

STAKEHOLDER ENGAGEMENT PROCESS

The identification and involvement of all bearers of legitimate interests are fundamental aspects of the Company's sustainability strategy. Pursuing a constant dialogue and sharing objectives with all stakeholders are the tools through which it is possible to create reciprocal value.

In 2017, Saipem published a new Management System Guideline (MSG) entitled 'Stakeholder Engagement', defining the principles at the basis of the engagement process with Saipem stakeholders, in line with the new organisational structure. This guideline also has the objective of facilitating the implementation of the Sustainability Model which guarantees that sustainable business development goals are met through a series of processes and relations with a view to strengthening value creation.

This general approach was developed to guarantee open and transparent relations with the parties involved, aimed at promoting positive and reciprocally advantageous interactions. This has also enabled Saipem to build successful relations with its stakeholders in many parts of the world over the years, thereby ensuring a lasting presence and effective implementation of its activities in the areas where the Company operates.

STAKEHOLDER ENGAGEMENT



STAKEHOLDER APPROACH

CLIENTS	<ul style="list-style-type: none"> • Constant reporting and meetings on operating projects. • Meetings organised with clients or potential clients also include Sustainability aspects. • Proactive engagement in HSE initiatives, such as environmental awareness campaigns or LiHS (Leadership in Health and Safety) programmes.
EMPLOYEES	<ul style="list-style-type: none"> • Committed to recruiting and retaining talented personnel and promoting their development, motivation and skills. • Guarantee of a safe, healthy working environment and a stable relationship with trade unions to ensure an open dialogue based on cooperation.
VENDORS	<ul style="list-style-type: none"> • Commitment to developing and maintaining long-term relations with vendors. The process of Vendor Management makes it possible to assess their reliability in terms of technical, financial and organisational capabilities. • Proactive engagement in HSE initiatives, such as environmental awareness campaigns or LiHS programmes.
BUSINESS ASSOCIATIONS	<ul style="list-style-type: none"> • Active participation in and support for numerous international and local associations, contributing to sharing best practices within Saipem's business sectors. • Contributions to strengthening Saipem's role in its industries and its relations with other stakeholders (i.e. clients, local stakeholders, etc.).
LOCAL COMMUNITIES	<ul style="list-style-type: none"> • Contribution to progress in local communities in terms of social and economic development and improvement of living conditions. Each operating company or project has a specific approach that takes the Company's role and the specific context into account. • Active involvement of local communities in the implementation of development projects.
LOCAL ORGANISATIONS AND NGOS	<ul style="list-style-type: none"> • Regular publication of information, objectives and performance through Saipem institutional channels. • Identification of organisations of proven experience with which to establish short or medium-term relations in order to facilitate the implementation of specific projects.
LOCAL AUTHORITIES AND GOVERNMENTS	<ul style="list-style-type: none"> • Customised engagement with governments and local authorities. • Institutional and official relations with authorities, as well as cooperation with public bodies to launch initiatives in favour of local development projects.
FINANCIAL STAKEHOLDERS	<ul style="list-style-type: none"> • Continuous dialogue with the financial community (i.e. roadshows). • Ensure full transparency and equal access to the disclosure of confidential information. • Periodic disclosure of information through press releases and presentations, as well as periodic meetings with institutional investors and financial analysts. • Individual shareholders may interface directly with the Company Secretary function.

STAKEHOLDER ENGAGEMENT IN 2017

Identifying stakeholders and understanding their needs and expectations is an essential step in defining an effective engagement strategy in every location where Saipem operates.

