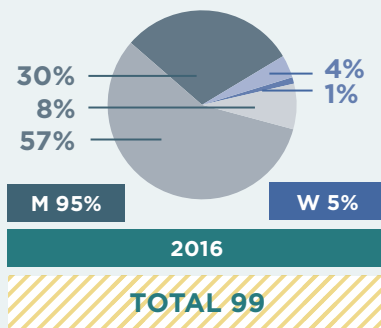
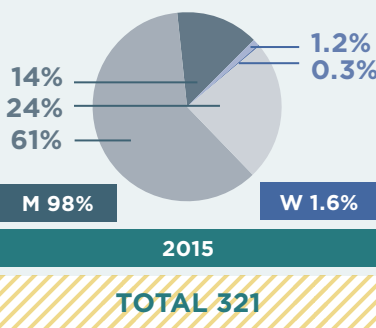
### MIDDLE MANAGEMENT LEVEL



### WHITE COLLAR LEVEL



### BLUE COLLAR LEVEL



### TOTAL HEADCOUNT



Men		Women	
	Over 51 years old		Over 51 years old
	31-50 years old		31-50 years old
	Under 30 years old		Under 30 years old
<b>M</b>	% of Men	<b>W</b>	% of Women

It has to be noted that the percentage of women at the Executive level further increased compared to 2016, while the percentage of women at middle managerial level remained at 16%.

Moreover, the percentage of women in managerial positions – at the Executive level - increased on 2016 to 8%. Similarly, the percentage of women in middle managerial positions did not change at 16%.

## GENDER SALARY GAP <sup>4</sup> (data expressed in %)

### EXECUTIVE LEVEL

AGE	2015	2016	2017
> 50	82	82	80
31 -50	89	92	96
< 30	n.a.	n.a.	n.a.

### MIDDLE MANAGEMENT LEVEL

AGE	2015	2016	2017
> 50	91	92	91
31 -50	92	92	93
< 30	n.a.	n.a.	0

### WHITE COLLAR LEVEL

AGE	2015	2016	2017
> 50	92	94	92
31 -50	94	97	97
< 30	99	99	99

### BLUE COLLAR LEVEL

AGE	2015	2016	2017
> 50	n.a.	n.a.	n.a.
31 -50	70	76	77
< 30	n.a.	n.a.	n.a.

## INCIDENCE OF WOMEN <sup>4</sup> (data expressed in %)

### EXECUTIVE LEVEL

AGE	2015	2016	2017
> 50	6	6	7
31 -50	16	16	17
< 30	n.a.	n.a.	n.a.

### MIDDLE MANAGEMENT LEVEL

AGE	2015	2016	2017
> 50	13	13	12
31 -50	27	27	29
< 30	0	0	50

### WHITE COLLAR LEVEL

AGE	2015	2016	2017
> 50	52	54	54
31 -50	53	49	49
< 30	27	24	26

### BLUE COLLAR LEVEL

AGE	2015	2016	2017
> 50	0	0	0
31 -50	10	13	11
< 30	0	0	0

<sup>4</sup> Data refer to employees of the Italian group companies, with registered office in Italy.

As to gender pay gap, we would like to stress the constant commitment of Maire Tecnimont to introduce remuneration policies aiming to reduce more and more the pay gap between man and women, also across the local companies where it operates globally. Having said that, the gender pay gap is influenced by the dynamics and by the peculiarity of our operations (plants located in remote geographies) therefore we decided to limit the gender pay gap analysis to the primary Italian companies of our Group.

The table above shows that less women are still employed than men (particularly so in the Executive category), but the salary gap is significantly lower than national

average. This is particularly pertinent in view of the latest Global Gender Gap Report results, according to which in Italy female annual work income is 52% of males, with the same percentage (51%) for salaries related to similar jobs.

The table also indicates how the salary gap has been closed over time with reference to basic salaries in the clusters - Executive, Middle Management and White Collar - age range 31-50, showing a gender salary gap that on average is less than 10%. Finally, it has to be highlighted that the gender pay gap referred to employees at the White Collar level under 30 years old is almost zero (less than 1%).

# HUMAN CAPITAL DEVELOPMENT

## TRAINING AND DEVELOPMENT

### 4.4 HUMAN CAPITAL DEVELOPMENT

In order to maintain a high level of expertise at the Group, developing human capital skills and keeping it in line with business needs, Maire Tecnimont Group offers its employees dedicated training and development plans. Therefore, several specialized training initiatives are promoted to strengthen and improve knowledge and skills - decisive factors in the growth of the Company and its Human Capital.

Key staff are involved in qualified training and development paths, driven by both Company needs and personal aptitudes. The initiatives are focused on technical updates, Project Management methods and techniques, Risk Management and Analysis, Contract Management, Economic and Financial issues, intercultural

awareness in the working relationships and managerial and communication skills.

A particular focus is placed on the latter as the Group strongly supports the acquisition of the tools required to improve the effectiveness of conduct, enhancing interaction among colleagues and between managers and their staff, strengthening communication and work dynamics within a team becoming more and more multicultural.

This is why **training initiatives are organized on intercultural awareness and diversity** - which deserve constant attention and make the Group unique.

Almost all the above-mentioned initiatives are designed and delivered in collaboration with



Further information on the specific on-site training can be found in the paragraph 7.2





## TRAINING INITIATIVES

TECHNICAL UPDATES

PROJECT MANAGEMENT  
METHODS & TECHNIQUES

RISK MANAGEMENT  
AND ANALYSIS

CONTRACT MANAGEMENT

ECONOMIC AND  
FINANCIAL ISSUES

INTERCULTURAL AWARENESS  
IN THE WORKPLACE

MANAGERIAL AND  
COMMUNICATION SKILLS

QUALITY

HSE

ENVIRONMENT & SOCIAL  
RESPONSABILITY

HUMAN RIGHTS PROTECTION

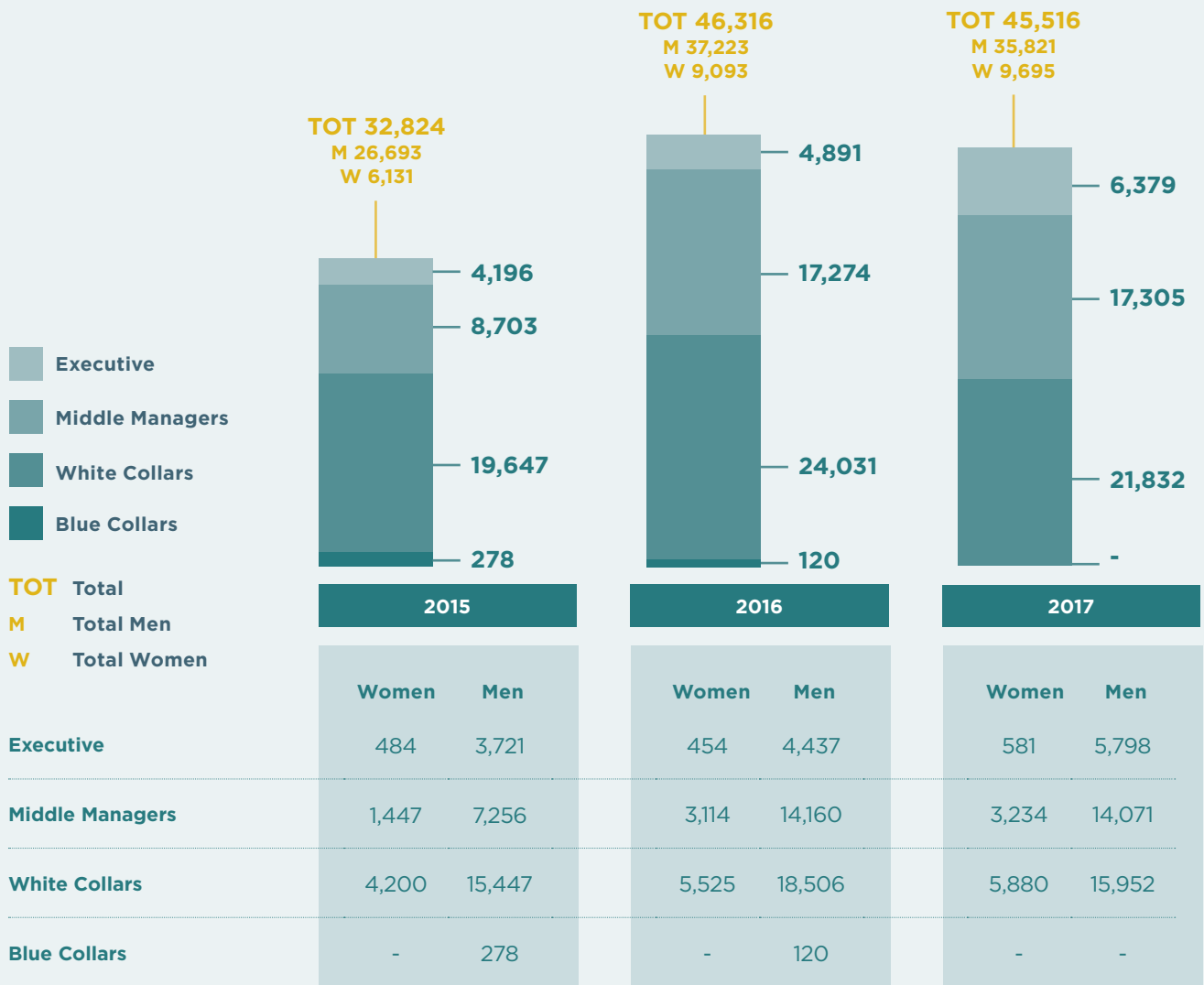
leading consultancy companies, with additional courses handled by in-house trainers who have themselves been properly trained. The Company key roles are involved in dedicated international project management certification programs, giving international validity to Project Management skills and therefore certifying the Group's professionalism as distinctive.

Maire Tecnimont Group undertakes also several training initiatives on Quality, Health, Safety, Environment and Social Responsibility. **Training is also provided on Human Rights protection**, encouraging and maintaining socially acceptable practices in the workplace, **while also obtaining and keeping the SA8000 certification**. Moreover, specific on-site training on these themes is developed as a fundamental asset for high quality performance development, as described in paragraph 7.2. In terms of continuous improvement, specific initiatives and workshops are also organized in order to

facilitate awareness of new procedures and policies, managing the related change management process.

Following the update of the 231 Model, **the Company is also strongly committed to strengthening the knowledge of such Model as well as of the Code of Ethics and Italian Legislative Decree 231/2001**, and in general the anti-corruption area, involving all the employees in training initiatives, either face-to-face or via e-learning tools. **The objective is to both acquire full awareness on the principles of the Model and the operative procedures to be followed during one's activities**, thereby personally contributing to the effectiveness of the Model. Lastly, several personnel development initiatives, dedicated to the key roles among the project taskforces and the Departments, are organized to reinforce technical and managerial skills through coaching programs focused on self-development paths.

## TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY



As per tables above, the Maire Tecnimont Group promotes training for the development of Human Resources, offering all those in similar positions equal opportunities for improvement and professional growth.

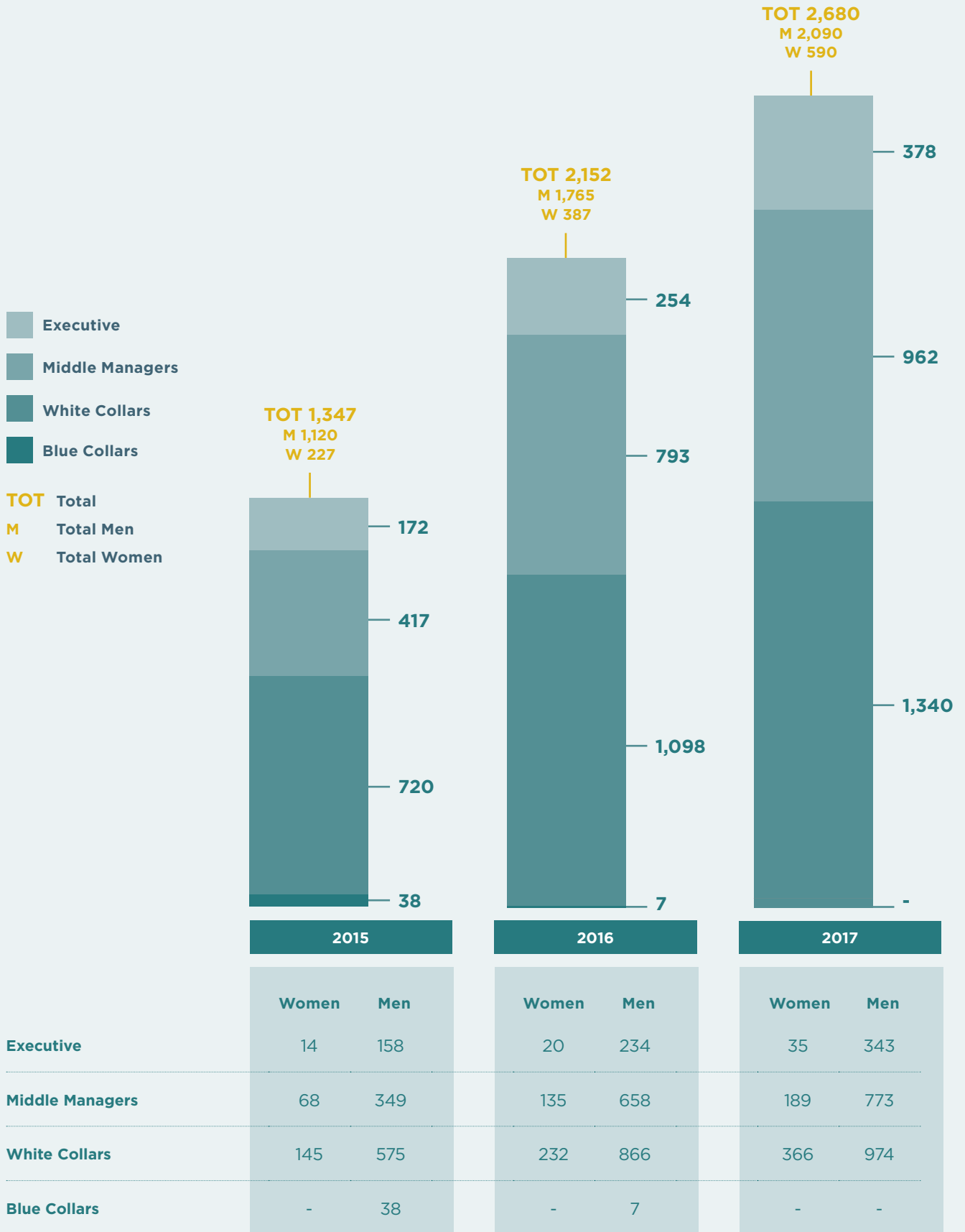
## AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY

	2015			2016			2017		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
Executive	14.24	8.27	<b>8.69</b>	11.64	8.98	<b>9.18</b>	12.91	10.70	<b>10.87</b>
Middle Managers	5.72	5.49	<b>5.53</b>	11.32	9.64	<b>9.90</b>	10.89	8.89	<b>9.21</b>
White Collars	7.68	9.25	<b>8.86</b>	9.18	9.36	<b>9.31</b>	8.96	7.25	<b>7.64</b>
Blue Collars	-	0.88	<b>0.87</b>	-	1.28	<b>1.21</b>	-	-	-

Compared with 2015, in 2016 the Group invested more extensively in training initiatives; this commitment continued in 2017, with a total of more

than 45,500 training hours and an average of 8.3 hours per person.

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



The significant number of training hours for White Collars in 2016 included a major training campaign dedicated to the new ICT systems for key organizational processes (e.g. Procurement). Such training was no longer necessary during the following year, since the relative competences were already acquired and consolidated; this is linked to the slight decrease of this data in 2017.

In the same period, Blue Collar training activities focused on HSE and SA8000 topics, as detailed in the relative chapter. The total number of employees receiving training from 2015 on is on the up, consistently rising from 1,347 to 2,680 employees in 2017, confirming the commitment of the Group to the development of its people.

Some of the main initiatives, at Group level, focused on dedicated training and development plans, are listed below.

#### FOSTERING THE MAIRE TECNIMONT “HERITAGE”

The Company holds Induction courses for Young Graduates in order to support their entry into the Corporate environment and to help them to familiarize with the Company business model and its organizational structure.

#### From the second half of 2017 an extensive revision began, aimed at completely reviewing the onboarding process.

This initiative is part of the wider “MET Academy” project to improve the process of welcoming, onboarding and ongoing support for employees and their professional growth through the development of knowledge and competences. The project, beginning with the mapping of the needs of every Department and the drafting of the onboarding and training on the job programs, will continue through 2018 with the definition of the training contents and their implementation at Tecnimont and KT - Kinetics Technology to begin with.

#### EVALUATING OUR COMPETENCES TO INVEST IN OUR GROWTH

Responding directly to the feedback collected through the “YOUR VOICE” survey, in which employees indicated their need to receive regular feedback on their performance from their managers, **the Group**

**implemented the “Employee Performance Commitment” process**, its Performance Management system based on the Group Leadership Model.

This evaluation process is performed with the purpose of monitoring behaviour, technical competences and results, defining individual development plans which improve skills and capabilities, fostering at the same time the relationship between managers and employees.

The Employee Performance Commitment system is also one of the main levers for integrating our Human Capital on the common platform of shared values and conduct.

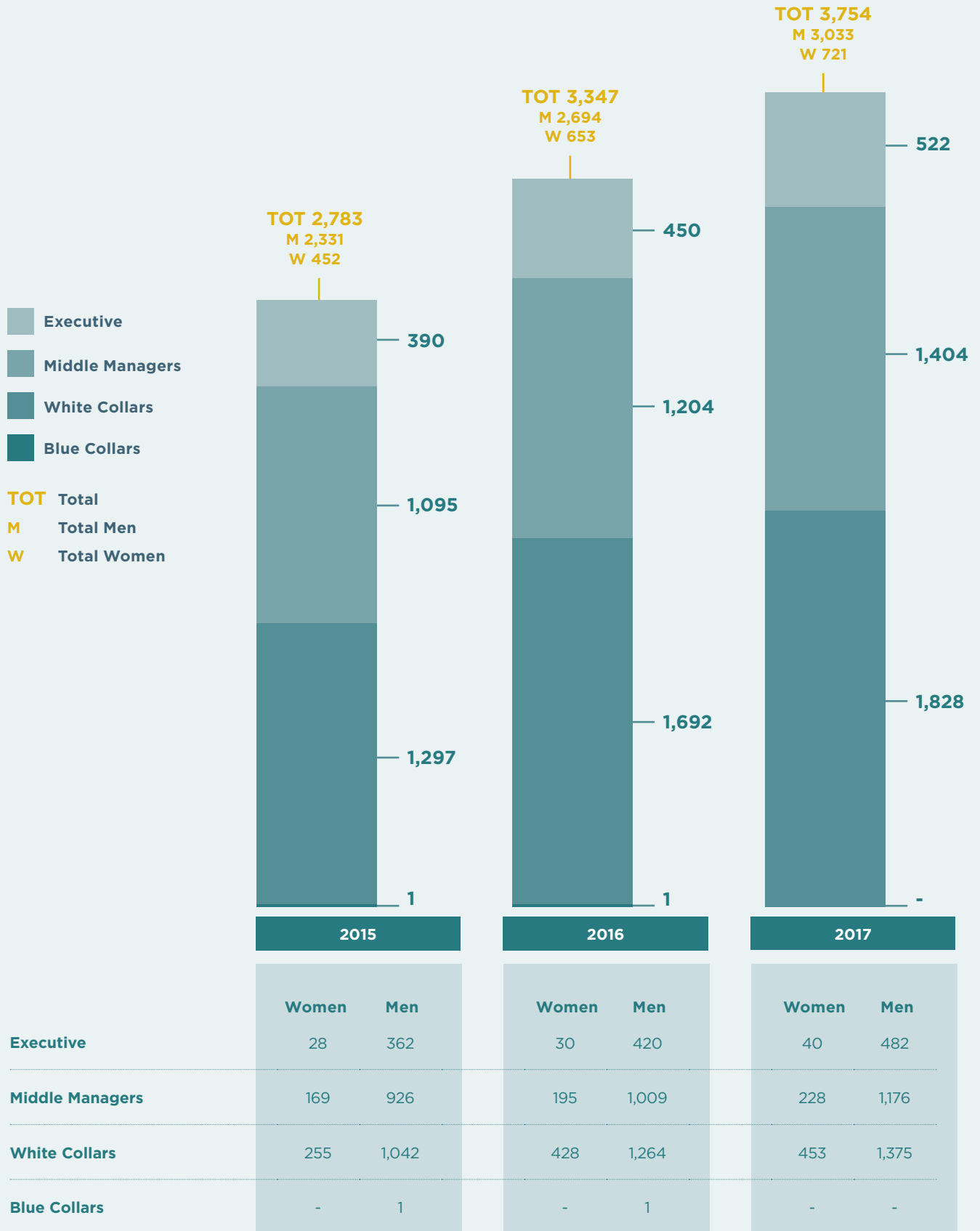
In 2017 the Group launched its first ongoing initiative dedicated to Group Procurement Department personnel: a “Competences Development Program”. The aim of the initiative is to map the current scenario in terms of technical skills, knowledge, define future tailored training paths and create a common mindset within the Procurement Departments. The activities are supported by CIPS, the Chartered Institute of Procurement and Supply – the world’s largest organization dedicated to this area. This excellent and useful tool, enabling people to further strengthen their own technical competences and better execute their daily activities, will allow them to establish specific training and development paths to cover gaps and deliver upon the assigned goals.

