

MAIRE TECNIMONT GROUP

Communication On Progress

Year 2012



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

STATEMENT OF CONTINUED SUPPORT

Maire Tecnimont strategic approach takes in consideration the sustainability in the long term, in each of its aspects. This implies that human rights, labour, environment and anticorruption are essential issues to ensure a durable and sound growth of our Group and a fair relationship with our stakeholders. Starting from this consideration we decided that the commitment taken by Tecnimont in 2011 in supporting the ten principles of Global Compact had to be extended at Group level.

Our purpose remains to promote and to make real in our everyday work those principles, but leveraging structured and synergic dynamics between our sister companies to persevere in the promotion and implementation of a management approach coherent with the Global Compact principles. This is carried out at any level and in each of our locations, both permanent as offices or engineering centres, and temporary as construction sites.

Maire Tecnimont Group confirms its commitment to public accountability and transparency, and therefore it renews its responsibility to report on progress on a periodical basis.

Attached to this Statement the Communication on Progress (COP) is included, that describes our Group commitment in implementing the ten Global Compact principles.

Pierroberto Folgiero

Chief Executive Officer



MAIRE TECNIMONT GROUP IN BRIEF

Maire Tecnimont Group has decided to extend the commitment undertaken in 2011 by its subsidiary company Tecnimont towards Global Compact Principles. Since 2013 the assignment of Global Compact profile has been taken at Group level in order to ensure a greater dissemination of the ten principles also in the other sister companies of the Group.

Operating worldwide in 30 country with 45 operative companies, Maire Tecnimont puts the social accountability system at the base of the everyday activity of its about 4,200 employees. This is possible thanks to the progressive certification process that is on-going in the Group. In 2012 saw two of its main subsidiary companies, Tecnimont and KT- Kinetics Technology have been certified by SA 8000: 2008 standard.

Sensibilization and dissemination on social accountability, environment and safety at work is a continuous activity that can leverage the Group internal communication tools (intranet, newsletter, magazine). Moreover important pillars on which our activity with external stakeholders is based are our Code of Ethics and the SA 8000 standard requirements. During last year important objectives have been reached in safety in our worksite and in transparency at governance level. Nonetheless we keep working on the ten Global Compact principles.

SUSTAINABILITY POLICY

In 2013 along with the new strategic guidelines issue, our management remarked the importance of the integration between business strategic objectives and sustainability drivers. Specific attention will be paid to accountability, transparency and local content. We are also working to maintain sound and trustful relations with our stakeholders, in particular by maintaining high level working conditions and by improving our performance in reducing the footprint of our activity and our projects on the environment. Cultural changes are on-going to make the environmental footprint reduction procedures more familiar to our employees. Moreover the enhancement of the internal awareness on specific issues, such as corruption and administrative responsibility, and the creation of a wide spread safety culture have been the objective of the training activities throughout 2012 and the first part of 2013. The same activities will continue in 2014.



Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Maire Tecnimont Group, in accordance and compliance with United Nations' Universal Declaration of Human Rights, recognizes and promotes among its employees and business partners the respect for the individual, for his dignity and his values as a fundamental principle of its own identity and of its own conduct. So every form of intolerance, violence, harassment and discrimination (be it based on sex, race, nationality, age, political opinions, religion, sexual orientation, health condition, socio-economic conditions) is disowned.

Principle 2:

*make sure that they are not complicit in human rights abuses
Assessment,
Policy and Goals.*

Our Code of Ethics executes this basic principle. It is the main tool to which a greater visibility and knowledge is given in order to make our position towards human rights clear to each of our stakeholders, both internal and external. A copy of our Code of Ethics is provided to the newly hired resources as well as to our suppliers and is always available to the public on our Corporate website.

As a further commitment in human rights' recognition and protection in Maire Tecnimont Group a SA8000: 2008 standard certification activity is on-going. As of today the two main subsidiary companies of the Group obtained the certification. It resulted in more stringent clauses in the supply chain contracts, requiring the acceptance of specific obligations to be compliant with the SA8000: 2008 standard.

Moreover, at an internal level, ad hoc training and dissemination activities have been carried out and will be developed through the internal communication tools to enhance the awareness of the employees on the specific issues of the standard. Specific channels to enable the sending of reports and/or suggestions have been implemented. Alongside the dedicated mail boxes of the Senior Management and worker representatives, the Group is developing more structured ways to access those channels to ensure the anonymity of the senders of reports. In the Corporate website a special section has been created to enable both internal and external stakeholder to report non-compliance activities.

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Maire Tecnimont Group is committed to giving the same job opportunities to all the employees, collaborators as well as those applying to join its ranks and ensuring a system of personnel selection, management and development based solely on the criteria of merit and free from favoritisms, facilitations and discriminations of any kind.