	ENGAGEMENT	FEEDBACK	KEY INTERESTS
<p>CLIENTS</p> 	<ul style="list-style-type: none"> • Clients asked for feedback at the end of the project using the 'Customer Satisfaction' tool (11 questionnaires). • 29 clients involved in Saipem's Materiality Assessment. • Clients involved in LiHS programme implementation in projects (i.e. TCO project). • Engagement on sustainability aspects with clients and potential clients. 	<p>Clients provided their feedback through the Customer Satisfaction questionnaires, providing positive feedback on Saipem's performance. In addition, the questionnaire for the materiality assessment was used to indicate the issues managed by Saipem that create more value for them (safety of people and operations, and the management of ethical business practices).</p>	<ul style="list-style-type: none"> • People safety; • Safe operations, asset integrity and process safety; • Human and labour rights; • Anti-corruption and ethical business practices; • Training and development.
<p>EMPLOYEES</p> 	<ul style="list-style-type: none"> • Implementation of the 4th Strategy LineUp, a cascade-type process to communicate strategic priorities and corporate goals to all Company employees. • Employee engagement initiatives such as <i>The Ceo meets our young people</i> (international version), <i>Building our future together</i> (to celebrate Saipem's 60th anniversary). • Engagement survey to investigate employee perception. • More than 200 employees involved with their families in <i>Family Safety Day</i> in Saudi Arabia. • Employees involved in environmental awareness initiatives. • More than 4,700 employees and senior managers involved in Saipem's Materiality Assessment. • Involvement of local employees in several countries in local development programmes. 	<p>The majority of employees show strong attention to sustainability themes and recognise their importance in Saipem's economic performance and future strategy. People safety and development and Innovation were the most important issues.</p>	<ul style="list-style-type: none"> • People safety; • Training and development; • Technology and operational innovation; • Safe operations, asset integrity and process safety; • Anti-corruption and ethical business practices.
<p>VENDORS</p> 	<ul style="list-style-type: none"> • Audits on social responsibility at vendor sites in China, India, Saudi Arabia, Nigeria and United Arab Emirates. • A Supplier Development Plan for local vendors in Saudi Arabia. • Nigerian suppliers involved in the Leading by Ethics Campaign launched by Saipem in Nigeria with the support of the UN Global Compact Local Network. • Training on Human Rights for manpower agencies. • 65 suppliers and business partners involved in Saipem's Materiality Assessment. 	<p>The results of Saipem's Materiality Assessment highlighted the attention of the suppliers to issues of personnel development and protecting their safety, security of assets, business ethics and protection of human rights. Representatives from vendors believe Saipem contributes to creating value mainly by managing emergency preparedness and guaranteeing safety for people and operations.</p>	<ul style="list-style-type: none"> • People safety; • Safe operations, asset integrity and process safety; • Anti-corruption and ethical business practices; • Training and development; • Human and labour rights.

ENGAGEMENT

FEEDBACK

KEY INTERESTS

BUSINESS ASSOCIATIONS



- Active member of 89 business associations, including associations both at the international and local level and trade and industry associations.
- In particular, the parent company participates in 29 associations, including: ANIMP (Associazione Nazionale di Impiantistica Industriale - Italian Association of Industrial Plant engineering), Assomineraria, IADC (International Association of Drilling Contractors), IMCA (International Maritime Contractors Association), IPLOCA (International Pipeline & Offshore Contractors Association), UN Global Compact, and WEC (World Energy Council - Italy).
- Around €1 million in membership fees paid.
- 5 business association representatives involved in Saipem's Materiality Assessment.

Both global and local business associations engaged in Saipem's Materiality Assessment highlighted the attention to environmental protection issues, development and safety of people, importance of business integrity and support for the local community within Saipem's operations.

- Anti-corruption and ethical business practices;
- Community Investments;
- People safety;
- Training and development;
- Climate change prevention;
- GHG emissions;
- Waste generation.

LOCAL COMMUNITIES



- Public and one-to-one meetings held with the community of the village of Kuryk (Kazakhstan).
- Projects for cooperation with local communities implemented in Angola, Azerbaijan, Bolivia, Brazil, Congo, France, Indonesia, Kazakhstan, Nigeria, Peru, Russia. €1.28 mln invested in development projects for local communities.
- Cooperation in many countries with local schools and universities to encourage the development of human capital (i.e. internship, research projects, lectures at universities), the distribution of scholarships and the provision of training courses.
- 11 representatives from universities and other local institutions and associations involved in Saipem's Materiality Assessment.

Representatives from local communities believe Saipem contributes to creating local value mainly by focusing on people development and talent attraction and local development projects. Feedback obtained from the local communities is monitored and in some countries, such as Azerbaijan, Nigeria, Russia, the Company has also implemented grievance monitoring systems for local communities.