#### 4.4 HUMAN CAPITAL DEVELOPMENT

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

	2015			2016			2017		
	Women	Men	TOTAL	Women	Men	TOTAL	Women	Men	TOTAL
<b>Executive</b>	82%	81%	<b>81%</b>	77%	85%	<b>84%</b>	89%	89%	<b>89%</b>
<b>Middle Managers</b>	67%	70%	<b>70%</b>	71%	69%	<b>69%</b>	77%	74%	<b>75%</b>
<b>White Collars</b>	47%	62%	<b>59%</b>	71%	64%	<b>66%</b>	69%	62%	<b>64%</b>
<b>Blue Collars</b>	0%	0%	<b>0%</b>	0%	1%	<b>1%</b>	0%	0%	<b>0%</b>

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



The table indicates an ongoing improvement in the absolute number of employees receiving regular performance and career development reviews (i.e. MBO, incentive plan, performance appraisal) as the Group is strongly committed to ensuring this

approach for all personnel, therefore broadening these processes to more and more employees every year. In order to ensure the effectiveness of the performance appraisal, the employees become eligible for this process after one year of seniority.

# PROTECTING HUMAN RIGHTS



4.5  
PROTECTING  
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.**

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.

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 set the objective of improving the level of social responsibility by obtaining the SA8000:2014 certification.** The standard, whose key elements are based on the UN Declaration of Human

**IN THE PERIOD  
2015-2017**

**TOTAL NUMBER  
OF INCIDENTS ON  
DISCRIMINATION**

**ZERO**  
EMPLOYEES AND CONTRACTORS  
/SUB-CONTRACTORS

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.

## GROUP COMMITMENT FOR WOMEN EMPOWERMENT IN INDIA

Maire Tecnimont Group keeps investing on training opportunities to disadvantaged women in India.

Partnering with the local NGO CORP, our Group for the third year in a row promoted the active participation of Indian women in the economic life of their communities thanks to vocational courses able to generate quality employment and/or micro enterprises (tailoring, beautician, teachers training, computer literacy and income generation programmes).

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 to maximize women attendance. According to the participant reviews and follow-ups, the more women were economically independent the more they increased investment on their children education, so activating 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 to touch at the same time key topics in line with the UN Sustainable Development Goals our Group decided to embrace (SDG 2, SDG 3, SDG 4, SDG 5, SDG 8). Moreover, the involvement of local communities not only as attendees but also as partners in designing the training courses was a plus guaranteed by the local NGO CORP.

Rights, the ILO conventions, international Human Rights norms and domestic labour law, sets voluntary benchmarks to be met by employers in the workplace, regarding workers' rights, workplace conditions and the management system, through a risk-based approach identifying and prioritizing areas of current or potential non-compliance.

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;

- involving and consulting with all stakeholders;

- 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/sub-contractors was 'Zero' in the 2015-2017 period.

# TRAINING ACTIVITIES

## TOTAL NUMBER OF HOURS TRAINING ON HUMAN RIGHTS POLICIES

2017



2016



2015



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: 4,668 hours performed in the year 2017, 1,391 hours performed in the year 2016 and 1,100 hours in the year 2015.

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

	2015	2016	2017
<b>TOTAL EMPLOYEES</b>	<b>4,596</b>	<b>4,956</b>	<b>5,443</b>
<b>Employees for SA8000'S certified companies</b>	1,918	2,132	2,185

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 employees and out of the number of employees of SA8000 certified companies.

	2015	2016	2017
<b>TOTAL EMPLOYEES TRAINED</b>	<b>883</b>	<b>970</b>	<b>2,052</b>
<b>Employees trained</b>	19%	20%	38%
<b>Employees trained for SA8000's certified company</b>	46%	45%	94%

**THE COMMITMENT TO HUMAN RIGHTS TRAINING INVOLVES IN ADDITION TO EMPLOYEES, ALSO SUB-CONTRACTORS. 100% OF SUB-CONTRACTOR WORKERS RECEIVE HUMAN RIGHTS ISSUE TRAINING.**



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# CORE GROUP FEATURES

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## IN COMPLIANCE WITH THE SA8000 STANDARD, 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. The risk assessment is conducted on the basis of the Enterprise Risk Management methodology.

The activities involve risk mapping, risk identification for each company function and risk owner, probability assessments and impacts for active risks and the identification of risk control measures. Furthermore, at each Group Sister Company an SA8000 Workers' representative has been elected to facilitate workers' contact with company management on matters related to Social Responsibility.

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 and 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.



**«Innovation  
and sustainable  
development  
are crucial for  
the creation of  
value for our  
organisation.»**

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# 05.

# TECHNOLOGY, DEVELOPMENT AND R&D

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## SDGs

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## STAKEHOLDER TO WHOM IT CONCERNS

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BUSINESS  
PARTNERS



TECHNOLOGICAL  
PARTNERS



CLIENTS



EMPLOYEES



PROFESSIONAL  
/CATEGORY  
ASSOCIATIONS



CONTRACTORS  
& SUB-  
CONTRACTORS

## MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

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- R&D AND INNOVATION



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# 05. TECHNOLOGY, DEVELOPMENT AND R&D

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**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. With highest priority afforded to open innovation, the Maire Tecnimont Innovation Center (MTIC) was set up to put in place a common platform for assembling a portfolio of patents across Group companies, leveraging and building on the Group's existing experience and expertise.

Maire Tecnimont actively scouts innovative technologies through a dedicated vehicle, MET Gas.

**R&D PROJECTS FOLLOW THE MOST ADVANCED PROJECT MANAGEMENT TECHNIQUES WITHIN A NEW INNOVATION STRATEGY FEATURING A MORE EFFICIENT ALLOCATION OF RESOURCES (HUMAN, FINANCIAL, TECHNOLOGICAL).**



# STRATEGY TO LEAD TECHNOLOGY DEVELOPMENT

## 5.1 STRATEGY TO LEAD TECHNOLOGY DEVELOPMENT

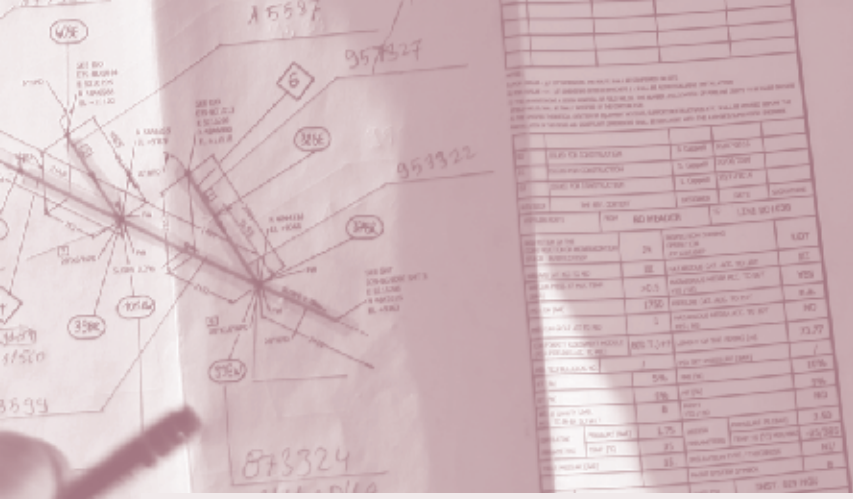
### THE MAIRE TECNIMONT GROUP OWNS AND MANAGES VALUABLE PROPRIETARY TECHNOLOGIES AND INTELLECTUAL PROPERTY PERTAINING TO OIL&GAS REFINING, CHEMICAL AND PETROCHEMICAL, FERTILIZER AND POWER SECTORS.

Technological innovation and engineering improvement investment **have increased in the 2015-2017 period** and is likely to grow further over the coming years.

Green and sustainable and environmental friendly technologies have top priority.

**These goals are all achieved in partnership with several Group Sister Companies:** Stamicarbon, MET Gas, Tecnimont and KT-Kitetics Technology ("KT").

The Maire Tecnimont Group is also developing an **internal process innovation program** in order to maintain its competitiveness on the market, while ensuring both improved engineering methodologies and cost reductions.



**EFFORTS ARE FOCUSED ON:**

<p><b>DEVELOPING INNOVATIVE END-PRODUCTS</b></p>	<p><b>PRODUCING EXISTING PRODUCTS FROM NEW / DIFFERENT RAW MATERIALS</b></p>
<p>e.g. controlled release fertilizers or micro nutrient rich fertilizers</p>	<p>e.g. the production of Ethylene and Propylene from Natural Gas and Acid Gas purification technology to obtain pure methane from Natural Gas, rich in acidic components</p>
<p><b>CUTTING PLANT INVESTMENT AND OPERATIONAL COSTS</b></p>	<p><b>REDUCING THE IMPACT OF PETROLEUM REFINERY, CHEMICAL AND PETROCHEMICAL PLANTS ON THE ENVIRONMENT</b></p>
<p>e.g. “Ultra-Low energy urea plant” requiring 40% less steam for the production of urea, or the H<sub>2</sub>S cracking technology that cuts initial outlay by up to 30%, as well operating costs by up to 30%</p>	<p>e.g. SO<sub>2</sub> emission 1/10 reduction (compared to Best Available Technique “BAT”) with the new generation of Sulphur Recovery Unit, zero ammonia emission technology for urea plants and the “envirocare” scrubbing technology that significantly cuts (5 times) the impact of urea dust emissions</p>

**UNIVERSITIES AND RESEARCH CENTERS**

**Italian universities**

- Politecnico di Milano
- University of Rome “La Sapienza”
- Campus Bio-Medico University of Rome
- University of Salerno
- University of L’Aquila
- University of Bologna
- Politecnico di Torino

**European universities**

- University of Leuven
- Technical University of Eindhoven
- Ecole Des Mines in Paris

**COLLABORATION WITH UNIVERSITIES AND RESEARCH CENTERS**

The 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’s long-standing collaboration with the **Politecnico di Milano** has been further strengthened through research project partnerships, in addition to teaching and the organization of seminars.

The collaboration with the **Campus Bio-Medico University of Rome**, in force since 2011 with the creation of the “University & Private Enterprise Committee”, specifically targets the defining/ updating of course training programs and technological research/development. As part of the concrete support for the University Master’s Degree course in Chemical Engineering for Sustainable Development, the Group also offers the option of completing internships and theses on company premises.

**BUSINESS PARTNERSHIPS**

- Protomation
- Envirocare
- Holland Novochem

**INTERNATIONAL RESEARCH INSTITUTIONS**

- Tecnalia
- Intertek Laboratories

# LICENSING AND PATENT PORTFOLIO



**Technological advantage** is a key strategic asset for the Group. The Maire Tecnimont Innovation Center manages

and develops the Group IP strategy, **protecting the portfolio of patents and developed technologies.**

## 5.2 LICENSING AND PATENT PORTFOLIO

**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 maintains an **Innovation Pipe Line (IPL)** of projects to develop its **proprietary knowledge** to support future business.

are based on a business plan. An incentive system features a bonus when an innovation leads to a patent filing or commercialisation.

Dedicated Innovation Pipe Line sessions collect and assess innovative ideas. R&D and Innovation projects are promoted and further developed where they meet an industrial interest, have realistic development possibilities and

The Maire Tecnimont Group **delivers a number of innovation projects every year** and **actively cooperates with leading research centers and industrial partners** to continuously improve the overall performance of its technologies.





The Maire Tecnimont Group owns **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 2017.

The table lists the amount of families and equivalents. 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.


#### NRs. OF PATENTS OF THE GROUP



109  
FAMILY  
BASED



1,200  
EQUIVALENTS



# INNOVATION AND R&D

## 5.3 INNOVATION AND R&D

**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 OIL&GAS REFINING, CHEMICAL AND PETROCHEMICAL, FERTILIZER AND POWER INDUSTRIES.**

We deliver a number of innovation projects every year, also thanks to the **Maire Technimont Innovation Center (MTIC)**, and actively cooperate with leading research centers and industrial partners to continuously improve the overall performance of our technologies.



**INNOVATION AND R&D**



5

**INNOVATION  
CENTERS**



93

**INNOVATION  
PROJECTS**



~39

**PEOPLE INVOLVED  
IN R&D AS FULL TIME  
EQUIVALENT**



17

**PARTNERSHIPS  
FOR TECHNOLOGICAL  
DEVELOPMENT**

## UREA AND FERTILIZERS

The Maire Tecnimont Group, through its subsidiary Stamicarbon, is focused on sustainable innovation. In particular, it is currently working closely with Sandvik in Sweden to develop the proprietary Safurex material. Safurex is a material that can withstand strong corrosion - a crucial issue in the synthesis of urea from  $\text{NH}_3$  and  $\text{CO}_2$ .



### MATERIAL

#### SAFUREX



### INNOVATION

**Stamicarbon built a granulation pilot plant to facilitate research on granulation together with an equipment supplier.**

Together with a strategic customer, a specialty fertilizers joint development project was carried out. Stamicarbon built a granulation pilot plant to facilitate research on granulation together with an equipment supplier.

In 2017, Stamicarbon invested in Pursell Agri-Tech LLC (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 seed cores of micro nutrients to urea.

In the field of urea, Stamicarbon is working on innovations for dust emission reduction from urea plants (dry finishing project, dust scrubbing pilling towers), standardized design for ammonia/urea plants (Fertco), small scale ammonia/urea plants and product improvement (formaldehyde-free product).

A low energy process for urea was developed, with a first project now being commercialized. Recently, the first adiabatic flash urea plant - developed as part of the innovation program - commenced operations.

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.

## INNOVATIVE TECHNOLOGY FOR NOVEL SULPHUR AND HYDROGEN PRODUCTION

Over the past ten years, the Group has pursued, through its subsidiary KT, technological opportunities for the treatment of  $\text{H}_2\text{S}$ , developing the *Selective Oxidative Auto-thermal*



### MATERIAL

#### HYDROGEN SULFIDE ( $\text{H}_2\text{S}$ )



### INNOVATION

**The driver of S.O.A.P.<sup>™</sup> Research & Development is the idea of taking advantage of the potential high economic value of  $\text{H}_2\text{S}$  when  $\text{H}_2$  is produced in addition to Sulphur.**

*Process<sup>™</sup>* (S.O.A.P.<sup>™</sup>), a new Sulphur Recovery Unit (SRU) concept based on the use of an Innovative Process, an Innovative Proprietary Catalyst and a New Process architecture for the treatment of Sour Gases feedstock.

The driver of S.O.A.P.<sup>™</sup> Research & Development is the idea of taking advantage of the potential high economic value of  $\text{H}_2\text{S}$  when  $\text{H}_2$  is produced in addition to Sulphur. The Novel Process allows cracking  $\text{H}_2\text{S}$  into S and  $\text{H}_2$  utilizing the KT Proprietary Catalyst S.O.A.P.<sup>™</sup>, developed in collaboration with the University of Salerno. The integration of the S.O.A.P.<sup>™</sup>

Process with the KT R.A.R.<sup>™</sup> Process, the Best Available Technique for Sulphur Recovery

Facilities, sets a New Sulphur Recovery Configuration and makes it possible to achieve the goal of "zero emissions" into the atmosphere.

At the beginning of 2015, KT signed an agreement with a Chinese Industrial Partner to construct a S.O.A.P.<sup>™</sup> demonstration plant, which is currently in progress.

In the field of hydrogen production via steam reforming during 2016 and 2017, KT proceeded with the development of an innovative reformer, the main feature of which is the considerable reduction of fuel consumption and  $\text{CO}_2$  emissions by means of internal heat recovery and the adoption of an enhanced next-generation catalytic device which minimizes export steam.

## A TRANSFORMATIVE INNOVATION PROJECT: SILURIA TECHNOLOGIES

Maire Tecnimont is committed to developing innovative industrial processes and technologies. The Maire Tecnimont Group therefore in 2016 acquired a minority holding in Siluria Technologies Inc.

Siluria is a technology company based in San Francisco which has developed innovative industrial technologies for the production of chemicals and fuel made from natural gas. The technologies are based on an innovative and proprietary "OCM" (Oxidative Coupling of Methane) process for the direct conversion of methane into ethylene and propylene.

With this investment, the Maire Tecnimont Group becomes Siluria's exclusive partner for the development, commercialization and licensing of this innovative technology.

The Maire Tecnimont Group and Siluria have combined their respective technologies and expertise to develop and commercialize the GAS TO PROPYLENE Technology, a unique and paradigm-breaking process to directly convert gases rich in methane into one of the most important base chemical products - Propylene.

The technology is now ready for commercialization. The first industrial plant is expected to open by the end of 2020. The largest demonstration plant is located in Texas.

Propylene is one of the main building blocks for the global petrochemical industry, with a total market of approx. 100 Million tons per year.

For decades, propylene has been produced through a high-energy and capital intense process. The significant Capex required and the low energy efficiency of these technologies has historically resulted in the construction of large scale plants (millions of tons per year capacity and multi-billion dollar outlay).

Our GAS TO PROPYLENE Technology makes the production of propylene possible via an innovative process at far higher energy efficiency. This means lower temperatures, the reduced consumption of fossil fuels and ultimately lower greenhouse gases.



**MATERIAL**

**NATURAL GAS**



**INNOVATION**

**GAS TO PROPYLENE Technology makes the production of propylene possible via an innovative process at far higher energy efficiency.**

## SOLAR

Major results have also been delivered in the field of thermodynamic solar through the European Commission funded R&D MATS project, focusing on the use of solar power for the production of electricity, combined with the production of desalinated water.

The project involves the construction of an industrial scale prototype in 2017 and is an important milestone for the commercialization of this novel technology within the next five years. The demonstration plant, located in Alexandria, Egypt, produces 1 MWe and 250 m<sup>3</sup>/d of desalinated water.



