





## Methodology and Reporting Criteria

### Reporting principles

'Saipem Sustainability' was established in order to provide complete, detailed information about the matters of greatest interest to the Company's stakeholders. The following principles have been used to identify the contents of the document: materiality, stakeholder inclusiveness, sustainability context and completeness, as set out in Global Reporting Initiative (GRI) guideline version 3.1. To guarantee the quality of the information contained in the report, the principles of balance, comparability, accuracy, timeliness, clarity and reliability were followed, again as per GRI guidelines.

The report is published annually and is approved by the Board of Directors. It is distributed at the Shareholders' Meeting convened to approve the Annual Report.

### Materiality analysis

In order to define the sustainability themes considered most significant, both within the Company and in relation to stakeholders, a materiality analysis was once again carried out in 2014, hence for the fourth year running. The first step entailed identifying the significant aspects which are considered in the analysis in order to pinpoint those that are material. The identification is based on the sustainability context and on the analysis of the stakeholders involved. In order to simplify analysis and comparison of results, the 34 topics identified were broken down into 5 macro categories.

Final long list of issues	Topic
Environmental sustainability	Climate change mitigation, GHG emissions, Non-GHG emissions, Energy efficiency, Water management, Water pollution, Biodiversity and impact on ecosystems, Waste generation, Spill prevention and response, Renewables.
Business management	Anti-Corruption and ethical business practises, Public policy engagement, Transparency, Corporate governance, Safe operations, Asset integrity and process safety, Ethical supply chain, Innovation and business flexibility, Technology innovation.
Employees	Global diversity and inclusion, Gender diversity, Professional/Talent development opportunities, Health, Safety, Talent attraction and retention, Training and development.
Human rights	Child labour, Forced and compulsory labour, Labour rights, Security practices.
Local communities	Local Social Licence to operate, Local Procurement, Local employment, Community Initiatives, Charity, Donations and volunteering, Emergency preparedness.

The level of internal significance was set by a panel of Saipem managers, a balanced representation of both Corporate and local functions, areas of competence and geographical presence. They identified the issues which are most important – in terms of risk and opportunities – for the long-term success of the Company.

The level of external interest was defined by interviewing and surveying a balanced mix of external stakeholders, in terms of types of organisation (9 Clients, 3 NGOs, 4 local communities representatives, 3 Business Partner, 4 Business Association, 3 Investors and 5 Government & Regulator representatives) and geographical focus (9 international, 3 European, 4 from CIS area, 4 African, 6 American, 2 Asia-Pacific area and 3 Middle East).

The materiality of topics is determined by the nexus of internal and external significance.

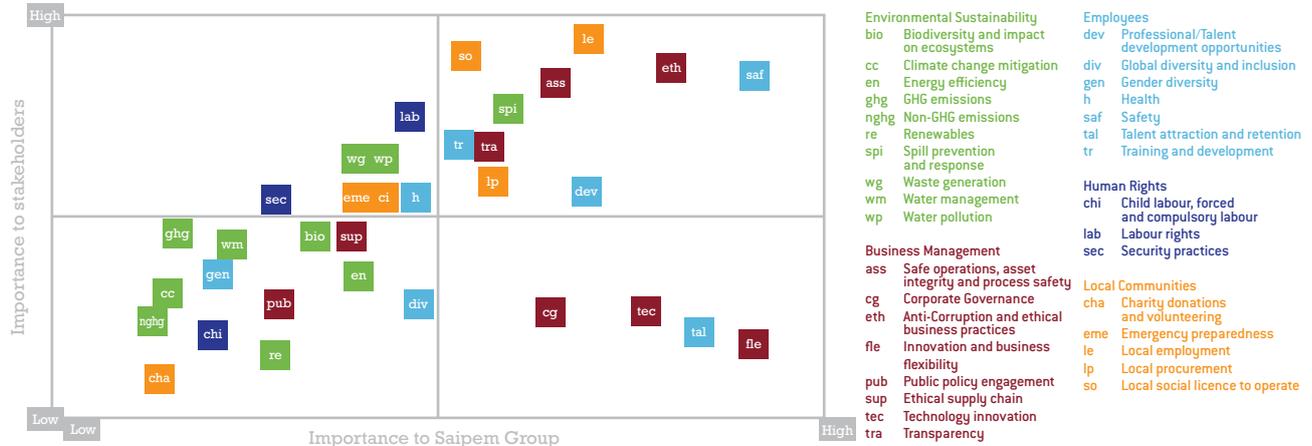
The results of this analysis were submitted to a panel of external stakeholders in order to obtain preliminary feedback before the Sustainability Report was drafted. The materiality analysis results were verified by the Sustainability Committee in February 2015.

### Materiality analysis results and report content

The most significant themes form the basis of the present document and provide qualitative and quantitative information on the Company's sustainability performance. They are: (a) safety; (b) local employment; (c) local procurement; (d) local social licence to operate; (e) Anti-Corruption and ethical business practices; (f) safe operations, asset integrity and process safety; (g) spill prevention and response; (h) training and development; (i) professional/talent development opportunities; and (j) transparency.

Selection of the activities and programmes to be reported in detail in relation to themes identified as 'material' was carried out with due regard for the sustainability context in which Saipem operates. Greater weight was assigned to those issues and geographical areas in which the Company has a more significant impact. Where possible, the project performance indicators reported were contextualised with reference to detailed information on local conditions.

## MATERIALITY MATRIX



## The reporting boundary

In order to facilitate reader comprehension of performance trends over time, Saipem Sustainability contains information on, and a description of, the sustainability initiatives and the performance indicators of Saipem SpA and all of its subsidiaries, including any companies involved in joint ventures with it, for the period 2012-2014. Furthermore, for some material issues, Saipem discloses additional data and qualitative information beyond the organisation's boundaries, as shown in the column 'External boundary' of the graph below. This is a reporting overview and should not be understood as an impact analysis.

Material issue	External boundary
Safety	Subcontractor and agency personnel
Safe operations, asset integrity and process safety	
Spill prevention and response	Subcontractors
Local employment	Vendor and agency personnel
Local procurement	Vendors
Local social licence to operate	
Anti-Corruption and ethical business practices	Vendors and subcontractors
Transparency	
Training and development	Vendors and subcontractors
Professional/talent development opportunities	

As regards financial data, in accordance with the criteria adopted for the drafting of the Annual Report, the reporting scope also includes, on a line-by-line proportional basis, the data of subsidiaries and companies managed under joint operating agreements.

For HSE data, non-operating entities and subsidiaries that do not produce significant effects are not included in the reporting scope. In some cases, HSE indicators considered to be of particular importance for the business of the Company, for subcontractors and/or for vendors working on Company projects, are encompassed.

For different kinds of data, the operational criterion is adopted, which is to say that the Saipem Group reports 100% of operations in which Saipem SpA or one of its subsidiaries exercises operational control.

Exceptions to the above criteria are expressly indicated in the text, as are any changes made to the indicator calculation methodologies, without this in any way affecting the general commitment to maintain consistency in information and data reported.

## Assurance Statement

To assure the reliability of the information provided and to improve the reporting process, 'Saipem Sustainability 2014' is subject to limited assurance by the same external independent auditor used for the Consolidated Financial Statements and for 'Sustainability Performance 2014' (the Addendum included in the Saipem Group's Annual Report).