

# ANTI-CORRUPTION AND ETHICAL BUSINESS PRACTICES



## Business ethics is the only acceptable option

Saipem undertakes to maintain and strengthen its corporate governance system in line with international best practice standards that can withstand both the complex situations in which Saipem operates and the challenges it faces in the effort to foster sustainable development. It is the duty of all Saipem people to comply with the law, regulations, statutory provisions, self-regulatory codes and to embody ethical integrity and fairness; the company strives with alacrity and determination to ensure that these principles and values characterise the conduct of the whole organisation.

Further details on Saipem's fight against corruption, the OM&C Model\* and whistleblowing can be found in the 'Consolidated Non-Financial Statements' of the Annual Report 2017.

2017 Highlights	UN GC Principles	Sustainable Development Goals
Training man-hours delivered on the OM&C Model*, Code of Ethics and Anti-Corruption <span style="font-size: 2em; font-weight: bold; color: orange;">6,201</span>		
(*) Organisation, Management and Control Model adopted by Saipem subsidiaries and Model 231 adopted by Saipem SpA.		

### FIGHTING CORRUPTION

As a multinational organisation that conducts business in over 60 countries and jurisdictions around the world, Saipem and its personnel are subject to the laws of these countries, including any laws that ratify international conventions and prohibit the corruption of Public Officials and private parties. Furthermore, since Saipem SpA has its headquarters in Italy, both the Company and its personnel are subject to Italian law and, in particular, to the provisions of Legislative Decree No. 231/2001 and subsequent amendments, which regulates the administrative liability of legal entities deriving from offences, such as internal and international bribery, committed by their directors, employees or associates, in Italy or abroad, in the interest or to the advantage of said legal entities. Model 231 is an instrument aimed at preventing the offences specified by Legislative Decree No. 231/2001, adopted for the first time in 2004. The last update of Model 231 was approved by the Board of Directors on January 15, 2018 following a general review of Model 231 and a risk assessment of all crimes contemplated under Legislative Decree No. 231/2001 launched by the CEO on July 28, 2016. The aim

of the activity was to align Model 231 to the last updates of the legislative framework and best practices and to the relevant organisational changes that occurred, also taking into account that in 2016 Saipem SpA ceased to be under the control and co-ordination of Eni SpA.

As an official member of the UN Global Compact from whose Ten Principles it draws inspiration, Saipem's commitment also falls within its adherence to the 10<sup>th</sup> principle, which concerns the fight against corruption. In accordance with the principle of 'zero tolerance' for corruption expressed in the Code of Ethics, Saipem implemented the **Anti-Corruption Compliance Programme** to face other risks head-on which may be encountered by the Company in its business activities. The programme is a detailed system of rules and controls to prevent corruption-related crimes, characterised by its dynamism and constant attention to evolving national and international legislation and best practices. Saipem's Compliance Programme was introduced in accordance with applicable anti-corruption provisions in force and with international conventions (including the United Nations Convention Against Corruption, the Organisation for Economic Cooperation and

### FOCUS ON CORPORATE GOVERNANCE

The integration of an advanced Corporate Governance system with a structured Risk Management System is a cornerstone for the management of a sustainable business. Integrity and transparency are the principles that inspire Saipem in defining its Corporate Governance system, a founding element of the Company's business model. Saipem's organisational structure is characterised by the presence of a Board of Directors (BoD), a pivotal body in the governance system, to which management of the Company is

exclusively entrusted. The Board of Statutory Auditors has supervisory functions, whereas external auditors are in charge of the legal auditing of accounts. Three committees with advisory and consulting functions have been set up within the BoD: the Audit and Risk Committee, the Compensation and Nomination Committee and the Corporate Governance Committee and Scenarios.

Information on the Internal Control and Risk Management System can be found in the Corporate Governance and Shareholding Structure Report 2017.