**TECHNOLOGY**

**THERMODYNAMIC SOLAR**



**INNOVATION**

**The use of solar power for the production of electricity, combined with the production of desalinated water.**

---

## BIOFUELS PRODUCTION



### MATERIAL

HYDROGEN, CARBON DIOXIDE



### INNOVATION

**KT has started to work on Synthetic Natural Gas (SNG) production starting from carbon dioxide and renewable Hydrogen.**

KT has focused on the use of renewable sources for hydrogen and fuel production based on upgrading biogas plant to produce bio-hydrogen according to steam reforming technology, autothermal reforming and reforming coupled with membrane technology. KT has studied also the production of hydrogen starting from water/ethanol mixtures for centralized and distributed applications.

In order to reduce further its carbon footprint, over the last two years KT has started to work on Synthetic Natural Gas (SNG) production starting from carbon dioxide and hydrogen. A pilot plant has been designed, constructed and tested at the Scientific and Technological Park of Abruzzo. The results confirm the possibility to store excess energy in a high density molecule like methane.

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## NOVEL CHEMICALS AND INTERMEDIATES PRODUCTION

As a follow up to the European Commission funded R&D Project CARENA, KT proceeded with the experimental activities at pilot level on the application of membrane reactors for the production of propylene via propane selective dehydrogenation. The research was performed in collaboration with the University of Salerno.



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## NEW TECHNOLOGY TO SEPARATE ACID COMPONENTS IN THE NATURAL GAS STREAM

As part of the selection of innovative sustainable projects, the Group promoted the "Acid Gas" technology, an innovative process for the separation, by means of cryogenic distillation, of the acid components contained in natural gas streams.

Many natural gas fields contain a significant amount of CO<sub>2</sub>: to make the gas suitable for commercialization and usage, this compound has to be removed. This CO<sub>2</sub>, after being recovered by means of traditional technologies, is currently vented into the atmosphere since, in many cases, re-injection costs make this choice unfeasible. The "Acid Gas" technology, jointly developed by Tecnimont and the Politecnico di Milano, permits the development of these natural gas fields in a more economical and sustainable way. The intrinsic characteristics of the "Acid Gas" technology would considerably

reduce natural gas production costs and CO<sub>2</sub> re-injection costs, thus developing these challenging fields while limiting greenhouse gas emissions.

Following thorough thermodynamic studies, modeling and simulations, in 2016 a laboratory scale pilot plant was built and put into operation. With the execution of a year-long experimental campaign, the "Acid Gas" technology has been successfully demonstrated and validated. During 2017, the main activities focused on the execution of further experimental tests, on the development of a technology design package for an industrial plant, and on the search for an Industrial Partner with whom to collaborate for the scale-up to an industrial size pilot plant, thus allowing the start-up of licensing activities.



### MATERIAL

NATURAL GAS



### INNOVATION

**"Acid Gas" technology, a process for the separation of the acid components contained in natural gas streams, would considerably reduce natural gas production costs and CO<sub>2</sub> re-injection costs.**



## PILOT PLANTS FOR THE DEVELOPMENT OF NEW TECHNOLOGIES

Maire Tecnimont Group's R&D and innovation strategy focuses on the continuous pursuit of new ideas and new applications of existing knowledge, utilising pilot plant for validation of the innovative developed concepts.

Sustainability is the driver of KT's activities, with the Company strongly committed to creating new industrial standards with high added value capable of minimizing energy consumption and environmental impact. Most of KT's pilot plants are installed and operated at the Scientific and Technological Park of Abruzzo, where KT is an industrial partner and has a testing facility area of approx. 1000 m<sup>2</sup>.

The Scientific and Technological Park of Abruzzo is a strategic asset for KT R&D; it is also recognized by the European scientific community as an example of technological

excellence. Over recent years, the park has also been considered a focal point for training and technological networking.

For the experimental validation and demonstration of the "Acid Gas" technology, in 2015 Tecnimont committed to the design and construction of a laboratory scale pilot plant. This plant has been installed and operated in Piacenza at the facilities of a company specialized in running experimental and research plants. The plant was first commissioned and put in operation in 2016.

Fed by gas bottles, the pilot plant has been designed to test a wide range of feed gas compositions, recovering a treated, saleable, natural gas stream and a high-pressure CO<sub>2</sub> by-product.

The successful validation of the technology during the first experimental campaign paved the way for a second experimental campaign to, inter alia, explore the energetic optimization of the process.



### TECHNOLOGY

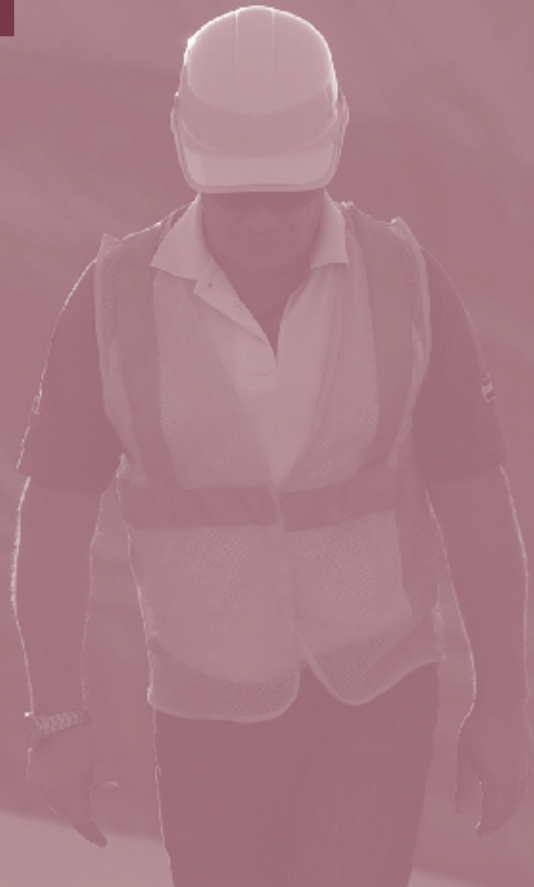
#### "ACID GAS" LABORATORY SCALE PILOT PLANT



### INNOVATION

**The pilot plant has been designed to test a wide range of feed gas compositions, recovering a treated, saleable, natural gas stream and a high-pressure CO<sub>2</sub> by-product.**

# PROCESS INNOVATION



The Group constantly focuses on **stimulating the generation of innovative ideas**.

**SINCE 2014 THE SUBSIDIARY TECNIMONT HAS HELD AN INTERNAL PROCESS INNOVATION PROGRAM DRIVEN BY COMPETITION WITHIN THE MARKET TO ESTABLISH BETTER ENGINEERING PRACTICES AND TECHNOLOGY AS AN ADDED VALUE.**

## 5.4 PROCESS INNOVATION

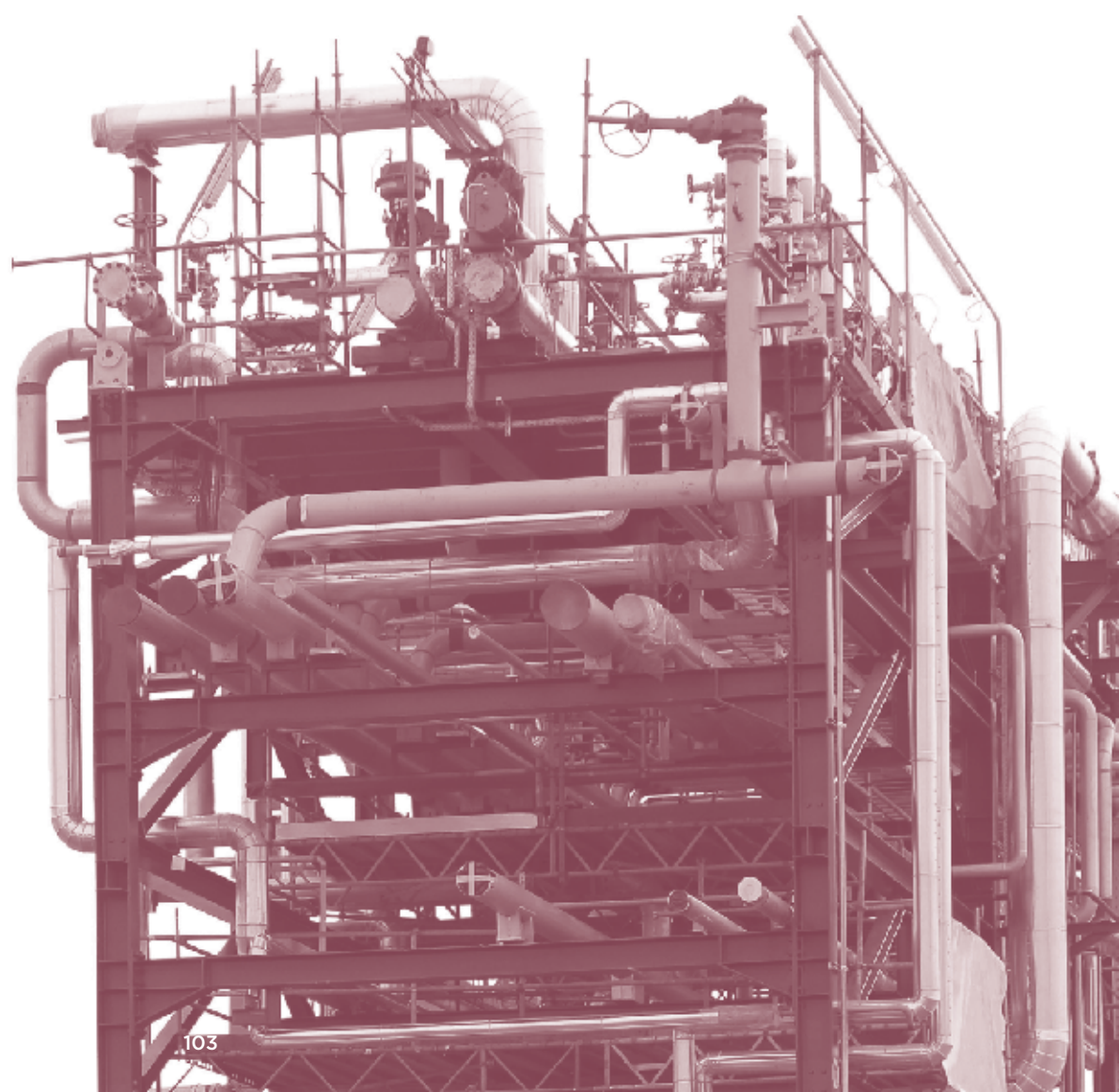
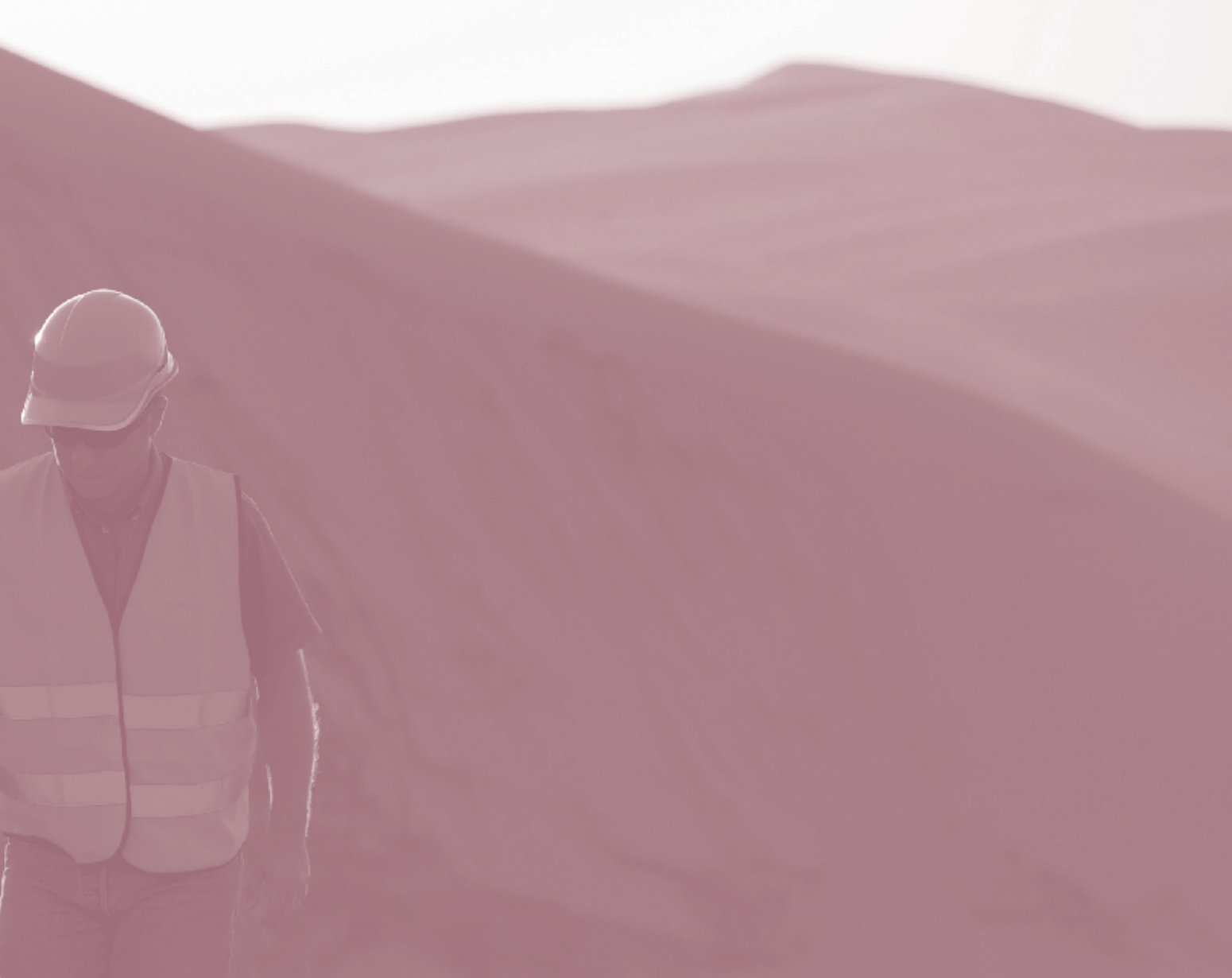
In particular, **cost reduction and improved engineering methodologies are being targeted**.

This has generated a large number of ideas, many of which have been developed and are being applied to EPC projects (Design To Cost).

Several Lesson Learnt have also emerged and new **Company Standards** and codes as well as new Work Instructions have been issued.

In particular, a project for the customization and use of BIM, an innovative building design system, has been launched to extend **BIM application to industrial design** and in particular the design of industrial plant.







**«Interaction with  
local communities,  
reinforcement  
of supply chain,  
creation of value  
for clients to deliver  
sustainable value.»**

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# 06.

# CREATING

# SUSTAINABLE

# VALUE

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## SDGs

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## STAKEHOLDER TO WHOM IT CONCERNS

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BUSINESS  
PARTNERS



TECHNOLOGICAL  
PARTNERS



CLIENTS



PROFESSIONAL  
/CATEGORY  
ASSOCIATIONS



CONTRACTORS  
& SUB-  
CONTRACTORS



SUPPLIERS

## MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

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



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# 06. CREATING SUSTAINABLE VALUE

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**MAIRE TECNIMONT IS AWARE THAT CORPORATE RESPONSIBILITY IMPLIES NOT ONLY THE GENERATION OF ECONOMIC RESULTS, BUT ALSO TAKING INTO ACCOUNT SPECIFIC LOCAL COMMUNITY AND LOCAL ECONOMIC DEVELOPMENT NEEDS, ALONGSIDE STRONG AND RELIABLE SUPPLY CHAIN RELATIONSHIPS AND TRUSTING CUSTOMER RELATIONS.**

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. This is viewed by the Group as a multi-dimensional opportunity - simultaneously bringing economic, social, and environmental benefits to stakeholders.

This approach allows the Group not only to create and deliver sustainable value - considering the importance of projects, the size of plant and the operating locations - but also builds trust in the communities where the Group operates and helps clients to solve complex needs. The presence of the Group in more than 40 countries worldwide diversifies revenue streams and minimizes exposure risks to a particular region. Moreover, the introduction of a structured supplier qualification process (including a social & environmental screening) significantly reduces the risk of technical or financial capacity deficiencies and of supplier non-compliance. In addition, Maire Tecnimont's focus on developing local communities through ad-hoc capacity building activities allows the Group to find the right set of local skills to develop our complex plants.

# MEASURING OUR ECONOMIC FOOTPRINT



**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.**

## 6.1 MEASURING OUR ECONOMIC FOOTPRINT

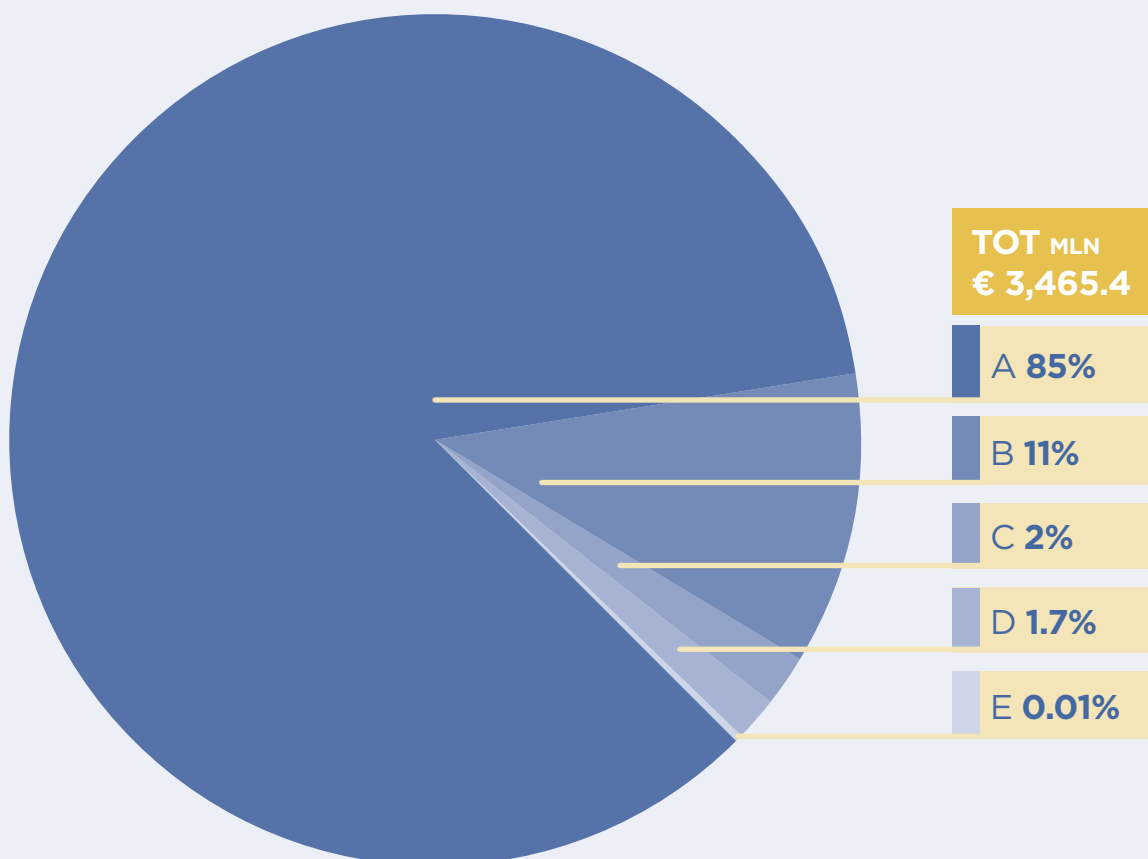
We let our business speak for itself: in 2017, Maire Tecnimont **generated** Economic Value of **€3,557.5 million, increasing 49%** on 2016. This mainly follows the progress made on major projects in the Middle East, Russia, Europe and America.