- Training and development;
- People safety;
- Health and well-being;
- Human and labour rights;
- Local social licence to operate;
- Community investments;
- Safe operations, asset integrity and process safety;
- Technology and operational innovation;
- Talent attraction and retention.

LOCAL ORGANISATIONS AND NGOS



- Several initiatives for communities developed through partnerships and cooperation with non-governmental organisations (i.e. Eurasia Foundation of Central Asia-EFCA in Kazakhstan for an educational programme; Junior Achievement Azerbaijan - JAA to reinforce the technical skills of university students; Actions de Solidarité Internationale - ASI for a women's empowerment initiative in Congo).
- Involvement of Nigerian NGOs in the Leading by Ethics Campaign launched by Saipem in Nigeria with the support of the UN Global Compact Local Network.
- 3 representatives of non-governmental organisations involved in Saipem's Materiality Assessment.

Non-governmental organisations can express interest in one or more specific topics on which they focus their attention and mission. In general, the issues that appeared most important to these stakeholders concerned environmental protection, respect for human rights and Saipem's support for local employment and procurement. Saipem contributes to creating local value mainly by managing waste generation and supporting local employment and procurement.

- Water management and pollution;
- Biodiversity;
- Waste generation;
- Human and labour rights;
- Local employment and procurement.

ENGAGEMENT

FEEDBACK

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LOCAL AUTHORITIES AND GOVERNMENTS



- Institutional relations and proactive cooperation to implement joint local development programmes.
- Cooperation with health ministries, hospitals or local medical centres for awareness raising projects concerning diseases such as malaria or AIDS, for example in Angola, Congo, and Nigeria.
- 9 representatives of local authorities involved in Saipem's Materiality Assessment.
- No contributions, direct or indirect, in any form, were made in 2017 to political parties, movements, committees or political and trade union organisations, to their representatives and candidates, except those provided by specific legislation.

Observance of local laws and cooperation are priority requirements for local authorities and governments. The opportunity to cooperate proactively on matters that are important for the country is always considered constructive and beneficial to both parties. Representatives believe that Saipem contributes to creating value locally.

- Technology and operational innovation;
- People safety;
- Training and development;
- Emergency preparedness;
- Local employment.

FINANCIAL STAKEHOLDERS



- Organisation of 12 road show days and attendance at 6 international investor conferences.
- Organisation of the field trip 'Innovation and Technology Day' during which Saipem presented a selection of its main technologies and innovative tools ('Value creation through innovation' presentation).
- Active participation to the Italian Sustainability Day 2017 organised by Borsa Italiana and to several one-to-one meetings.
- 3 reverse-road show days hosted at Saipem's headquarter.
- Over 420 individuals, including portfolio managers and buy/sell side analysts, met.
- More than 1,200 people attended the four quarterly financial results conference calls and webcast.
- 13 financial stakeholders involved in Saipem's Materiality Assessment regarding sustainability key topics.

High interest in the Company's management practices, particularly in corporate governance, tax and transparency, internal control system, Anti-Corruption procedures, whistleblowing process and integrated risk management. Other topics considered highly significant concern the management of people safety and focus on innovation. Stakeholders who answered the questionnaire assessing materiality issues said that sustainability is already, or will soon become, a factor affecting investment decisions.

- Corporate Governance;
- Anti-corruption and ethical business practices;
- Technology and operational innovation;
- Tax and transparency;
- People safety.

DOW JONES SUSTAINABILITY INDEX

INCLUDED IN THE DOW JONES SUSTAINABILITY WORLD AND EUROPE INDEXES (DJSI), PLACING AMONG THE TOP COMPANIES OF THE 'ENERGY EQUIPMENT SERVICES' SECTOR.

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

FTSE4GOOD SUSTAINABILITY INDEX

INCLUDED FOR THE EIGHTH YEAR RUNNING.



FTSE4Good

THOMSON REUTERS

INCLUDED IN TWO THOMSON REUTERS CLASSIFICATIONS: 2017 TOP 100 GLOBAL ENERGY LEADER AND 2017 TOP 25 OIL & GAS AND RELATED EQUIPMENT SERVICES HONOUREE.

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TOP 100
GLOBAL ENERGY LEADER