## FOCUS ON WHISTLEBLOWING

All Saipem employees and stakeholders must report any violations (or alleged violations) of the OM&C Model. Saipem has a Corporate standard that describes the process of managing reports. The term 'report' refers to any information regarding possible violations, behaviours and practices not in line with the Code of Ethics and/or which may cause damage or injury to Saipem SpA (even if only to its reputation) or any of its subsidiaries. Whistleblowers are guaranteed against any form, direct or indirect, of retaliation, discrimination or penalisation, for reasons connected directly or indirectly to the

report, without prejudice to the legal obligations and the protection of the rights of the Company or of the people accused owing to wilful misconduct or gross negligence. Saipem has prepared various channels of communication in order to facilitate sending reports, including, but not necessarily limited to, regular post, fax numbers, e-mail, yellow box and communication tools on the Intranet/Internet sites of Saipem SpA and its subsidiaries. The Internal Audit function ensures that appropriate controls are carried out for facts that have been reported.

🔍 Further details can be found in the 'Consolidated Non-Financial Statements' of the Annual Report 2017.

Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the US Foreign Corrupt Practices Act and Italian Legislative Decree No. 231 of June 8, 2001). Subsequently, Saipem updated this Compliance Programme by approving the 'Anti-Corruption' Management System Guideline (MSG), with the objective of prohibiting any form of active or passive bribery involving not only Public Officials but also private parties. As part of the continuous improvement of the Anti-Corruption Compliance Programme, the 'Anti-Corruption' MSG, which must be fully applied and complied with, was updated in June 2015 on the basis of experience acquired by Saipem over the years and the need to represent an increasingly clear framework of reference to identify areas at risk of corruption, the tools the Company makes available to Saipem personnel and the rules of conduct with which Saipem personnel must comply in order to prevent and combat this risk. The 'Anti-Corruption' MSG provides a systematic framework to the long-established Anti-Corruption Regulations that Saipem has designed and implemented over time and is reviewed and approved by the Board of Directors of Saipem SpA. Its adoption and enforcement is mandatory for Saipem SpA and all its subsidiaries.

## BUSINESS ETHICS TRAINING PROGRAMMES

Saipem personnel are regularly informed of and trained in the Company's Compliance and Governance systems, as well as in the importance of compliance with legislation and related procedures, so that they clearly understand the different duties, crimes, risks, the relevant personal and corporate responsibilities, and how to recognise which actions to implement in order to avoid committing any violations.

Given the criticality of these issues, a training matrix on Compliance and Governance topics has been defined. In particular, the matrix takes legal requirements and Company standards into consideration, as well as the jobs and responsibilities of the resources to whom the training is addressed.

With the goal of consolidating everyone's knowledge and awareness of Compliance and Governance and providing greater clarity and consistency with regard to the numerous training initiatives launched in recent years, the matrix is a comprehensive tool for planning, executing and monitoring Compliance and Governance training. Participation in mandatory training programmes is a

contractual obligation for Saipem personnel. The training matrix on Compliance and Governance topics is not a static tool. Rather, even after it was issued, its updating and development will continue with the design phase (where necessary) and the delivery of training initiatives to offer a vast, uniform and systematic training catalogue (including both classroom and e-learning courses). Within the framework of the matrix, Anti-Corruption themes play a central role by offering:

- courses on the 'Legal, contractual and insurance aspects of projects' for employees with a more advanced level of seniority and expertise, especially for personnel working in the Procurement and Project Management areas. These courses provide the tools needed to assess the impact of national and international regulations on contractual provisions and the precautions required to mitigate any associated risks;
- specific training sessions for at-risk personnel (employees who have contacts with public officials or who may enter into contracts with third parties on Saipem's behalf) working in the countries where Saipem operates;
- a specific e-learning module on the 'Internal Control System over Corporate Reporting' delivered to Saipem personnel in Italy and abroad.

In the framework of the OM&C Model, Code of Ethics and Anti-Corruption training, Saipem organised numerous training sessions in 2017.



## DISSEMINATING A CULTURE OF BUSINESS INTEGRITY IN NIGERIA

Saipem has been working to disseminate a culture of business ethics and integrity in Nigeria by launching the **Leading by ethics campaign**. This initiative was initially addressed to 200 Saipem employees and then extended, together with the UN Global Compact, to involve 50 local Saipem vendors and local NGOs. As part of this campaign, attendees participated in the Leading by ethics training session and watched the Leading by ethics movie.

🔍 To watch the Leading by Ethics Movie click here.