This value is **distributed** for **€3,465.4 million**, with an **increase of 51%** on 2016, among the components as shown in the following page.

The Economic Value **retained** in 2017 amounts to **€92.1 million**.

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**.

## ECONOMIC VALUE DISTRIBUTED



€3,465.4 MLN		ECONOMIC VALUE DISTRIBUTED
A	€2,948.1 MLN	<b>OPERATING COSTS</b> (PURCHASED MATERIALS, PRODUCT COMPONENTS, FACILITIES AND SERVICES)
B	€383.6 MLN	<b>EMPLOYEE WAGES AND BENEFITS</b>
C	€74.2 MLN	<b>PAYMENTS TO PROVIDERS OF CAPITAL</b>
D	€59.2 MLN	<b>PAYMENTS TO GOVERNMENTS</b>
E	€0.307 MLN	<b>COMMUNITY INVESTMENTS</b>



# INCREASING CUSTOMER VALUE

## 6.2 INCREASING CUSTOMER VALUE

**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.**

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.

Secondly, it takes advantage of **business synergies and cross-fertilization** across the Group,





## FACTORS FOR INCREASING THE VALUE PROVIDED TO CUSTOMERS

BROAD AND INTEGRATED RANGE OF SERVICES

BUSINESS SYNERGIES AND CROSS-FERTILIZATION

HIGH-QUALITY EQUIPMENT VENDORS AND CONSTRUCTION SUB-CONTRACTORS

BE RESPONSIVE TO MARKET DISCONTINUITIES

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 sub-contractors**. 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.

The Group has developed a **first-class reputation in the Gulf Region** by successful 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. It is also continuing to foster expansion in regions without a historic presence, such as Oman, Malaysia, Indonesia, Algeria, Egypt, Nigeria and The Philippines.



**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.**



# MANAGING A SUSTAINABLE SUPPLY CHAIN

THE MAIRE TECNIMONT GROUP  
IS CONSCIOUS  
OF THE KEY ROLE  
OF THE SUPPLY CHAIN  
IN ITS BUSINESS.

## 6.3 MANAGING A SUSTAINABLE SUPPLY CHAIN

2017 HIGHLIGHTS	
Active suppliers (at least one order placed in 2017)	4,100+
New positive qualifications with social and environmental requirements	469
Qualification audit performed	42
Total purchasing value	€2.20 BLN
Purchasing value on local suppliers	€1.4 BLN

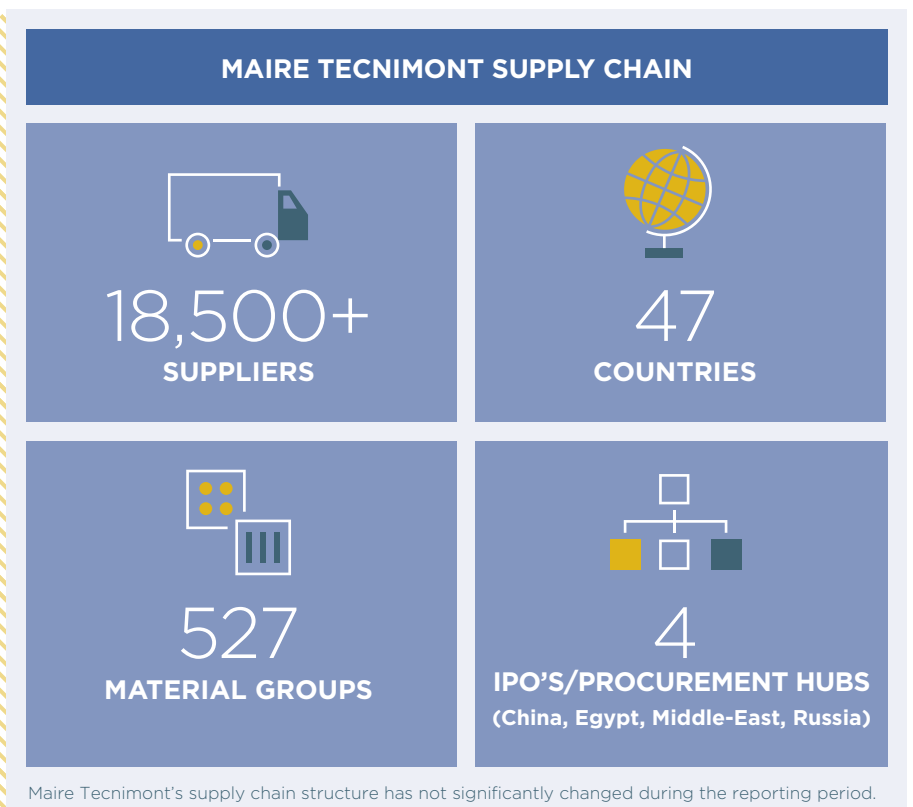
In order to make it stronger and more sustainable, over recent years a **focus** on **vendors committed to equal opportunities**, respect

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 strong and measurable pillars.**






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

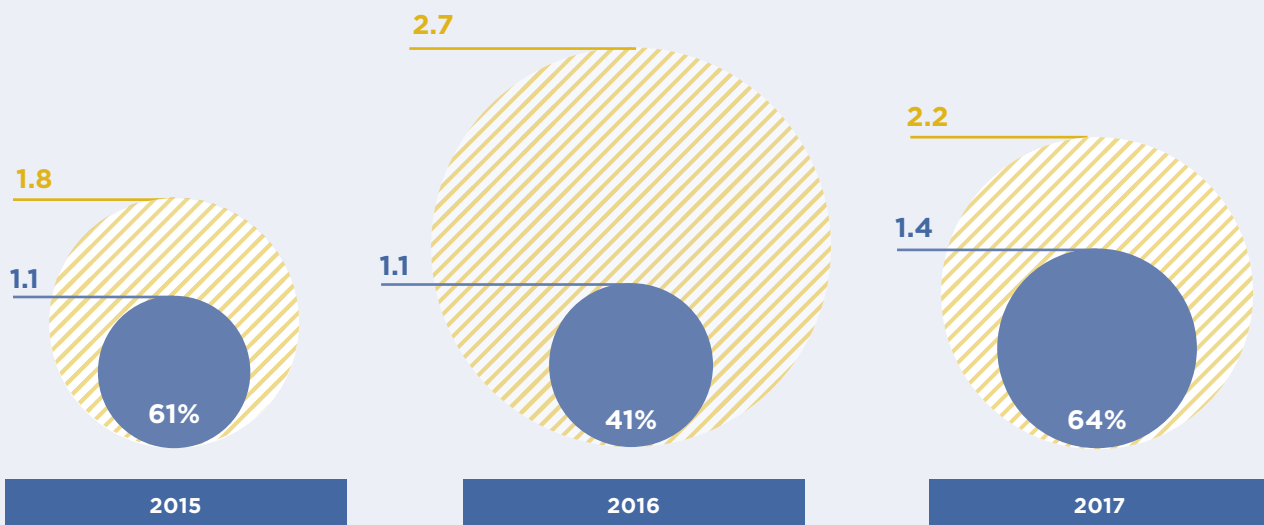
Managing projects and markets all around the globe, Maire Tecnimont Group decided to create International Procurement Offices (IPO's) as the local face of the Group. Market opportunities, both on the sell side and the supply side, are finalized through this hub.

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 FOLLOWING TABLE WITH A FOCUS ON THE VALUE OF LOCAL PURCHASING SPENT. IN 2016, THE GROUP SAW VALUES INCREASE - MOSTLY AS SOME PROJECTS WERE IN THE SAME PROCUREMENT PHASE SIMULTANEOUSLY.**

**PERCENTAGE OF THE PROCUREMENT BUDGET USED FOR MAJOR OPERATIONAL LOCATIONS SPENT ON LOCAL SUPPLIERS <sup>5</sup> (BILLION EUR)**

-  Total purchasing value <sup>6</sup>
-  Total purchasing value spent on local suppliers <sup>7</sup>
-  Percentage of purchasing value spent on local suppliers



<sup>5</sup> Maire Tecnimont considers Russia, the Middle-East and Europe as significant operational locations.

<sup>6</sup> Refers to the committed value for goods and services.

<sup>7</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").

**THE MAIRE TECNIMONT GROUP IS CONSTANTLY FOCUSED ON CHOOSING AND DEVELOPING STRONG RELATIONSHIPS WITH SUPPLIERS THAT MEET OR EXCEED THE HIGHEST STANDARDS FOR SUSTAINABILITY.**

## SEENERGY

In June 2017, the Maire Tecnimont Group organized the “SEENERGY” Event, meeting our main suppliers and stressing that the Maire Tecnimont approach to its suppliers is not a mere Client-Vendor approach, but represents true industrial and technological cooperation where both sides benefit from each other.

The event has been crucial in sharpening the focus on Social and Environmental issues. More than 120 chief executive officers and sales directors of Italian and international multinationals attended the event, representing more than €520 billion of turnover and a workforce of more than 2 million around the world.

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

■ Supplier qualification via questionnaires on the E2Y platform and on-site audits

■ On-site inspections

■ Tender management (negotiation + order)

■ Performance measurement and evaluation

### THE QUALIFICATION PROCESS IS THE GATE

The first part of the procurement process is vendor qualification, assessing the applicant by focusing 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 ARE HANDLED THROUGH THE E2Y PLATFORM THAT ENSURES THE TRACEABILITY AND CONSISTENCY OF THE DATA EXCHANGED.

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

In 2015, Maire Tecnimont launched 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 - without compromising the quality of the supplier.



**THE MAIRE TECNIMONT GROUP QUALIFICATION PROCESS, WHICH IS MANDATORY ONLY FOR SPECIFIC TYPES OF MATERIALS AND SERVICES PURCHASED, REQUIRES THE POTENTIAL SUPPLIER TO REGISTER AND FILL IN QUESTIONNAIRES ON THE WEB, INCLUDING INFORMATION ABOUT THE ENVIRONMENT, SOCIAL ACCOUNTABILITY AND HEALTH AND SAFETY.**

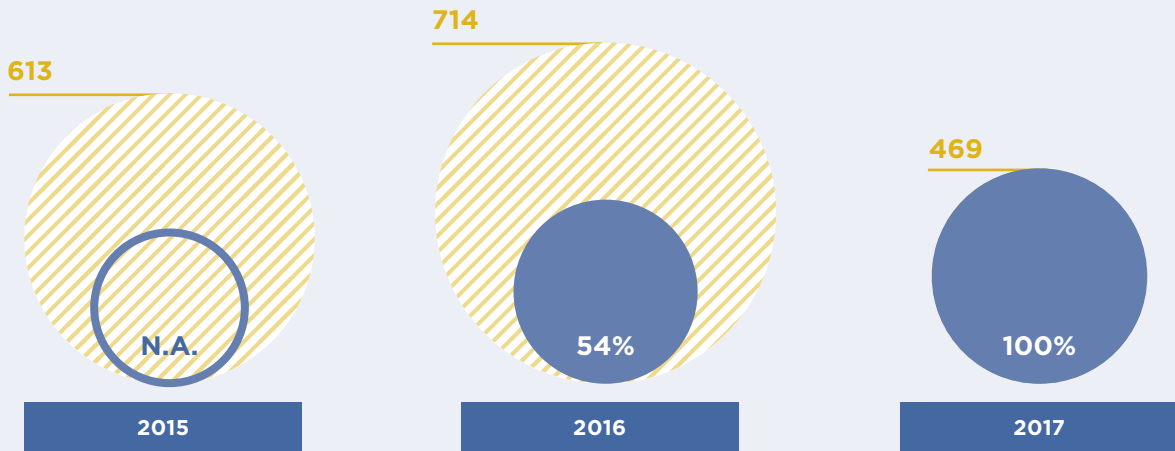
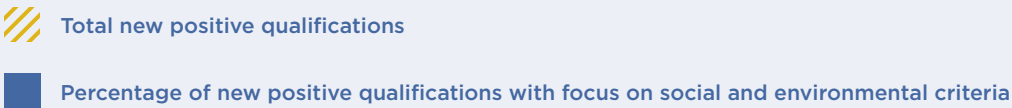
Only after passing the assessment may the supplier qualify for the specific commodity and receive orders.

At present **100% of new suppliers are screened on environmental and social criteria**. Depending on product/service offered, suppliers are subjected to due diligence to evaluate their compliance in the following area:

- Health, Safety and Environment
- Human Rights
- Labor practices
- Compliance (code of ethics, anti-corruption, anti-terrorism).

In 2017 alone, we managed **405 qualification questionnaires**, all of which included social and environmental criteria.

**NEW SUPPLIERS SCREENED USING SOCIAL AND ENVIRONMENTAL CRITERIA**



The figures reported above indicate the total amount of new qualifications screened by the Maire Tecnimont Group and the percentage with social and environmental criteria over the

years. Thanks to the launching of the new procurement platform (E2Y) in May 2016, the Group has introduced social and environmental criteria for all new qualifications.



After passing the qualification process, the supplier can participate in tenders. From tender to order, the Maire Tecnimont Group **shares with the vendor all its**

**Terms and Conditions** that include environmental and social requirements in order to stress the importance of sustainability throughout the supply cycle.

**PERIODICALLY  
DURING THE YEAR,  
ALL THE FUNCTIONS  
INVOLVED WITH  
THE SUPPLY CHAIN ANALYZE  
SUPPLIERS' PERFORMANCES  
TO DECIDE  
WHETHER TO CONTINUE  
COLLABORATION,  
ASK FOR CORRECTIVE  
ACTIONS OR TO REVIEW  
THE QUALIFICATION STATUS.**

THE MAIRE TECNIMONT GROUP RECOGNIZES THAT RESPECT FOR THE INDIVIDUAL, FOR HIS/HER DIGNITY AND FOR HIS/HER VALUES ARE A FUNDAMENTAL ASPECT OF ITS IDENTITY AND OF ITS CONDUCT, AND REJECTS 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). THE MAIRE TECNIMONT GROUP IS COMMITTED TO GUARANTEEING A HEALTHY, UNTRoubLED, SAFE AND OPERATIONAL WORKPLACE, IN ORDER TO ALLOW EVERYONE TO EXPRESS THE FULL POTENTIAL OF THEIR HUMAN AND PROFESSIONAL QUALITIES.

THE MAIRE TECNIMONT GROUP CONSIDERS THE PROTECTION OF OUR ENVIRONMENTAL HERITAGE TO BE A CRUCIAL PART OF ITS STRATEGIES AND CHOICES. IT IS THEREFORE COMMITTED TO ACTING IN FULL COMPLIANCE WITH EXISTING NATIONAL AND INTERNATIONAL LAWS AND TO PURSUING A MODEL OF SUSTAINABLE DEVELOPMENT, ENSURING THE ADOPTION OF ALL MEASURES AND TECHNOLOGIES THAT GUARANTEE THE REDUCTION OF ENVIRONMENTAL IMPACT, THE MAXIMIZATION OF ENERGY EFFICIENCY, THE WISE MANAGEMENT OF NATURAL RESOURCES, THE REDUCTION OF WASTE AND ITS RECYCLING, AND THE CONTAINMENT OF POLLUTING EMISSIONS.

MAIRE TECNIMONT GROUP CODE OF ETHICS



# DEVELOPING LOCAL COMMUNITIES

## LOCAL CONTENT STRATEGY

### 6.4 DEVELOPING LOCAL COMMUNITIES

Local Content Dynamization has become our main way of operating in both established and developing markets, ensuring not only a durable and profitable presence worldwide but also business and personal development opportunities at a local level in the markets in which we operate.

Wherever it operates in the world, Maire Tecnimont plays an **active role in local community development**, contributing to the social and economic wellbeing of a territory. This means **creating local employment, strengthening local suppliers**, increasing **local ownership in the industry**, promoting **enterprise development**, accelerating the **transfer of skills and**

**technologies** and **prioritizing the employment** and training of local citizens.

On the other hand, during construction operations the local communities may suffer **minor environmental** or **social impacts** such as an 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, in any case, **proactively managed** in order to reduce the exposure of the population and to **comply** with **local regulations** and **Client's expectations**.

## GENERAL OBJECTIVE

TO ENHANCE LOCAL CONTENT

## OPERATIVE OBJECTIVE

1

ENHANCEMENT OF OPPORTUNITIES FOR LOCAL LABOUR FORCE

3

TRAINING AND PROGRESSION FOR LOCAL PEOPLE

2

ENHANCEMENT OF OPPORTUNITIES FOR LOCALLY-BASED SUPPLIERS OF GOODS AND SERVICES

4

DEVELOPMENT OF LOCAL SUPPLIERS

5

INVESTMENTS IN FIXED ASSETS NEARBY CONSTRUCTION SITES

## ACTIONS

1

To employ local workforce

To require sub-contractors to use local workforce

2

Provision of direct assistance/support (also through workshops) to local firms on pre-qualification/accreditation process

Performance of meetings aimed at clarifying technical issues with prospective local sub-contractors

Encourage first time Sub-contractors to maximize local SME participation in the project

3

Coaching and mentoring programmes  
Cooperation with local training schools

Post-training employment opportunities in the local downstream and gas transformation industry and overseas

Assistance to local employees in discovering job opportunities

4

Alerting local suppliers about tender opportunities, providing real-time support in how to navigate the vendor registration, pre-qualification and tendering process

Upgrading local suppliers and partners through improvements in operational process, efficiency and quality assurance

Collaboration with other organisations, such as other operators and contractors, public institutions and non-governmental organisations

5

Investments in operational offices, manufacturing facilities, service facilities or other fixed assets

This approach allows Maire Tecnimont to:

develop a sustainable and trusting relationship with the local market, helping to reduce the costs and risks associated with projects;

improve the perception of the company and create the conditions for mutual understanding;

develop local skills and employ local manpower as a Government lever to sustain economic growth or, alternatively, face international sanctions;

transfer skills, know-how and technologies to the local market and workforce;

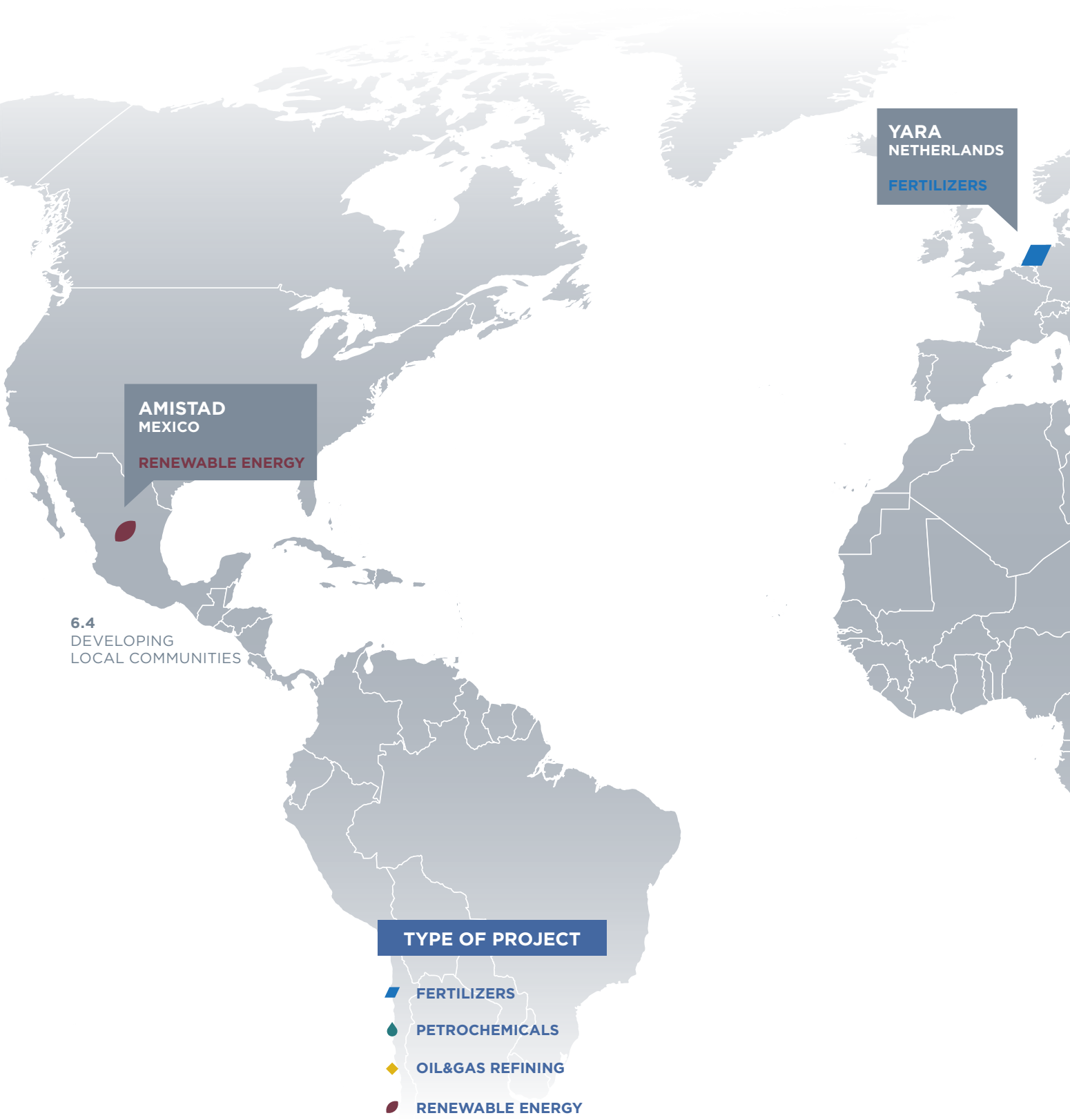
improve the reliability of local companies in terms of quality, delivery, fit for purpose, flexibility, availability of materials logistics and transportation;

tackle new commercial opportunities and support the local market penetration strategy in light of the legal framework for EPC contractors;

design different strategic actions that maximize impact with Key Local Stakeholders;

improve HSE implementation in line with the most stringent and internationally recognized standards.