Principle 4:

the elimination of all forms of forced and compulsory labour

The health of our employees and the safety of their workplace are crucial issues to ensure the performances of our business. In order to keep high level of health and safety, so safeguarding the Group's most important asset, an HSE Management System is in place at each permanent workplace and each construction site. Aiming at enhance the awareness of its employees on the HSE issues and a deeper knowledge on the HSE Management System, throughout 2012 and first part of 2013 compulsory training activity on HSE have been planned and implemented. In order to meet the employees' time availability and make the activity more accessible an ad hoc on-line platform has been developed, dedicated to e-learning activity and testing. The training activities will continue in the second part of 2013 and in 2014. Along with the structured training activity, the exposure of the HSE and SA:8000 standards in each meeting room was aimed to increase the knowledge of rights and duties of the employees regarding health, safety and more in general labour conditions. As a tangible result of our approach in HSE and working conditions in the first half of 2013 the Group reached a record milestone in our business sector in terms of working hours at a construction site without incidents. Our construction site in Habshan, UAE, one of the largest gas treatment facility in Middle East, reached the impressive target of 100,000,000 man-hours without LTI. Our other construction sites obtained record targets too, and extensive visibility has given to these relevant results through our internal communication tools.

Principle 5:

the effective abolition of child labour

Principle 6:

*the elimination of discrimination in respect of employment and occupation
Assessment, Policy and Goals*

To stimulate a fruitful dialogue between the Group and its employees an internal climate analysis has been promoted in mid-2013. A specific tool to gather the answers of employees was created aimed at protecting the anonymity of the opinions expressed, so ensuring the most serene conditions to communicate the point of view of each employee. The results of the survey will be available soon.

Principle 7:

Businesses should support a precautionary approach to environmental challenges

At Group level the HSE policy and Management System is the main reference in approaching the environmental issues. It enables the implementation, control and monitoring of the applicable or required preventive and corrective actions, ensuring a cultural sensitivity to the customs and traditions of local participants in the ongoing improvement process. Periodical updates to incorporate the experiences learned through project development and internal verification are implemented at Group Level. Specific initiatives are defined at construction site and offices.

Principle 8:

Undertake initiatives to promote greater environmental responsibility

In addition to the already on-going recycling activity of the offices wastes, in the last months in order to raise the awareness of the environmental impact of everyday office activity, tailored communications has been sent on monthly basis to each employee to recap paper consumption and CO2 emission related to the printing activity. In the same communications some hints and suggestions are provided on how to reduce the environmental footprint of each one. In this way the Group aims at making the employees more responsible for the positive effect of small measures on the resizing of the entire Group's impact in the environment. Moreover the Group promotes the use of public transportation among its employees facilitating the purchasing of season tickets and giving the opportunity to access reduced fares for the local transportation. In such way we aim to reduce indirect effects on the pollution increase by sustaining a less impacting mobility model.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies Assessment, Policy and Goals

Our commitment in environment protection is also aimed at promoting more sustainable technology solutions. In particular as a player in the EPC contracting and Technology&Licensing our Group can provide its clients with technologies capable to recover the sulphur produced and reduce the CO2 emitted during the industrial production activity of Oil & Gas plants. This has been possible also thanks to the long lasting relationship with research institutes and Universities. In 2013 research agreements have been signed for the developing of environmentally sustainable technologies in the gas treatment and acid gas removal and in fertilizers sectors, being these part of the core business of the Group.

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery

The Maire Tecnimont Group assigns primary importance to the fight against bribery and corruption and to the respect of ethical principles in the conduct of its business, and has consistently developed and updated the appropriate corporate governance tools (the Code of Ethics and Organizational Model).

The Code of Ethics, issued by the parent company, has been adopted in its entirety by all the Group's subsidiaries, both in Italy and abroad. On the other hand the Organizational Model is specific to each company and sets out the corporate activities that are potentially susceptible to the crimes defined by Italian law (Legislative Decree 231 of 2001), in addition to regulating those activities to ensure compliance with the law.

The Group's ethical culture is defined also by its corporate standards and procedures, the delineation of different roles and responsibilities, the separation of tasks, and targeted audits. These tools underpin the operational application of the principles expressed in the Code of Ethics and the Organizational Model.

The Group's Internal Audit and Supervisory Boards of each company are the reference points for, respectively, the interpretation of the Code of Ethics and the clarification of any doubts on the application of the relevant law (Legislative Decree 231 of 2001).

In last year and half a relevant update activity on the Organizational Model has been implemented along with training activity on the Legislative Decree 231 which extends to legal persons the responsibility for crimes committed in Italy and abroad by individuals who work for the company.



