



2013 COMMUNICATION ON PROGRESS

# MAIRE TECNIMONT GROUP

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## STATEMENT OF CONTINUED SUPPORT

Our Group keeps dedicating its efforts to protect human rights, respect labour and the environment, and fight against corruption. This is our duty as a responsible corporate citizen and that is the key to sustain business solidity in the long term and to protect value for our stakeholders.

We have demonstrated a specific commitment on that, by signing the United Nations Global Compact in 2011 and since then Maire Tecnimont Group pledged its support to the ten principles behind it. It is a clear engagement to public accountability and transparency that we renew every year through the Communication on Progress document, which summaries our actions in fulfilling the UN principles in our everyday work at any level and in each of our locations, both permanent as offices or engineering centres, and temporary as construction sites.

Also this year Maire Tecnimont Group confirms and renews its responsibility to report on progress on a periodical basis.

Attached to this Statement the 2013 Communication on Progress (COP) is included.

Pierroberto Folgiero  
*Chief Executive Officer*

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## MAIRE TECNIMONT GROUP IN BRIEF

Maire Tecnimont is an industrial engineering group of more than 4,200 employees operating worldwide in 30 countries with 45 operative companies, listed in the Milan Stock Exchange since 2007. This complexity along with the multinational and multicultural nature of the Group evolved in a special sensitivity and particular attention to issues related to human rights respect, environment protection and transparency enhancement.

As done in the previous reporting periods our Group put the social accountability system and the HSE Management System at the base of the everyday business activity while at corporate governance level developed and updated appropriate tools (the Code of Ethics and the Organisation, Management and Control Model) to ensure the respect of ethical principles in the conduct of its business.

Moreover, aiming at deepen the awareness and enhance the dissemination of the UN Global Compact ten principles, the Group in the first months of 2014 decided to participate in the Global Compact Network Italy so taking part to the working groups dedicated to share best practices among the participants and to develop practical solutions and tools to approach the ten UNGC principles in the everyday activity.

## SUSTAINABILITY POLICY

The road towards Business Sustainability comprises many steps. Sustainability underlies the Group's strategic guidelines, and three main sustainability drivers permeate our day-to-day operations: Transparency in Governance which means fair and constant communication with the public and guarantees a proper governance and management system to safeguard value for all our stakeholders; Enhancing Project Performance and Accountability which means first of all providing a risk management system to reduce volatility and ensure for stakeholders the safety and reliability of our activities at all levels; and Dynamize Local Content which has become our main way of operating in both established and developing markets, ensuring not only our durable and profitable presence worldwide but also business and personal development opportunities at a local level in the markets in which we operate.

Only greater interaction between Strategic Priorities and Sustainability Drivers gives the right impetus to move towards balanced sustainability, both from a business and a social standpoint. In this sense every driver of sustainability sustains the business priorities. Three of the drivers are closely aligned with the strategic business priorities, while Acting Responsibly, which for us means working to develop people skills, contributing to responsible citizenship, and minimizing our environmental footprint, is the framework on which the entire system rests.

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**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 any 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 started in 2012. 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 have been 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 developed 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:

<http://www.mairetecnimont.com/en/sustainability/standard-sa-8000/notification-compliant-form> to enable both internal and external stakeholders to report notifications about possible deviations from the company's policies and/or the requirements of SA8000 standard.

**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 favouritisms, facilitations and discriminations of any kind.

**Principle 4:**  
*the elimination of all forms of forced and compulsory labour*

In addition Maire Tecnimont Group is committed in promoting the freedom of association to all its employees and in ensuring their right of bargaining supported by worker's association, in order to assure the abolition of all the form of forced and compulsory labour.

**Principle 5:**  
*the effective abolition of child labour*

Moreover in order 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

**Principle 6:**  
*the elimination of discrimination in respect of employment and occupation*  
*Assessment, Policy and Goals*

serene conditions to communicate the point of view of each employee. The results of the survey have been shared and discussed with all the employees through internal communication channels and meetings.

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 2013 dedicated training activity on Health and Safety have been planned and implemented. In order to meet the employees' time availability and make the activity more accessible to on-site workers, an ad hoc on-line platform has been developed, customized for e-learning and examination activities. The training activities continued in the first half of 2014. 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 Lost Time Injuries. Other construction sites obtained record targets too, and extensive visibility has given to these relevant results through our internal communication tools.

In addition preventive health campaign for workers and staff at construction sites have been carried out, dedicated in particular to employees involved in working at height and in equipment operations and welding activities.

**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 waste recycling performed at the offices location, in order to further raise the awareness through the personnel about the importance of the environmental impact produced by everyday office activity, tailored communications are sent on a monthly basis to inform each employee about paper consumption and CO<sub>2</sub> 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 lower-energy and lower-emission processes as well as with technologies capable to recover the sulphur produced and reduce the CO<sub>2</sub> emitted during the industrial production activity of Oil & Gas plants and. 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*

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 the Organisation, Management and Control Model ("Model") required by the Italian Legislative Decree 231/2001 which extends to legal persons the responsibility for crimes committed in Italy and abroad by individuals who work for the company).

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 Model sets out the corporate activities, of each Italian company which have adopted it, that are potentially susceptible to the crimes defined by

the Italian Legislative Decree 231/2001, in addition it regulates those activities to ensure compliance with the law. Moreover the Model sets forth specific disciplinary rules to be applied in case of breach of its provisions in order to create a strong deterrent in breaking them.

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 daily application of the principles expressed in the Code of Ethics and the Model.

Group's Internal Audit and Supervisory Body of each Italian company are the reference points for, respectively, the interpretation of the Code of Ethics and the Model.

In last year a relevant update activity on the Model, of each Italian company which have adopted it, has been implemented to ensure adequacy and suitability of such document to prevent the commission of crimes specified in the Legislative Decree 231/2001.

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

We welcome feedback on its contents.