# REPRESENTATIVE PROJECTS AROUND THE WORLD



6.4  
DEVELOPING  
LOCAL COMMUNITIES

In order to show the footprint in connection with our presence on the territory and to describe our strategies for the engagement of communities, the investments, the public-private partnerships and the creation of skills, we have identified a representative sample of our projects.

In particular, we have identified the **8 projects that best represent the business** of the group both in terms of progress, and as a type of product and technology.

With reference to these projects, against an aggregate value of the contractual considerations of about **€3.9 billion**, **purchases of goods and services provided locally amount to €1.6 billion**, corresponding to 50% of total purchases of goods and services estimated for these projects.

# €3.9 BLN

AGGREGATE VALUE OF THE CONTRACTUAL CONSIDERATIONS

# €1.6 BLN

PURCHASES OF GOODS AND SERVICES PROVIDED LOCALLY



# ORPIC

## LLDPE-HDPE-PP PLANTS

Sohar, Oman

The project concerns 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) - Oman's national refining and petrochemicals company providing fuel, chemicals and feedstock domestically and worldwide.



### IN-COUNTRY-VALUE<sup>8</sup> 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:

- 1** Maximize and develop employment opportunities for Omanis and placements or Omanis on vocational or professional training courses, with a key focus on skilled and managerial positions
- 2** Maximize and increase over time expenditure on goods and services produced or provided by Omanis working for companies registered and with a physical presence in Oman
- 3** Maximize and develop locally-produced - Made-in Oman - materials, products and equipment that boost value-added in-country, introduce new technologies and grow Oman's export industries
- 4** Develop the capabilities of the local SME sector, both during contract delivery and in the longer-term
- 5** Develop world-class capability in vocational and professional education, training and research institutions in Oman, matched to actual industry opportunities

### CAPITAL EXPENDITURE IN OMAN



Investments in operational offices, manufacturing facilities, service facilities and other fixed assets have supported the development of the Oman petroleum industry.

### GOODS AND SERVICES



The value of goods and Services purchased by Maire Tecnimont from local suppliers in Contract execution is €200 million.

### OMANISATION & TRAINING

This concerns the Level of Omanisation by Maire Tecnimont and its sub-contractors in executing Contracts and in terms of training provided to Omani nationals.

<b>OMANISATION</b>	<b>912,337 man-hours</b> <b>614 headcount</b>
<b>PROFESSIONAL TRAINING TO OMANIS</b>	<b>160,783 man-hours</b>

<sup>8</sup> The total spend retained in country that benefits business development, contributes to human capability development, and stimulates productivity in Oman's economy.

# ITALY BUSINESS FORUM IN OMAN

Maire Tecnimont, Orpic and other Italian and Omani governmental entities together organised the first of its kind 2017 Oman and Italy business forum.

The forum created an open platform for Italian and Omani oil&gas, infrastructure, logistics and renewable energies companies so as to:

**1** Share expertise, knowledge and know-how in creating Join Ventures among local suppliers

**2** Offer insights and data regarding current and future potential opportunities for Italian and Omani companies to work together

**3** Provide exposure to Omani SME's to improve their business capabilities through a designed technical programme with Italian firms



# RECLAMATION OF CARAWAN BEACH

Maire Tecnimont is working in the District of Sohar (Oman) on the Liwa Plastic Industries Complex Project EPC2 for its client Orpic. Site preparation activities for a large industrial complex normally require the movement and disposal of enormous quantities of soil.

In the case of this project, however, this also presented an opportunity to environmentally redevelop part of the coastline which had been damaged by erosion and posed a security threat to houses and roads in the nearby Village of Carawan. The operation salvaged a two-kilometre stretch of the beach and allowed residents to once again enjoy the Carawan sea shore. The operation was completed in the latter half of 2016 in close collaboration with local authorities: the Municipality of Sohar, the Ministry of the Environment and the Sohar Environmental Unit.

## KEY FIGURES



13,780  
MAN-HOURS DEDICATED  
TO THE OPERATION



2,696  
TRUCK TRIPS



65,513  
KILOMETRES COVERED  
BY TRANSPORTATION



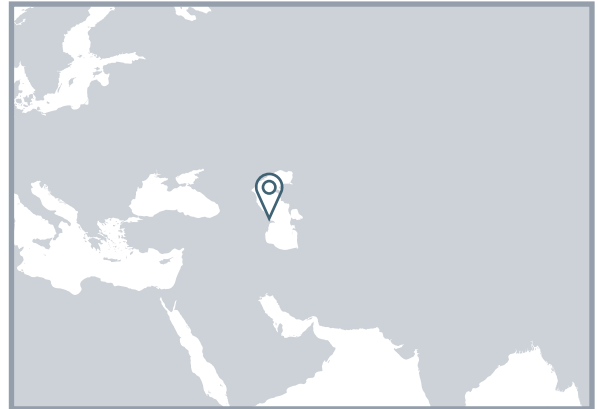
113,879  
CUBIC METRES OF TOP SOIL  
SHIFTED TO THE BEACH



# SOCAR PP/HDPE PLANT

Sumgayit, Azerbaijan

Azerbaijan has begun to request international companies to strengthen their local content application. This program seeks to create jobs, support Azerbaijani suppliers, increase Azerbaijani ownership within the industry, promote enterprise development, accelerate the transfer of skills and technologies and prioritize the employment and training of Azerbaijani citizens. In seeking to boost local content in the host country, Maire Tecnimont has developed three specific programmes, targeting:



<b>DEVELOPMENT PROGRAMME</b>	<b>TALENT ACQUISITION</b>	<b>PROCUREMENT SCENARIO</b>
 <b>SUPPORTING LOCAL STUDENTS' EDUCATION</b>	 <b>ACQUISITION OF LOCAL TALENT</b>	 <b>PROCUREMENT FROM LOCAL SUPPLIERS</b>

## DEVELOPMENT PROGRAMME

The development programme, in collaboration with Baku Higher Oil School (BHOS), makes students an integral part of the KT-Kinetics Technology SpA Azerbaijan Branch team.

<b>GOALS</b>
 <b>The programme seeks to fine-tune participants' technical skills by applying their knowledge to real engineering cases and supporting them to further develop:</b>
<b>Technical expertise, as required by the KT-Kinetics Technology SpA portfolio</b>
<b>Decision-making</b>
<b>Global outlook and integration into a multi-cultural team</b>
<b>Communication, interpersonal and leadership skills</b>

Participants received mentoring from the KT-Kinetics Technology Branch Office and Site team(s) and learn what it is like to be part of a company implementing global solutions for the hydrocarbon processing industry. In addition, Maire Tecnimont offers students an Italian course to support a basic understanding of the headquarters communication channel.

<b>RESULTS</b>
 <b>Under the development programme, the students:</b>
<b>Receive 200+ man-hours of mentorship each</b>
<b>Are taught non-technical subjects such as: human resources, administration, finance &amp; control and contract management</b>
<b>Can apply for positions at the company</b>
<b>Experience working at an international company</b>
<b>Are exposed to all aspects of company business and can therefore identify their preferences</b>
<b>Can develop a thesis sponsored by the branch office of KT-Kinetics Technology SpA in the Republic of Azerbaijan</b>



## TALENT ACQUISITION

The recruitment of local personnel delivers major and sustainable competitive advantages for the company, such as:



## PROCUREMENT

### PROCESS



Leveraging its location in Azerbaijan and on KT-Kinetics Technology SpA's branch office in Baku as a hub for upcoming activities in the Central Asia Area, Maire Tecnimont Group undertook a wide range of activities ahead of a market scouting process to develop a clear view of opportunities on the local market. This was undertaken in order to provide optimised, rational and quick solutions utilising the capabilities of Local manufacturers, traders, stockists and various Technical service providers. From Q4 2016, the Maire Tecnimont Group deployed a fully dedicated Procurement team to the KT-Kinetics Technology SpA Azerbaijan Branch Office to carry out all procurement on the local market. The goal was to set up a fully integrated environment for Vendor

Selection regarding all aspects of Procurement and to provide opportunities to Local Vendors to participate in a Global Platform to cater to Big Companies like Maire Tecnimont. The objective was to use as much as possible Local Vendors such as Manufacturers/distributors/Licensed companies for our project needs. Such robust procurement reduces leads times for deliveries and in turn adds value for the client. Local manufacturers capable of providing technical and field services benefitting the end client were also identified. Examples include steel fabrication works, underground piping, fittings, flanges, valves, chemicals, mobile radios, I&CT products, testing tools, third party inspection etc.

### RESULTS OF THE CAPABILITY TO LEVERAGE ON THE LOCAL SUPPLIERS



CASE HISTORY

# TEMPA ROSSA OIL&GAS TREATMENT PLANT

Corleto Perticara, Italy

Tempa Rossa is an oil field located in the upper valley of the Sauro river, in the heart of the Basilicata Region in southern Italy. The project mainly covers areas in the municipalities of Corleto Perticara, Guardia Perticara and Gorgoglione, and is located between the Regional Park of Gallipoli Cognato and the National Park of Pollino.

The concession, named Gorgoglione, is located in the heart of a highly-valued region for tourism due to the beauty of its natural landscapes; the local archaeological heritage is a significant factor. To design and build an oil&gas treatment plant in such an environment is therefore a challenge for the players involved in terms of the safety of operations and environmental protection.



**Recent International Energy surveys have mentioned Tempa Rossa Project as one of the 280 ongoing projects which will change the world Energy scenario.**

## LOCAL COMMUNITY ACTIVITIES

From the beginning of the Tempa Rossa project, Maire Tecnimont established

different initiatives to transfer value to the local communities.

## VOCATIONAL TRAINING COURSE FOR QUANTITY SURVEYORS

The course, provided by Assoil School in partnership with Maire Tecnimont Group, allowed participants to qualify as quantity surveyors (responsible for the management of the construction sub-contractors). Over a period of three weeks (120 hours overall) beginning June 24, 2013, classrooms and on-site lessons covered the eight main

modules showed in the table below. 14 young professionals from the Basilicata Region with engineering, economy or geology degrees took part; 5 have been hired by Maire Tecnimont Group and are still part of the Maire Tecnimont on-site workforce. Moreover, participation was free and resulted in AiFOS certification.

THREE  
WEEKS



120 HOURS  
OVERALL

14 YOUNG  
PROFESSIONALS



ENGINEERS, ECONOMISTS  
AND GEOLOGISTS

AIFOS  
CERTIFICATION



5 HIRING AFTER  
THE TRAINING

## MAIN MODULES COVERED

1 Quantity surveyors' tasks and duties

5 Civil Works requisition

2 Anti-corruption

6 Electrical Works requisition

3 Construction sub-contractor contracts

7 Instrumentation Works requisition

4 Work in Progress Reports

8 Mechanical Works requisition



**COLLABORATIVE PROJECT WITH THE “AUGUST 16, 1860” COMPREHENSIVE TECHNICAL HIGH SCHOOL OF CORLETO PERTICARA**

**SHARING AND BUILDING EXPERTISE**



**TO BETTER APPROACH THE LABOUR MARKET**

**TRAINING AND DEVELOPMENT**



**PROVIDED BY PROFESSIONALS AND HEADS OF DEPARTMENT**

This initiative shares expertise at local level, building in particular the abilities of young people required to better approach the labour market. In May 2017, the entire fifth grade class of the Institute was invited at the Group Headquarters in Milan.

Following the initial visit, the Group offered to five of these students, selected on the basis of merit and interest, the opportunity to attend a two-weeks in-depth technical training provided by professionals and Heads of Department and, secondly, offering also an internship contract for professional orientation at the project site.

**PROFESSIONAL DEVELOPMENT PATH FOR LOCAL WORKERS**

The Tempa Rossa Project is over 90% complete, with the demob phase close to initiation.

More than 800 local workers are employed at the site by Maire Tecnimont’s Sub-contractors.

The Group, in coordination and accordance with the region Basilicata

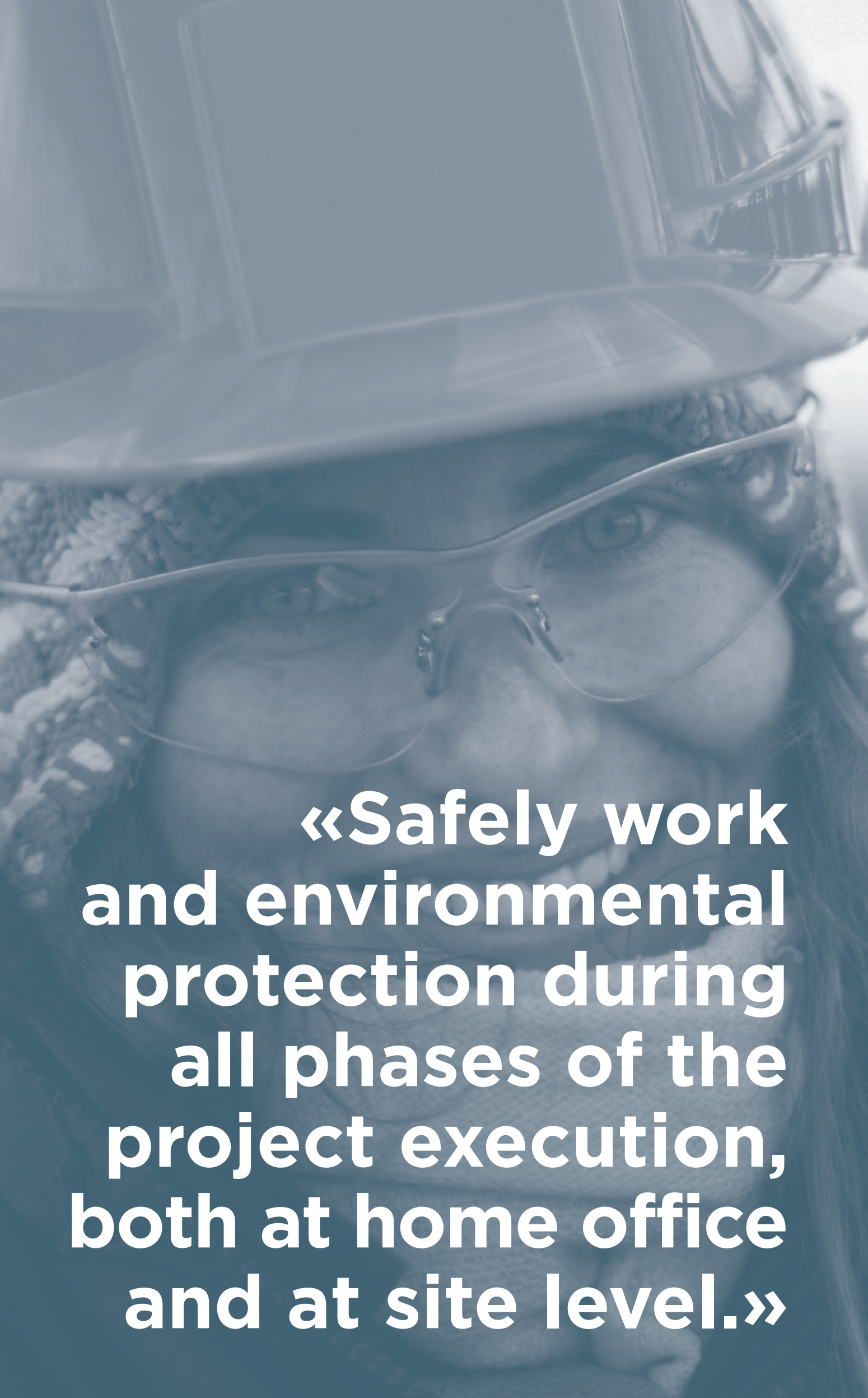
and the Unions, is sponsoring dedicated training courses to bring on stream additional skills for the oil&gas sector.

This support will provide these individuals with additional job opportunities within the local labour market, after their work experience at the project site.

**OPPORTUNITIES AND SUPPORT**



**ADDITIONAL SKILLS FOR OIL&GAS SECTOR**



**«Safely work  
and environmental  
protection during  
all phases of the  
project execution,  
both at home office  
and at site level.»**

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# 07. IMPORTANCE AND VALUE OF OUR HSE POLICY

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## SDGs

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## STAKEHOLDER TO WHOM IT CONCERNS

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## MATERIAL TOPICS ADDRESSED IN THIS CHAPTER

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

**FULLY IN LINE WITH SDGs NR. 3 AND NR. 15, MAIRE TECNIMONT IDENTIFIES THE HEALTH AND WELFARE OF THE INDIVIDUAL, THE SAFETY OF DESIGNED AND BUILT INDUSTRIAL PLANTS AND THE PROTECTION OF THE ENVIRONMENT AS ESSENTIAL CORPORATE OBJECTIVES.**

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 DESIGN, PLANNING, IMPLEMENTATION, MONITORING AND CONTINUOUS IMPROVEMENT OF AN EFFICIENT AND EFFECTIVE HSE MANAGEMENT SYSTEM ARE THE MAIN DRIVERS**

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# 07. IMPORTANCE AND VALUE OF OUR HSE POLICY

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## **BEHIND ESTABLISHING APPROPRIATE HSE PRIORITIES, OBJECTIVES AND TARGETS.**

The monitoring and control of legal and other applicable requirements is also fundamental - including national and international laws, local requirements, agreements with local authorities or customers, voluntary principles and codes of practice, in addition to the satisfaction of the contractual requirements of our customers. The HSE Management System is certified by third party organization for the main operating companies according to the ISO 14001 standard for environmental management and to the OHSAS 18001 standard for occupational health and safety.

In order to ensure the company's success, a HSE Policy is provided to all employees: it is a key guide for corporate functions and at the same time an asset and strategic value for the entire Group.

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 sub-contractors 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.

## **THE GROUP HSE FUNCTION PLANS, COORDINATES, MONITORS AND COLLECTS RELEVANT DATA, SETTING OBJECTIVES AND TARGETS, IN ORDER TO GUARANTEE LEGAL COMPLIANCE AND THE EFFICIENCY AND EFFECTIVENESS OF THE HSE MANAGEMENT SYSTEM.**

In accordance with SDGs Nr. 7 and Nr. 13, the Group is highly committed to apply engineering standard, which minimize energy consumption and emissions and consequently environmental impact. Dedicated HSE Studies are carried out during project execution in order to ensure safe and reliable installations, a high standard of safety in the workplace and the minimization of environmental impacts, energy waste and GHG emissions.



# HSE CULTURE AND TRAINING

## 7.1 HSE CULTURE AND TRAINING

**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.**

The core topics are the HSE Management System framework and Policy, the main hazards and risks at the home office and on field construction sites, the preventative and protective measures to be adopted and the emergency procedures. The full program includes both classroom and e-learning lessons, involving collaboration with external qualified companies.



## HSE TRAINING HOURS BY YEAR

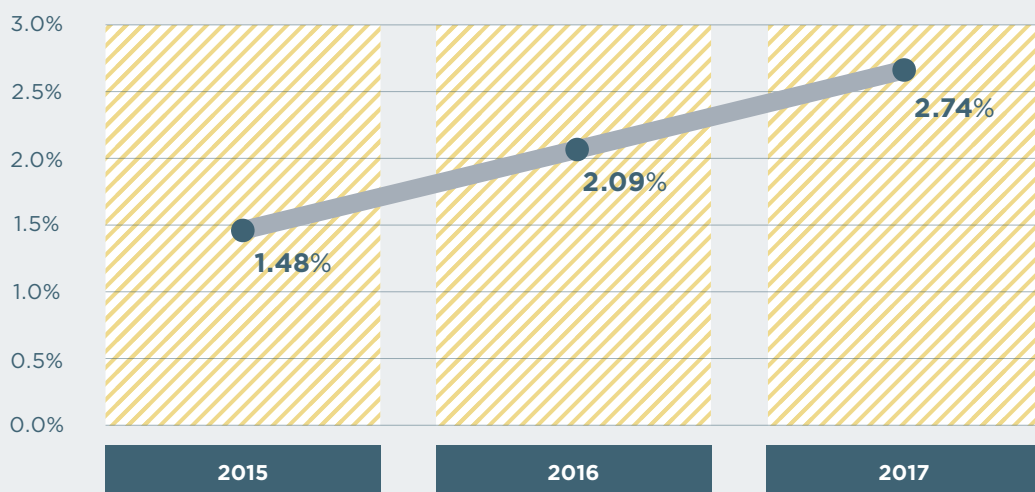
	2015	2016	2017
HSE training hours for Home office, construction site and Operation and Maintenance Employees	18,328	23,521	55,728
HSE training hours for Sub-contracting workers	326,248	706,700	2,323,330

3,453,855 hours have been dedicated to HSE courses over the last three years. The table above breaks down HSE training hours by year.

The average hours of training per capita provided to employees at home office and construction sites for Maire

Tecnimont Group on HSE and Social Accountability topics are 4.3 hours in 2015, 5.1 hours in 2016 and 11.1 hours in 2017. In addition to that all subcontractor workers at construction sites receive training on HSE and Human Rights issues.

## HSE TRAINING/CONSTRUCTION WORKING HOURS



The ratio between HSE training hours and men-hours worked on site is increasing, from 1.48% in 2015 to 2.74% in 2017 and this reflects our

strong focus and our high commitment on prevention and personnel training.

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.

Different levels of training are available on site for supervisors, HSE professionals and workers, including the general HSE

induction, the fire-fighting course, the first aid courses, the construction risk exposure courses (such as lifting safety or confined space entry, scaffolding safety and courses on chemical and material safety handling). Particular attention is dedicated to training on the use of the Personal protective equipment provided to employees according to their risk exposure.

# ENVIRONMENT PROTECTION RESPONSIBILITY

## 7.2 ENVIRONMENT PROTECTION RESPONSIBILITY



**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.

The Group periodically identifies and reviews all environmental aspects, in order to plan objectives and measurable targets, identify and implement corrective actions and re-evaluate the efficacy of the system as part of a cycle of continuous improvements.

A detailed analysis is performed to evaluate the significance of activities that influence the environment, negatively impacting through the consumption of energy, harmful emission in 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 SUB-CONTRACTORS 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.



Within the environmental evaluation process, indirect aspects connected to climate change are afforded significant focus which, on the other hand, can be turned into an opportunity. With respect to the oil&gas sector, environmental risks include:

- 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;

- the impact of client awareness and sensitivity to climate change and GHG emissions reduction, with a consequent shift towards low carbon products.

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.

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.**

# RESPONSIBLE USE OF RESOURCES

**Carbon dioxide (CO<sub>2</sub>)** is the final product of the most common chemical reaction, **the combustion of coal**, hydrocarbons and biomass to produce energy. Carbon dioxide is also sometimes present in **large quantities in natural gas**, at gas fields throughout the world.

CO<sub>2</sub> has historically been viewed as an inert waste product and disposed of into the atmosphere. Nowadays, it is considered one of the principal causes of the greenhouse effect, and consequently responsible for the environmental impacts associated with climate change. Energy Saving in terms of fuel and natural gas combustion leads to a consequent reduction in CO<sub>2</sub> and other GHG emissions in the atmosphere.

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

The following tables of Energy Intensity and GHG Emission Intensity factors and also energy and water consumption and waste in construction sites, are mainly and strongly influenced by the number of EPC projects active during the year of observation and by the phase of each project as well, in particular the trends observed reflect the increase of projects number and more advanced phases in some projects from 2015 to 2017, as confirmed by the total worked hours observed in each period.

The Olevano (Italy) Biomass Power Plant environmental data is not included in the following paragraph (refer to the case history Olevano p.146).

It is highlighted that have been estimated the data provided:

■ for the quota of personnel employed at the Group's branches and foreign offices, representative for around 8% on average in 2015, 2016 and 2017 (9.4% for 2017) and related to energy consumption (natural gas and electricity), to 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 1.5% on average of man-hours worked in construction sites in 2015, 2016, 2017 (1% of man-hours worked for 2017) and related to energy consumption (electricity, use of fuel for the production of electricity and transport), to the use of natural resources (water) and production of waste (hazardous and non-hazardous as well as destination, recovery and disposal in landfills).

## GREENHOUSE GAS (GHG) EMISSIONS

Total Greenhouse Gas Emission <sup>10</sup> (SCOPE 1 + Scope 2) - tons CO <sub>2</sub> eq.	2015 <sup>9</sup>		2016		2017	
	Direct Emission	Indirect Emission	Direct Emission	Indirect Emission	Direct Emission	Indirect Emission
Headquarters	859	8,760	934	9,121	812	10,473
Construction Sites	12,859	6,892	56,672	2,879	164,137	7,826
<b>TOTAL</b>	<b>13,718</b>	<b>15,652</b>	<b>57,606</b>	<b>12,000</b>	<b>164,949</b>	<b>18,299</b>

<sup>9</sup> Site data for 2015 do not include all sites.

<sup>10</sup> 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.

The table above 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).

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.

## ENERGY INTENSITY

	2015 <sup>11</sup>	2016	2017
<b>kJ/man-hours worked</b>	10,254	20,537	24,875

<sup>11</sup> Site data for 2015 do not include all sites.

The Group's energy intensity 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.

## GHG EMISSIONS INTENSITY

	2015 <sup>12</sup>	2016	2017
<b>kg CO<sub>2</sub>/man-hours worked</b>	0.99	1.64	1.92

<sup>12</sup> Site data for 2015 do not include all sites.

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.

### ENERGY MANAGEMENT AT HEADQUARTERS

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 photovoltaic 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.

Compared to 2016, in 2017 with the new KT headquarters in Rome, a 604 MWh reduction in electrical energy consumption was achieved as a direct result of conservation and efficiency initiatives. In terms of emission reduction, this means 217 tons CO<sub>2</sub> eq. avoided<sup>13</sup>.

To reach these objectives and to maintain and identify further improvement areas, official energy audits at the headquarters were performed by a third party.

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.

<sup>13</sup> The following information should be considered in terms of these results:  
 - Gas included in the calculation: CO<sub>2</sub>  
 - Sources of the emission factor used: "Confronto internazionale" Terna 2014.;  
 - Scope in which reductions took place: Scope 2.

### HOME OFFICE ENERGY CONSUMPTION

Total energy consumption within the Organization (GJ) <sup>14</sup>	2015	2016	2017
Hydrocarbons for power production (Natural gas and Diesel) (GJ)	13,713	14,848	11,140
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	2,633	2,905	3,200
Electricity (GJ)	64,094	66,737	76,630
Other (GJ)			479
<b>TOTAL</b>	<b>80,440</b>	<b>84,490</b>	<b>91,449</b>

<sup>14</sup> Group Energy consumption does not stem from renewable forms of energy.

Diesel for Power Production is related to consumptions of electric generators. Other refers to Diesel consumption related to Heating a KT office.

## MOBILITY MANAGEMENT

The specific purpose of Mobility management is to reduce environmental impacts from staff commuting through reducing the use of private individual transport and developing sustainable mobility policies.

The aim of Mobility Management is to contribute in particular to the reduction of CO<sub>2</sub>, heavy metals and noise emissions by encouraging and promoting the use of public transport and car-sharing among the many colleagues travelling greater distances.

TCMPL (Tecnimont Private Limited) is a good example of this policy, due to 3,053 tons CO<sub>2</sub> eq.<sup>15</sup> of emissions reduced in 2017, through a service bus for commuting personnel.

<sup>15</sup> With reference to this figure, the following information should be considered:

- Gases included in the calculation: CO<sub>2</sub>;
- Scope in which reductions took place: Scope 3
- Calculation tools used: GHG Protocol, Transport Tool V 2.6 - Local Bus, GHG Protocol, Transport Tool V 2.6 - Passenger Car, Diesel, 1983-Present.

## ENERGY MANAGEMENT AT CONSTRUCTION SITES

Regarding construction sites, the Maire Tecnimont Group invests time and resources to periodically monitor and control energy consumption at our temporary facilities, despite the difficulty

in collecting data as the project construction teams are located at the Client's site. Nevertheless, this initiative is promoted further by including the consumption of Subcontractor operating vehicles, material suppliers and private transportation.

## CONSTRUCTION SITE ENERGY CONSUMPTION

Total energy consumption within the Organization (GJ) <sup>16</sup>	2015 <sup>17</sup>	2016	2017
Hydrocarbons for power production (Natural gas and Diesel) (GJ)	71,216	287,274	849,608 <sup>18</sup>
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	103,138	480,769	1,375,233
Electricity (GJ)	50,432	21,062	57,266
<b>TOTAL</b>	<b>224,786</b>	<b>789,105</b>	<b>2,282,107</b>

<sup>16</sup> Group Energy consumption does not stem from renewable forms of energy.

<sup>17</sup> Site data for 2015 do not include all sites.

<sup>18</sup> Natural Gas consumption refers only to "Lotos" site for KT.



# WATER

## IN TERMS OF GLOBAL WARMING, WATER SCARCITY IS ONE OF THE MOST SERIOUS ENVIRONMENTAL PROBLEMS THAT THE WORLD FACES.

Millions of people live in areas where **water consumption is double the quantity of water which rain can reintegrate**, leading also to severe damage to groundwater systems. Moreover, water resources are often **polluted by unauthorized discharge** or other illegal activities.

### WATER MANAGEMENT AT HEADQUARTERS

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: 55,877 m<sup>3</sup> in 2015, 65,610 m<sup>3</sup> in 2016 and 53,234 m<sup>3</sup> in 2017. The same quantity of water was discharged to sewers over the last three years. In 2015, 983,700 m<sup>3</sup> of ground water were withdrawn (and consequently discharged), while in 2016 the amount was 954,600 m<sup>3</sup> and 1,404,060 m<sup>3</sup> in 2017.

### WATER MANAGEMENT AT CONSTRUCTION SITES

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 DOWN BY TYPE

	2015 <sup>19</sup>	2016	2017
Surface water, including water from wetlands, rivers, lakes, and oceans	0	31,133	34,562
Ground water	24,441	31,707	119,070
Municipal water supplies or other public or private water utilities (including tank trucks)	28,790	152,392	640,568
<b>TOTAL (m<sup>3</sup>)</b>	<b>53,231</b>	<b>215,232</b>	<b>794,200</b>

<sup>19</sup> Site data for 2015 do not include all sites.

# WASTE



**WASTE PRODUCTION, OR THE LACK OF WASTE RECYCLING, ARE FACTORS THAT CONTRIBUTE TO INCREASED POLLUTION, FOR EXAMPLE IN TERMS OF GHG EMISSIONS (CH<sub>4</sub> IN PARTICULAR), SPILLS ON SOIL AND WATER, ODORS AND THE OCCUPATION AND DETERIORATION OF LAND.**

## **WASTE MANAGEMENT AT HEADQUARTERS**

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 (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).

Thanks to this attentive management process, virtually **everything is correctly collected and delivered to the waste companies ready to be recycled**, in line with Maire Tecnimont Policy.

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**”!

## **WASTE MANAGEMENT AT CONSTRUCTION SITES**

Site and HSE Managers, endorsing the Group commitment, verify daily and manage the sub-contractors environmental procedures and behaviors, assessing the entire waste and scrap disposal process from cradle to tomb, using specific environmental plans by which sub-contractors are required to record their types of waste material, the source activity, the quantity, the temporary storage and the destination, in cooperation with specialized waste companies according to local laws.

## HOME OFFICE WASTE MANAGEMENT

	2015	2016	2017
<b>Total weight of waste (tons)</b>	<b>76</b>	<b>62</b>	<b>53</b>
Non hazardous (tons)	75	59	52
Hazardous (tons)	<1	3	<1
<b>Total weight of waste by disposal method (tons)</b>	<b>76</b>	<b>62</b>	<b>53</b>
Recycling	75	58	52
Landfill	<1	4	<1
Other (to be specified)	0	0	<<1
<b>RECOVERY (%)</b>	<b>99.4%</b>	<b>92.8%</b>	<b>98.8%</b>
<b>DISPOSAL (%)</b>	<b>0.6%</b>	<b>7.2%</b>	<b>1.2%</b>

## CONSTRUCTION SITES WASTE MANAGEMENT

	2015 <sup>20</sup>	2016	2017
<b>Total weight of waste (tons)</b>	<b>128,454</b>	<b>402,301</b>	<b>929,284</b>
<b>Non hazardous (tons)</b>	128,437	401,717	928,294
<b>Hazardous (tons)</b>	17	584	990
<b>Total weight of waste by disposal method (tons)</b>	<b>128,454</b>	<b>402,301</b>	<b>929,284</b>
<b>Recycling</b>	54,156	88,392	109,660
<b>Landfill</b>	74,290	313,695	818,739
<b>Other (to be specified)</b>	8	214	885
<b>RECOVERY (%)</b>	<b>42.2%</b>	<b>22.0%</b>	<b>11.8%</b>
<b>DISPOSAL (%)</b>	<b>57.8%</b>	<b>78.0%</b>	<b>88.2%</b>

<sup>20</sup> Site data for 2015 do not include all sites.

In 2016 and in particular in 2017, the waste data reflects the increased man-hours spent on sites. Waste data are impacted by significant soil excavations from construction sites: about 320 thousand tons in 2016 and 484 thousand tons in 2017. The percentage of waste disposal

(and therefore the percentage of recovery) is affected, in some cases, by the rules of construction site applied in the industrial site owned by the end user. It is also affected by the limited availability, in some countries, of public and private collection networks and systems.

CASE HISTORY

# OLEVANO

## BIOMASS POWER PLANT

Olevano Lomellina, Italy

The Biomass Plant of Olevano Lomellina (Italy) is a biomass power plant, having a rated electrical capacity of about 20 Mwh. The plant satisfies the annual electricity needs of over 50,000 residential units with “zero impact”, preventing CO<sub>2</sub> emissions of about 100,000 tons per year compared to a coal power plant of the same capacity.

This biomass plant - among the largest currently operating in Italy - substantially contributes to the sustainability objectives set by the European Union.



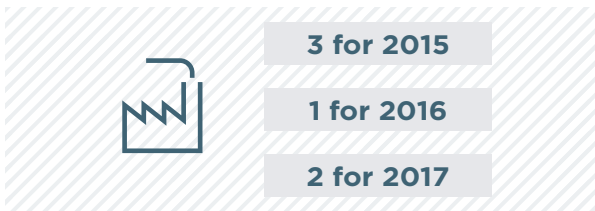
### ENERGY PRODUCTION

	2015	2016	2017
<b>Biomass (tons)</b>	242,800	231,200	217,962
<b>Operating Hours (hours)</b>	7,700	8,400	8,368

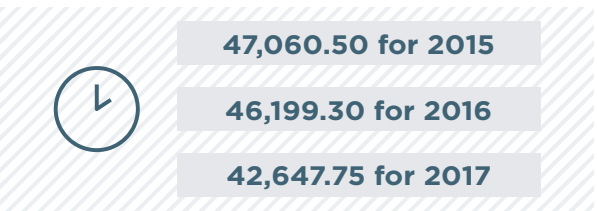
### NON-RENEWABLE AND RENEWABLE ENERGY CONSUMPTION

	2015	2016	2017
<b>Natural gas (1000 m<sup>3</sup>)</b>	888	791	1,093
<b>Diesel for transport (l)</b>	2,608	2,573	2,619
<b>Electricity (MWh)</b>	17,670	17,382	17,345

### LOST TIME INJURIES (LTI)



### MAN-HOURS WORKED AT OLEVANO POWER PLANT



### TOTAL VOLUME OF WATER WITHDRAWN (m<sup>3</sup>) BROKEN DOWN BY TYPE

	2015	2016	2017
<b>Ground water</b>	41,163	41,356	36,618
<b>Municipal water supplies or other public or private water utilities (including tank trucks)</b>	485	692	1,653
<b>TOTAL VOLUME OF WATER WITHDRAWN (m<sup>3</sup>)</b>	<b>41,648</b>	<b>42,048</b>	<b>38,271</b>

### TOTAL WEIGHT OF WASTE (TONS)

	2015	2016	2017
<b>Total weight of waste (tons)</b>	<b>7,337</b>	<b>7,361</b>	<b>7,099</b>
<b>Non hazardous (tons)</b>	3	<1	7
<b>Hazardous (tons)</b>	7,334	7,360	7,092
<b>Total weight of waste by disposal method (tons)</b>	<b>7,337</b>	<b>7,361</b>	<b>7,099</b>
<b>Recycling</b>	7,318	7,248	6,975
<b>Landfill</b>	19	113	124
<b>RECOVERY (%)</b>	<b>99.8%</b>	<b>98.5%</b>	<b>98.3%</b>
<b>DISPOSAL (%)</b>	<b>0.2%</b>	<b>1.5%</b>	<b>1.7%</b>

# NEOSIA TOWARDS RENEWABLE ENERGY SOLUTIONS

Our sister company Neosia SpA ("Neosia") provides specific expertise to deliver high quality utility scale plants to generate power from:



**WIND**



**SOLAR (PHOTOVOLTAIC)**



**BIOMASS**



**ADVANCED SOURCES**

Neosia 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 benefits from a global network of highly specialized operating companies.

Skilled sub-contractors and reliable vendors have been selected in several countries such as South America, Africa and the Far East through the local subsidiary companies. Neosia can offer strong synergies to Clients through a presence throughout the value chain of projects. Neosia 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**

Neosia is executing civil and electrical works for the construction of the Amistad wind power plant located in Mexico (Coahuilla state) by a leading international utility Company. The project with an installed capacity of 200 MW will be one of the largest in the Country.

Contractors (all local) and Mexican specialized engineers have been employed, contributing to the successful delivery of the project. Neosia is close to launching a new solar plant in Ethiopia, which will be one of the largest in the Sub-Saharan area.

**AMISTAD WIND POWER PLANT - KEY NUMBERS**



**434,199  
MAN-HOURS WORKED**



**ZERO  
INJURIES RECORDED  
SINCE THE PROJECT START**

# HSE DESIGN

## 7.3 HSE DESIGN

**HSE DESIGN STARTS WITH THE FEASIBILITY STUDY AND THEN INVOLVES THE BASIC AND FRONT END ENGINEERING DESIGN (FEED) PHASE, 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

- **Definition of HSE Design criteria** in accordance with the targets of the project and with local and customer requirements;

- **HSE Specifications and Philosophies** for the development of fire protection and fire & gas detection systems, passive fire protection design;

- **HSE Design Review** meetings to identify and address specific HSE issues in order to enhance intrinsically safe concepts in the design;

- **3D Model HSE Reviews** to ensure compliance with HSE Criteria in the plant and building 3D Model, taking also into account the human factors and ergonomics requirements for the creation of safe work areas.

## PHA TECHNIQUES

- HAZID/ENVID/OHID (HAZard / ENvironmental / Occupational Health Identification)
- HAZOP (HAZard and OPerability analysis),
- What-If Study,
- DHS (Design Hazard Study),
- FMEA (Failure Mode and Effect Analysis).

## TECNICAL STUDIES OF THE RISK ANALYSIS

- QRA (Quantitative Risk Assessment) to assess individual and societal risk for personnel with respect to safety hazards and environmental issues
- FERA (Fire and Explosion Risk Assessment) to assess the consequences related to fire and explosion hazards and the relevant risk.
- BRA (Building Risk Assessment) to assess the consequences of fire/explosion hazards in buildings close to plant areas.
- OHRA (Occupational Health Risk Assessment) to assess in detail the consequences related to health effects of personnel and the relevant risk.

## PROCESS SAFETY STUDIES

— **Process Hazard Analysis (PHA)** for the systematic identification of all process-related hazards that may arise during plant operation;

PHA is applied as a methodology to identify and analyze every factor that may pose a hazard to human health or the environment or even to asset integrity by means of several techniques.

— **Functional Safety analysis** to ensure the integrity of Safety Instrumented Systems and other safety protection layers, such as SIL (Safety Integrity Level) Assessment and LOPA (Layer of Protection Analysis).

— **RAM (Reliability Availability and Maintainability)** study, analyzing, assessing and quantifying the criticality of systems and equipment that could result in production losses.

— **Alarm rationalization study** to ensure the proper design and operability of the process alarm systems.

## HSE CONSEQUENCE, HSE DESIGN RISK AND MITIGATION ANALYSIS

— **Risk analysis** for the evaluation and verification of intrinsically safe design and the setting of adequate mitigation measures to reduce the risk to an acceptable level in view of Internationally Recognized acceptability criteria.

— **Escape and Evacuation Route Analysis** to assess the adequacy of escape and evacuation routes in the plant areas and buildings.

— **Fire & Gas Mapping Study** to optimize and ensure an adequate level of detection coverage against specified fire and gas release events, by means of appropriate simulations and 3D CAD modelling techniques.

## ENVIRONMENTAL STUDIES

— **Environmental Impact Assessment** study to identify, assess and quantify environmental impacts in terms of air emissions, water and soil discharges, noise impacts.

— **Atmospheric dispersion studies** with detailed calculations of air emissions.

— **Calculations of flare radiations** and dispersion of toxic or pollutant substances from atmospheric stacks or vents aimed to assess flare/stack/vent height and design.

— **Best Available Technique (BAT)** Justification Report to assess and demonstrate the application of BAT in compliance with applicable international/local standards in order to minimise environmental impact as much as possible.

— **Fugitive emissions calculations and report.**

— **Greenhouse gases (GHG) report** with detailed estimation of GHG emissions.

— **Environmental Management Plans** for operational phases to provide guidelines for the management of environmental aspects (environmental monitoring, liquid and solid wastes) during plant operation.

## HSE DESIGN IN PROCUREMENT AND SUBCONTRACTING

HSE Design Requirements, Criteria and Philosophies are addressed to Vendors and Sub-contractors, duly including them in material/work requisitions and supply specifications. Vendors and Sub-contractors are involved in HSE studies when deemed necessary according to specific competences and are responsible for the close out of HSE actions pertaining to their scope of work.



## DESIGN HSE SITE ACTIVITIES

■ **Pre Start-Up Safety Review**, systematic safety review to be performed at site prior to the introduction of a highly hazardous chemical to a process, to verify compliance of the installation with the design.

■ **Review and resolution of HSE Design issues** related to active and passive fire protection, fire & gas detection, safety systems.

■ **Supervision and management of Environmental and Noise Performance Tests** to ensure compliance with environmental limits.

■ **Preparation and execution of firefighting systems functional test.**

■ **Simultaneous Operations (SIMOPS) Risk assessment** to identify the hazard and assess the risk for operators when simultaneous construction and commissioning/operation activities are in place in adjacent areas.

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 to achieve significant benefits, such as:

■ potential major industrial accident risk control and management;

■ elimination of legislative non-conformities, fines or restrictions.





# HEALTH AND SAFETY PERFORMANCE

## 7.4 HEALTH AND SAFETY PERFORMANCE

**THE GROUP STRONGLY SUPPORTS A PREVENTATIVE APPROACH FOR 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 AT CONSTRUCTION SITES AS WELL.**



HSE performance monitoring at the headquarters and sites helps to provide a measure of the efforts and actions implemented by company management. The safety and health management **system certified according to the OHSAS 18001** standard ensures the control, monitoring and maintenance of working environments, services and equipment, in accordance with the requirements of applicable law and in line with the standard.

Over the last three years, **a total of more than 167 million man-hours** were worked at the Group home offices and construction sites world-wide (Olevano Biomass Power Plant man-hours are not included).

The following table presents the Man-hours worked by personnel in Home Office and Construction Sites.



### HEALTH - OCCUPATIONAL DISEASE

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**).

#### GROUP MAN-HOURS WORKED

	2015	2016	2017
Home office Man-hours Employees	6,087,719	7,096,024	7,344,591
Sites Man-hours Employees & Sub-contractors	23,679,279	35,442,069	88,075,071
<b>TOTAL</b>	<b>29,766,998</b>	<b>42,538,093</b>	<b>95,419,662</b>

For the construction sites, the trend is consistently increasing each year, and in 2017 the Group reported more than

double the man-hours worked compared to 2016.

## PERFORMANCE AT HEADQUARTERS

Over the last three years, 4 lost time injuries (LTI) in the office and 49 commuting events were recorded, thus outside company headquarters.

### INJURIES OF MAIRE TECNIMONT GROUP EMPLOYEES AT THE HEADQUARTERS<sup>21</sup>

	2015	2016	2017
<b>Number of injuries</b>	1	2	1
<b>Number of lost work days</b>	7	132	5
<b>LTIF - Lost time injury frequency<sup>22</sup></b>	0.033	0.056	0.027
<b>LWDR - Lost Work Days Rate<sup>23</sup></b>	0.230	3.720	0.136

<sup>21</sup> Commuting events are not included.

<sup>22</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.

<sup>23</sup> Lost Work Day Rate (LWDR) is the number of total lost days / man-hours worked per 200,000 exposure hours. LWDR is defined according to OSHA Forms 300 methodology.

We highlight that the lost workday rate (LWDR) which measures severity on the basis of the number of lost

work days divided by the man-hours worked decreased significantly from 3.720 in 2016 to 0.136 in 2017.

### COMMUTING INJURIES IN ITALY

	2015	2016	2017
<b>Number of injuries</b>	11	23	15
<b>Number of lost work days</b>	169	762	274

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 presented above.



## PERFORMANCE AT CONSTRUCTION SITES

### Site Performance For Technology, Engineering & Construction Business Unit

For the Technology, Engineering & Construction Business Unit ("MET E&C BU") which includes those companies involved in 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 strong HSE approach on worksites.

Over the last three years, a total of over 144 million man-hours were worked in construction sites of the Maire Tecnimont Technology, Engineering & Construction Business Unit ("MET E&C BU").

The tables below and in the next page show the main safety indicators for the Maire Tecnimont Group following OSHA and IOGP.

#### MET E&C BU - SAFETY INDICATORS ACCORDING TO OSHA

	2015	2016	2017
<b>Man-hours worked on construction sites (Employees + Sub-contractors)</b>	22,886,726	34,641,636	86,695,854
<b>LTIF - Lost time injury frequency<sup>24</sup></b>	0.017	0.017	0.009
<b>TRIR - Total recordable injury rate<sup>25</sup></b>	0.052	0.179	0.030
<b>LWDR - Lost Work Day Rate<sup>26</sup></b>	1.704	0.508	0.501

**24** 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.

**25** 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 200,000 exposure hours. The TRIR indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.

**26** Lost Work Day Rate (LWDR) is the number of total lost days / man-hours worked per 200,000 exposure hours. LWDR is defined according to OSHA Forms 300 methodology.



## MET E&C BU - SAFETY INDICATORS ACCORDING TO IOGP

	2015	2016	2017
<b>Man-hours worked on construction sites (Employees + Subcontractor)</b>	22,886,726	34,641,636	86,695,854
<b>LTIF - Lost time injury frequency<sup>27</sup></b>	0.087	0.087	0.046
<b>TRIR - Total recordable injury rate<sup>28</sup></b>	0.262	0.895	0.150
<b>Lost Work Day Rate<sup>29</sup></b>	8.520	2.540	2.503

**27** 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.

**28** 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

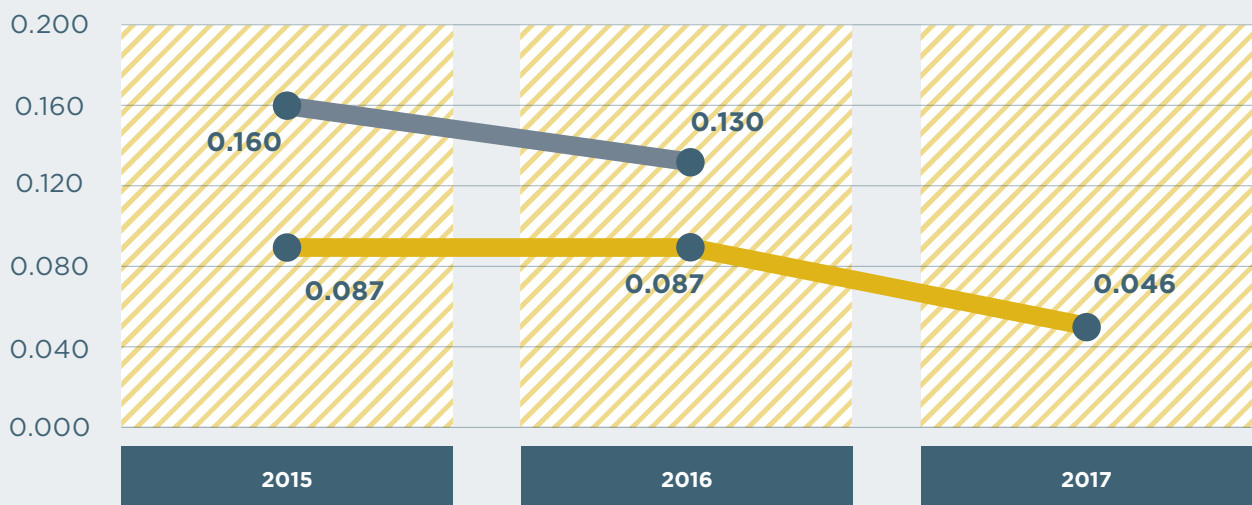
hours. The TRIR indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.

**29** 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.

The values 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.

## MET E&C BU - LOST TIME INJURY FREQUENCY



2017 data for IOGP is not available as benchmark data will be published in second quarter 2018. LTIF Construction refers to Report IOGP Nr. 2016s dated June 2017 "Safety Performance Indicators 2016 Data".

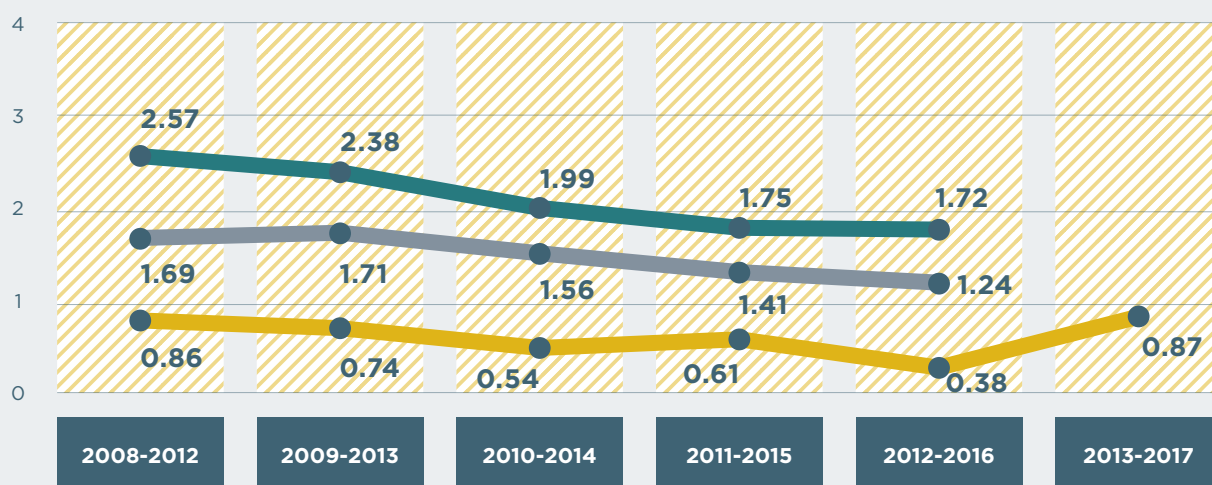
■ MET E&C BU

■ IOGP - Construction

The graph indicates 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.

## FAR – FIVE YEAR ROLLING AVERAGE (FOR 100 MILLION HOURS) ACCORDING TO IOGP



Fatal accident rate (FAR): The number of fatalities per 100,000,000 (100 million) hours worked.

<sup>30</sup> International Association of Oil&Gas Producers - Report Nr. 2016s, June 2017 - Safety Performance Indicators 2016: Appendix B - Section 4 Results by Function - Table B 28 Fatal accident rate five-year rolling average by function (2011-2016).

<sup>31</sup> 2017 not available as benchmark data will be published in second quarter 2018.

IOGP Overall Benchmark <sup>30</sup>

IOGP Construction Benchmark <sup>31</sup>

Tecnimont SpA

The five-year rolling average is calculated by summing the total number of incidents of the five previous years, and dividing by the sum of the work hours for these years:

(i.e. Number of fatalities in 2012+2013+2014+2015+2016) / (Total work hours in 2012+2013+2014+2015+2016)

### Site Performance For Infrastructure And Civil Engineering Business Unit

For the Infrastructure and Civil Engineering business unit over the last three years, a total of over 2.9 million man-hours were worked on infrastructure construction sites.

Man-hours worked on construction sites (Employees in Construction Sites + Subcontractor) for year 2015 were 792,553, for year 2016 were 800,433, and for 2017 were 1,379,217.

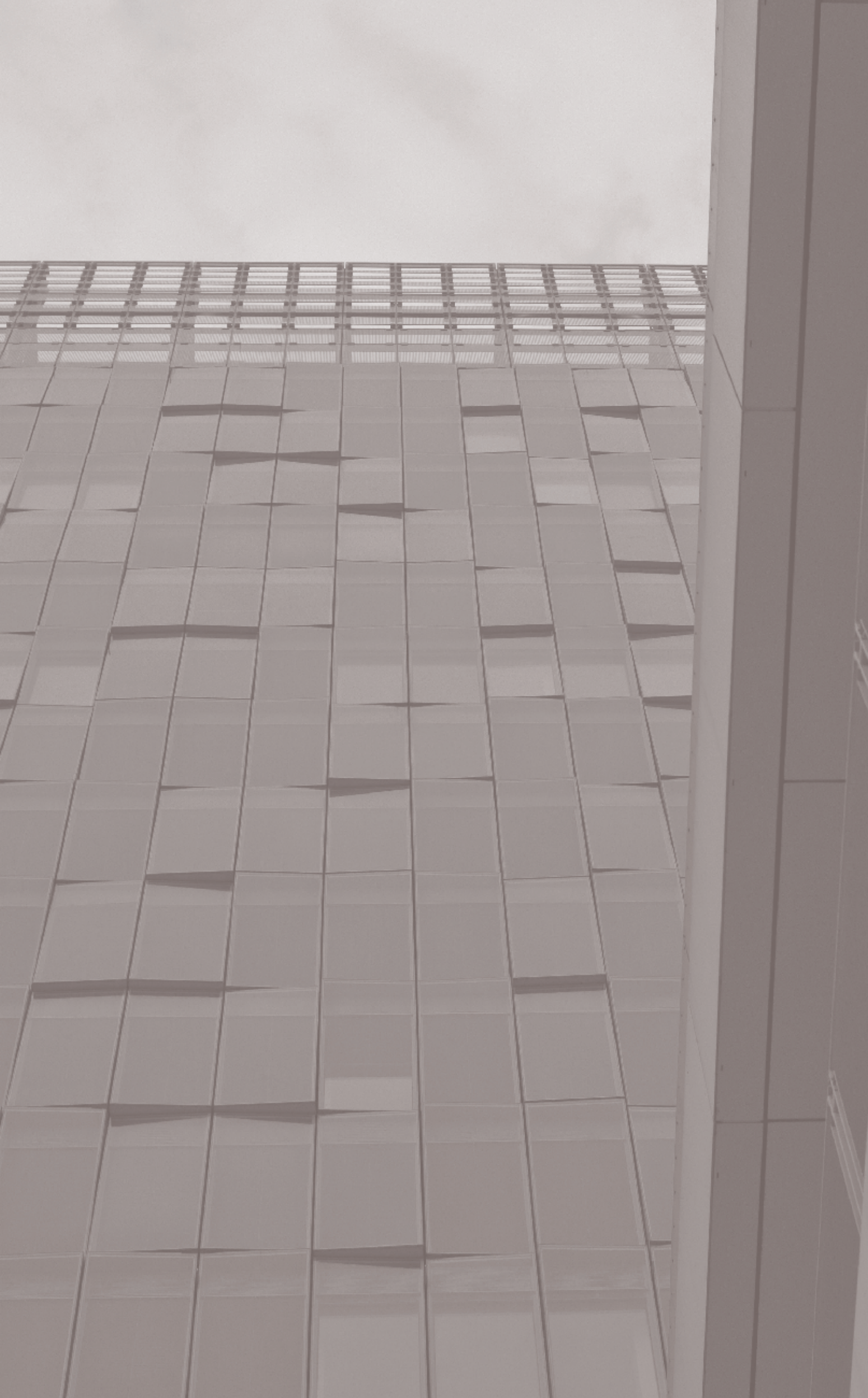
The recordable incident cases reported the following safety performance calculated across 1,000,000 hours worked for Injury Frequency Index (INAIL) and across 1,000 hours worked for Injury Severity Index (UNI: 7249).

The Injury Frequency Index<sup>32</sup> is 13.88 for year 2015, 23.74 for year 2016, 12.33 for year 2017;

The Injury Severity Index<sup>33</sup> is 0.320 for year 2015, 0.860 for year 2016, 0.247 for year 2017.

<sup>32</sup> Injury Frequency Index is the number of lost time injuries /man-hours worked per 1 million exposure hours. The indicator takes into account injuries with lost days.

<sup>33</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.





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# **METHODOLOGY, CRITERIA AND REPORTING PRINCIPLES**

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# REPORTING PRINCIPLES, PERIOD & PURPOSE

The Maire Tecnimont Sustainability Report, in this first 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 the Group's 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 Statement" reporting requirements provided for by Italian Legislative Decree 254 of December 30, 2016, which transposes, into Italian law, Directive 2014/95/EU of the European Parliament and Council.

## **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 2.3 "Materiality Analysis" of this document. In order to identify the most material themes, 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 following table 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.

Material Topic	Scope inside the Organization	Scope outside the Organization
<b>ECONOMIC DEVELOPMENT</b>	Group	Shareholders, Investors
<b>R&amp;D AND INNOVATION</b>	Group	Shareholders, Investors
<b>ETHICS AND COMPLIANCE</b>	Group	Local Authorities, Government
<b>HUMAN CAPITAL DEVELOPMENT</b>	Group	Sub-contractors
<b>HEALTH AND SAFETY OF EMPLOYEES AND CONTRACTORS</b>	Group	Sub-contractors
<b>ANTI-CORRUPTION</b>	Group	Customers, Suppliers, Sub-contractors, Local Authorities, Government
<b>HUMAN RIGHTS</b>	Group	Suppliers, Sub-contractors
<b>EMPLOYMENT</b>	Group	Sub-contractors
<b>LOCAL COMMUNITIES</b>	Group	Local Communities
<b>INDUSTRIAL RELATIONS</b>	Group	Sub-contractors
<b>GHG EMISSIONS</b>	Group	Suppliers, Customers, Local Communities
<b>WATER MANAGEMENT</b>	Group	Suppliers, Customers, Local Communities
<b>WASTE MANAGEMENT</b>	Group	Suppliers, Customers, Local Communities
<b>GRIEVANCE MECHANISMS</b>	Group	Sub-contractors, Customers, Local Communities, Suppliers
<b>LOCAL ECONOMIC DEVELOPMENT</b>	Group	Local Communities, Suppliers, Sub-contractors
<b>RESPONSIBLE SUPPLY CHAIN</b>	Group	Suppliers
<b>CUSTOMER RELATIONS</b>	Group	Customers
<b>DIVERSITY</b>	Group	-
<b>ENERGY EFFICIENCY</b>	Group	Suppliers, Customers

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.

The data and information provided in the Sustainability Report refers to the Maire Tecnimont Group, which in turn refers to Maire Tecnimont SpA and to the companies in the Group's 2017 Annual Report. It should be noted that:

■ financial data has been taken from the Group's 2017 Annual Report, and refer to all the Group companies referenced therein;

■ social data refers to all Group companies referenced in Group's 2017 Annual Report;

■ health, safety and environment (HSE) data refers to all Group companies referenced in Group's 2017 Annual Report 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 sub-contractors;

■ 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 01/01/2017 until 31/12/2017. 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 2017 Annual Report, 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 2017 Annual Report.

### **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 SpA 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.

# GRI AND UN GLOBAL COMPACT CONTENT INDEX

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.

General Disclosures		Reference
<b>ORGANIZATIONAL PROFILE</b>		
<b>Disclosure 102-1</b>	Name of the organization	--
<b>Disclosure 102-2</b>	Activities, brands, products, and services	Ch. 1 par. 1.1
<b>Disclosure 102-3</b>	Location of headquarters	--
<b>Disclosure 102-4</b>	Location of operations	Ch. 1 par. 1.2
<b>Disclosure 102-5</b>	Ownership and legal form	--
<b>Disclosure 102-6</b>	Markets served	Ch. 1 par. 1.1
<b>Disclosure 102-7</b>	Scale of the organization	--
<b>Disclosure 102-8</b>	Information on employees and other workers	Ch. 4 par. 4.1
<b>Disclosure 102-9</b>	Supply chain	Ch. 6 par. 6.3
<b>Disclosure 102-10</b>	Significant changes to the organization and its supply chain	Ch. 6 par. 6.3
<b>Disclosure 102-11</b>	Precautionary Principle or approach	Ch. 2 par. 2.4 and "NFS table"
<b>Disclosure 102-12</b>	External initiatives	Ch. 1 par. 1.7
<b>Disclosure 102-13</b>	Membership of associations	Ch. 1 par. 1.7
<b>STRATEGY</b>		
<b>Disclosure 102-14</b>	Statement from senior decision-maker	"Letter from the Chairman" and "Letter from the CEO"
<b>Disclosure 102-15</b>	Key impacts, risks, and opportunities	"NFS Table"
<b>ETHICS AND INTEGRITY</b>		
<b>Disclosure 102-16</b>	Values, principles, standards, and norms of behavior	--
<b>Disclosure 102-17</b>	Mechanisms for advice and concerns about ethics	Ch. 3 par. 3.4
<b>GOVERNANCE</b>		
<b>Disclosure 102-18</b>	Governance structure	Ch. 3 par. 3.1
<b>Disclosure 102-21</b>	Consulting stakeholders on economic, environmental, and social topics	Ch. 2 par. 2.2
<b>Disclosure 102-22</b>	Composition of the highest governance body and its committees	Ch. 3 par. 3.4

**Note/Additional Information**

Maire Tecnimont S.p.A.

For further information please refer to 2017 Annual Report.

Viale Castello della Magliana, 27 - 00148 Roma (Italy)

For further information please refer to 2017 Annual Report.

Please refer to 2017 Annual Report.

For further information please refer to 2017 Annual Report.

Please refer to 2017 Annual Report.

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For further information please refer to 2017 Annual Report.

For further information please refer to 2017 Annual Report.

For further information please refer to 2017 Annual Report.

Please refer to “Code of Ethics” of Maire Tecnimont Group.

For further information please refer to 2017 Annual Report.

General Disclosures		Reference
<b>Disclosure 102-24</b>	Nominating and selecting the highest governance body	Ch. 3 par. 3.4
<b>STAKEHOLDER ENGAGEMENT</b>		
<b>Disclosure 102-40</b>	List of stakeholder groups	Ch. 2 par. 2.2 and “Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-41</b>	Collective bargaining agreements	Ch. 4 par. 4.1
<b>Disclosure 102-42</b>	Identifying and selecting stakeholders	Ch. 2 par. 2.2 and “Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-43</b>	Approach to stakeholder engagement	Ch. 2 par. 2.2 and “Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-44</b>	Key topics and concerns raised	Ch. 2 par. 2.3 and “Methodology, Criteria and Reporting Principles”
<b>REPORTING PRACTICE</b>		
<b>Disclosure 102-45</b>	Entities included in the consolidated financial statements	“Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-46</b>	Defining report content and topic Boundaries	Ch. 2 par. 2.2 and 2.3, “Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-47</b>	List of material topics	“Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-48</b>	Restatements of information	--
<b>Disclosure 102-49</b>	Changes in reporting	--
<b>Disclosure 102-50</b>	Reporting period	“Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-51</b>	Date of most recent report	--
<b>Disclosure 102-52</b>	Reporting cycle	“Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-53</b>	Contact point for questions regarding the report	--
<b>Disclosure 102-54</b>	Claims of reporting in accordance with the GRI Standards	“Methodology, Criteria and Reporting Principles”
<b>Disclosure 102-55</b>	GRI content index	GRI and UN Global Compact Content Index
<b>Disclosure 102-56</b>	External assurance	“Methodology, Criteria and Reporting Principles” and Assurance Statement
<b>MANAGEMENT APPROACH</b>		
<b>Disclosure 103-1</b>	Explanation of the material topic and its Boundary	Ch. 1, 2, 3, 4, 5, 6, 7
<b>Disclosure 103-2</b>	The management approach and its components	Ch. 1, 2, 3, 4, 5, 6, 7
<b>Disclosure 103-3</b>	Evaluation of the management approach	Ch. 1, 2, 3, 4, 5, 6, 7 – Ch. 3 par. 3.1



Note/Additional Information

There are no restatements of information because this Report is at its first emission.

There are no changes in reporting because this Report is at its first release.

This Report is at its first release.

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

This Report is at its first release. The evaluation of the management approach will start the next year.

Specific Disclosures		Reference
<b>ECONOMIC PERFORMANCE</b>		
<b>Disclosure 201-1</b>	Direct economic value generated and distributed	Ch. 6 par. 6.1
<b>Disclosure 201-2</b>	Financial implications and other risks and opportunities due to climate change	Ch. 7 par. 7.2
<b>INDIRECT ECONOMIC IMPACTS</b>		
<b>Disclosure 203-1</b>	Infrastructure investments and services supported	Ch. 6 par. 6.1 and 6.4
<b>PROCUREMENT PRACTICES</b>		
<b>Disclosure 204-1</b>	Proportion of spending on local suppliers	Ch. 6 par. 6.3
<b>ANTI-CORRUPTION</b>		
<b>Disclosure 205-1</b>	Operations assessed for risks related to corruption	Ch. 3 par. 3.3
<b>Disclosure 205-2</b>	Communication and training about anti-corruption policies and procedures	Ch. 3 par. 3.3
<b>Disclosure 205-3</b>	Confirmed incidents of corruption and actions taken	Ch. 3 par. 3.3
<b>ENERGY</b>		
<b>Disclosure 302-1</b>	Energy consumption within the organization	Ch. 7 par. 7.2
<b>Disclosure 302-3</b>	Energy intensity	Ch. 7 par. 7.2
<b>Disclosure 302-4</b>	Reduction of energy consumption	Ch. 7 par. 7.2
<b>WATER</b>		
<b>Disclosure 303-1</b>	Water withdrawal by source	Ch. 7 par. 7.2
<b>EMISSIONS</b>		
<b>Disclosure 305-1</b>	Direct GHG emissions (Scope 1)	Ch. 7 par. 7.2
<b>Disclosure 305-2</b>	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Ch. 7 par. 7.2
<b>Disclosure 305-4</b>	GHG emissions intensity	Ch. 7 par. 7.2
<b>Disclosure 305-5</b>	Reduction of GHG emissions	Ch. 7 par. 7.2
<b>EFFLUENTS AND WASTE</b>		
<b>Disclosure 306-1</b>	Water discharge by quality and destination	Ch. 7 par. 7.2
<b>Disclosure 306-2</b>	Waste by type and disposal method	Ch. 7 par. 7.2
<b>ENVIRONMENTAL COMPLIANCE</b>		
<b>Disclosure 307-1</b>	Non-compliance with environmental laws and regulations	--
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
<b>Disclosure 308-1</b>	New suppliers screened by using environmental criteria	Ch. 6 par. 6.3
<b>EMPLOYMENT</b>		
<b>Disclosure 401-1</b>	New employee hires and employee turnover	Ch. 4 par. 4.1
<b>Disclosure 401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ch. 4 Introduction and par. 4.2

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.

There have been no cases of “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 recognised at the various Group companies are qualitatively represented.

Specific Disclosures		Reference
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 Introduction
<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. 7.4
<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 7.1
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Ch. 4 par. 4.4
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>		
Disclosure 405-1	Diversity of governance bodies and employees	Cap. 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	Ch. 3 par. 3.4 – Ch. 4 par. 4.5
<b>HUMAN RIGHTS ASSESSMENT</b>		
Disclosure 412-2	Employee training on Human Rights policies or procedures	Ch. 4 par. 4.5
<b>LOCAL COMMUNITIES</b>		
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Ch. 6 par. 6.4
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
Disclosure 414-1	New suppliers that were screened using social criteria	Ch. 6 par. 6.3
<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	--

<sup>34</sup> This indicator has been modified compared to the declaration provided by the GRI guidelines to be closer to the Group's business. The new declaration identified is: "Cases of non-compliance concerning contract clauses."

	Note/Additional Information
	<p>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.</p>
	<p>There have been no cases of incidents of discrimination.</p>
	<p>There have been no incidents of non-compliance concerning the health and safety impacts of products and services.</p>
	<p>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 2017 Annual Report for each of the relevant period.</p>
	<p>Please for any Group's ongoing tax disputes refer to the directors' report of the 2017 Annual Report for each of the relevant period.</p>

# CORRELATION TABLE WITH THE CONSOLIDATED NON-FINANCIAL STATEMENT ACCORDING TO LEGISLATIVE DECREE 254/2016 (“NFS TABLE”)

Topics of the Legislative Decree 256/2016	Material Topics	Identified Risks
<b>ENVIRONMENT</b>	<b>ENERGY EFFICIENCY</b>	Chapter 7, paragraph 7.2, subparagraph "Responsible use of Resources"
	<b>WATER MANAGEMENT</b>	Chapter 7, paragraph 7.2, subparagraph "Water"
	<b>GHG EMISSIONS</b>	Chapter 7, paragraph 7.2, subparagraph "Responsible use of Resources "
	<b>WASTE MANAGEMENT</b>	Chapter 7, paragraph 7.2, subparagraph "Waste"
	<b>ETHICS AND COMPLIANCE</b>	Risks of non-compliance with environmental laws and regulations have been mitigated through a set of policies applied by the Company (no cases of "non-compliance" with environmental laws and regulations have been reported).
<b>SOCIAL</b>	<b>LOCAL COMMUNITIES</b>	Chapter 6, paragraph 6.4: "Developing Local Communities"
	<b>CUSTOMER RELATIONS</b>	Risks of non-compliance concerning product and service information and labeling have been mitigated through a set of policies applied by the Company (there are no incidents of "non-compliance" concerning product and service information and labeling).
	<b>ETHICS AND COMPLIANCE</b>	Risks of non-compliance concerning the health and safety impacts of products and services have been mitigated through a set of policies applied by the Company (there are no incidents of "non-compliance" concerning the health and safety impacts of products and services).

Adopted Policies	GRI Indicators	Any restriction to the Reporting Boundary
<p>Chapter 7, paragraph 7.1 e 7.3 Environmental Policy</p> <p>Chapter 7, paragraph 7.3 Environmental Management System ISO14001</p>	302-1 Energy consumption within the organization	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	303-1 Water withdrawal by source	
	305-1 Direct GHG emissions (Scope 1)	
	305-2 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
<p>Environmental Policy Environmental Management System ISO14001</p>	306-1 Water discharge by quality and destination	
	307-1 Non-compliance with environmental laws and regulations	
<p>Chapter 6, paragraph 6.4: "Developing Local Communities"</p>	413-2 Operations with significant actual and potential negative impacts on local communities	
<p>Chapter 7, paragraph 7.1 e 7.3</p>	417-2 Incidents of non-compliance concerning product and service information and labeling	
<p>Chapter 7, paragraphs 7.1 e 7.3</p>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

Topics of the Legislative Decree 256/2016	Material Topics	Identified Risks
<b>EMPLOYEE RELATED</b>	<b>INDUSTRIAL RELATIONS</b>	Introduction Chapter 4 "People at the Center".
	<b>EMPLOYMENT</b>	Paragraph 4.1 "Employment"; introduction Chapter 4 "People at the Center";  paragraph 4.2 "People Engagement and Reward", subparagraph "Employees Share Ownership Plan";  paragraph 4.3. "Diversity";  paragraph 3.1 "Governance".
	<b>HEALTH AND SAFETY OF EMPLOYEES AND CONTRACTORS</b>	Introduction Chapter 4 "People at the Center";  paragraph 4.4 "Human Capital Development", subparagraph "Training and Development";  Chapter 7, paragraph 7.1;  Chapter 7, paragraph 7.4.
	<b>DIVERSITY</b>	Chapter 4, paragraph 4.3. "Diversity"
	<b>HUMAN CAPITAL DEVELOPMENT</b>	Introduction Chapter 4 "People at the Center" and paragraph 4.4 Introduction Chapter 4 "People at the center" and paragraphs 4.2 e 4.4
	<b>RESPECT OF HUMAN RIGHTS</b>	<b>HUMAN RIGHTS</b>
<b>FIGHTING CORRUPTION</b>	<b>ANTI-CORRUPTION</b>	Chapter 3, Paragraphs 3.3 e 3.4 205-2: paragraph 4.4 "Human Capital Development", subparagraph "Training and Development"



Adopted Policies	GRI Indicators	Any restriction to the Reporting Boundary
Group Code of Ethics _ Organization, Management and Control Model as per Italian Legislative Decree 231/2001 of Italian companies of Maire Tecnimont Group	402-1 Minimum notice periods regarding operational changes	
Group Code of Ethics _ Organization, Management and Control Model as per Italian Legislative Decree 231/2001 of Italian companies of Maire Tecnimont Group	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental Leave	
	405-1 Diversity of governance bodies and employees	
Group Code of Ethics _ Organization, Management and Control Model as per Italian Legislative Decree 231/2001 of Italian companies of Maire Tecnimont Group - Chapter 7, paragraphs 7.1 e 7.3 Health and Safety Performance Chapter 7, paragraph 7.4 Management System H&S OHSAS 18001	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
	404-1 Average hours of training per year per employee by gender, and by classification	
Management System H&S OHSAS 18001	405-2 Ratio of basic salary and remuneration of women to men	405-2 The analysis focused on personnel of the Italian Group companies - with registered office in Italy - and on the basic salary.
Group Code of Ethics _ Organization, Management and Control Model as per Italian Legislative Decree 231/2001 of Italian companies of Maire Tecnimont Group 4.2: People engagement and Reward 4.4: Human Capital Development	404-1 Average hours of training per year per employee by gender, and by classification	
	404-3 Percentage of employees receiving regular performance and career development reviews	
Chapter 4, paragraph 4.5 Code of Ethics Policy SA8000 Management System SA8000:2014	406-1 Incidents of discrimination and corrective actions taken	
	412-2 Employee training on Human Rights policies or procedures	
Group Code of Ethics _ Organization, Management and Control Model as per Italian Legislative Decree 231/2001 of Italian companies of Maire Tecnimont Group - Chapter 3 paragraphs 3.3 e 3.4 - Chapter 4 paragraph 4.4	205-1 Operations assessed for risks related to corruption	
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE N. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION N° 20267



## ***Independent auditor's report on the consolidated non-financial statement***

*pursuant to article 3, paragraph 10, of Legislative Decree n° 254/2016 and article 5 of Consob Regulation n° 20267*

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, we have performed a limited assurance engagement on the "Sustainability Report - Containing the Group non-financial disclosure" of Maire Tecnimont SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2017 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 15 March 2018 (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 "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by the GRI - Global Reporting Initiative ("GRI Standards"), as laid down in paragraph "Reporting Methods, Principles and Criteria" of the NFS, 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.

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#### **PricewaterhouseCoopers SpA**

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### ***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 companies Tecnimont SpA, Neosia SpA, KT – Kinetics Technology SpA, Stamicarbon BV and construction sites of Alba-Bra (Italy), Lotos K-214 (Poland) and Orpic (Oman), 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 in depth analysis, 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 2017 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.



***Other aspects***

The comparative data presented in the NFS in relation to previous years has not been subjected to any procedures.

Rome, 4 April 2018

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.***

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**EDITED BY**

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Institutional Relations & Communication Department

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